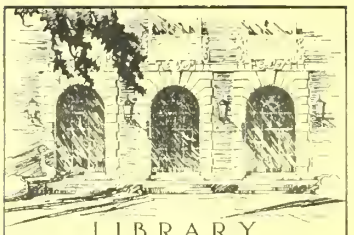

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

WE are continually struck with the great disadvantage to the average American business man of his very superficial knowledge or, quite as often, fundamental ignorance of the more important principles of our constitutional law, as those principles have been and are continually applied by the Supreme Court of the United States, whether in the determination of controversies or in the interpretation of statutes. Particularly in these recent years, when the attention of Government has been more directed to industrial and commercial (i. e. business) questions than to questions of a purely political character, it is a source of perpetual anxiety and of enormous pecuniary loss to the business community as a whole that so few of its members have any landmarks by means of which they can forecast with reasonable probability what the decision of the Supreme Court will be upon any controverted matter that may be presented to it. Sometimes one is led to conclude that the man in the street thinks of every case as a case by itself, forms his own opinion about it in the light of his own interests, and is elated or depressed by the decision in proportion as it accords with his opinion thus arrived at. The conception of the Supreme Court as guided by principles, by experience gathered and matured through long generations, by conclusions never suddenly arrived at, but always having their genesis in a long succession of minds occupied with the problems of political and individual justice,—this conception seems to be alien from the thinking of the vast majority, even of able business men. Hence the running hither and thither as each important decision of the Supreme Court is awaited; hence the wagging of heads after it has been announced; hence the hurried buying and selling of securities and commodities; hence the inclination of the business class to assume that every decision in which the Supreme Court has found the fundamental principle to operate along the line of the interest of that class, is a victory for the rights of property, while every decision in which the principle is found to operate along some other line of interest is a blow at the structure of society and a yielding to the destructive purposes of the radicals and the enemies of secure business. One decision is not compared with another, for the purpose of ascertaining whether the divergent effects may not after all be reducible to the same principle, and therefore result from the necessity of even-handed justice; but a feeling is entertained that the propriety of each decision is really dependent upon its being favorable or immediately inimical to the interests of the class in whose hands is the general conduct and direction of the financial and economic affairs of the country.

A decidedly impressive illustration of what we have just been saying has been had within the past month in the reception given by the business community, and by that portion of the public press which reflects its opinions, to the two important decisions of the Supreme Court in railroad cases of far-reaching significance, the so-called Shreveport Rate Cases and the Intermountain Rate Cases. When the decision in the former of these cases was handed down on June 8, there was general jubilation in financial and business circles. The stock market promptly responded with an advance, and predictions were even heard of a speedy return of confidence and prosperous times. A quarrel, not openly admitted but none the less covertly carried on, between the arbitrary Railroad Commission of Texas and the Interstate Commerce Commission had seemed to hold the railroads running into and through Texas in an impossible situation. The Texas Railroad Commission was determined that such intrastate rates should be made by the roads running eastward and northeastward from the Texas distributing centres, Dallas and Houston, that it should be impossible for Shreveport, across the line in Louisiana, to have any appreciable share of the business of distributing commodities in Eastern Texas, even at points geographically much nearer to Shreveport than to the Texas cities. The Interstate Commerce Commission, acting upon complaints from Louisiana, was equally determined that Shreveport should not be cut off from doing business in territory geographically adjacent to that city. The Interstate Commerce Commission ordered the railroads running westward into Texas from Shreveport so to adjust their westbound rates that there should be no discrimination against Shreveport, as compared with Dallas and Houston. The railroads answered *non possumus*, on the ground that they were powerless to control their rates eastbound within the State of Texas, owing to the authority exercised by the Texas Railroad Commission; while their rates westbound from Shreveport had been held to be reasonable by the Interstate Commerce Commission itself. This was the Gordian knot, and the Supreme Court cut it by declaring the power of the Federal Government to be plenary as regards the control of inter-

state commerce, even to the extent of overriding the authority of a State Railroad Commission in the matter of rates purely intrastate, provided the intrastate rates imposed by the State Commission, through their collateral effects, interfered with the free course of interstate commerce. And, as has been said above, the business community as a whole, including of course the owners and managers of our railroads, hailed the decision as a permanent protection to property in railroads from the arrogant and selfish interference of a multiplicity of authorities in the various States.

When, however, the decision in the Intermountain Rate Cases was handed down on June 22, the business community was plunged in gloom, and its elation over the previous decision was speedily forgotten. For here again the Supreme Court upheld the plenary power of the Federal Government over interstate commerce, but this time in the form of a confirmation of the authority of the Interstate Commerce Commission to deal with the situation, as regards westbound rates to Rocky Mountain and Intermountain points, as it had done in its order issued in July, 1911, wherein, carrying out the provisions of Section 4 of the Act to Regulate Commerce, as enacted in June, 1910, known as the Short-Haul Clause, it had refused to allow the transcontinental railroads to continue unchanged their practice of charging rates to Intermountain points far higher than the rates charged to the Pacific Coast, and in fact equal to the rates through to the Pacific Coast plus the back-haul rates to the Intermountain points. In place of this system, due in theory to the effect of water competition upon the rates obtainable to the Coast, the Commission outlined one of its own, adopting the principle of a division of the country into zones and indicating the extent to which rates between these zones might depart from the statutory provision that the rate for a short haul must not be greater than that for a longer haul including the short haul, unless upon cause shown to the Commission. A great out-cry was raised when this order of the Commission was issued; it was generally declared to be revolutionary and destructive of the property rights of the railroads; and dire results for the entire commerce of the country were predicted. Thus the New York "Times" said of it editorially: "The fact which gives these cases [the Spokane and Reno cases, which gave rise to the order] continental importance is that they alter the costs of production and distribution. Every manufacturer must reconsider the places where he buys his materials. Every merchant must reconsider the markets to which he can get access with these rates as part of his costs. It may be doubted that any one can entirely see how and where these rates may affect trade." We ourselves, on the other hand, took a view of the matter very different from that popular in the business community [THE MARKET WORLD AND CHRONICLE, August 5, 1911, p. 163]. We held that the Interstate Commerce Commission was in general but doing what it was called upon to do under the provisions of Section 4 of the Act to Regulate Commerce, of 1910; that it was dealing with a rate situation that was theoretically and practically indefensible and that must from its very nature be impermanent; and that the readjustment of an inequitable state of things must in the long run work for the good, and not for the harm, of the country.

This latter matter, of course, the Supreme Court did not discuss, when the cases reached it; the wisdom of the legislature and of the instruments of its delegated power, the Interstate Commerce Commission, did not concern it. The power itself was what it had to pass upon, and it took exactly the same view of the power, and of the extent of it, that it took in the Shreveport Cases. The power of the Federal Government to regulate interstate commerce it is held to be plenary. This is a condition that must be faced by all who furnish the instrumentalities of interstate commerce, in so far as these are affected with a public use or interest.

It is instructive in this connection to turn back to a decision of the Supreme Court, made twenty years ago, which few will think of as having anything to do with these railroad rate decisions, but which in fact contained the first unqualified assertion of the plenary power of the Federal Government to deal with any and every incident of interstate commerce. It is a case, too, which in its time aroused the greatest enthusiasm among business men, inasmuch as it assured them a refuge from one of the greatest perils to the uninterrupted conduct of interstate commerce, the violence of dissatisfied and violent striking workmen. The case bears the title In re Debs (158 U. S. 564), but is better known as the Pullman Strike Case. The circumstances that gave rise to the case are too well remembered to require rehearsal here; but what is not so well remembered is that the principles enounced in the decision appeared to many at the time to be absolutely novel,—indeed revolutionary,—and that they were vehemently resisted by minds of great ability, among them Governor Altgeld of Illinois. Yet now these principles have become so a part of the accepted law that the Supreme Court has not even found it necessary to refer to the case in the present decisions. None the less it is worth while to quote two paragraphs from the decision in the case In re Debs, as illustrating a principle of our government which is not unilateral in its operation, but applies now here, now there, as occasion arises. The paragraphs are as follows:

"But there is no such impotency in the National Government. The entire strength of the Nation may be used to enforce in any part of the land the full and free exercise of all national powers and the security of all rights entrusted by the Constitution to its care. The strong arm of the National Government may be put forth to brush away all obstructions to the freedom of interstate commerce or the transportation of the mails. If the emergency arises, the army of the Nation, and all its militia, are at the service of the Nation to compel obedience to its laws."

"Constitutional provisions do not change, but their operation extends to new matters as the modes of business and the habits of life of the people vary with each succeeding generation. The law of the common carrier is the same to-day as when transportation on land was by coach and wagon, and on water by canal boat and sailing vessel, yet in its actual operation it touches and regulates transportation by modes then unknown, the railroad train and the steamship. Just so is it with the grant to the National Government of power over interstate commerce. The Constitution has not changed. The power is the same. But it operates to-day upon modes of interstate commerce unknown to the fathers, and it will operate with equal force upon any new modes of such commerce which the future may develop."

It is, then, the operation of the same power that protects the business community from the paralysis of its activities by reason of a strike such as Debs and his fellow con-

spirators had conceived; that checks the selfish interference with the free flow of interstate commerce by State railroad commissions; and that compels the transcontinental railroads to readjust their rates so that communities throughout a vast region may not be discriminated against and checked in their development. No business man would wish to lose the first two of these exercises of the power of the National Government; but he cannot hope to have them without the third. Is this a situation to which he cannot adapt himself? And has he reason for depression of mind because he must give as well as take?

Arthur Richmond Marsh

THE LAW OF SUPPLY AND DEMAND AND THE HIGH COST OF LIVING

To the Editor of the Market World and Chronicle:

FRIEND Editor:—A few mornings ago, "the lady of my household" graciously rode downtown with me to my office. We drove down the Eastern part of Manhattan, and what we males call "feminine curiosity" (as if there were any other kind) was aroused by those strange scenes. So going home, my lady, whom I have never known to be particularly interested in political, or any other kind of economy, stopped at some of the little shops, investigated the push-carts and made purchases, all of which I can aver, on knowledge, were of the first quality. The statistical table of prices, proper for your paper, follows:

	Uptown "Market."	Downtown Markets.
Strawberries, per box	32c	Offered at 12½c; bid wanted
Beets, per bunch	08c	03½c
Lettuce, per head	12c	03c
Turnips, per bunch	05c	02c
Carrots, per bunch	05c	03c
Tomatoes, per lb	20c	12c

You will observe that I doubt the propriety of calling the place where our uptown vendor is located, a "market," for I hold, regardless of dictionaries, that a market is a place where prices change. "Prix fixe" and "market" are in different worlds.

But downtown, there appears to be (I learn) a desire to trade, to meet the enemy,—the buyer,—half way or even further along than that, if only she will prove a buyer nad not a "shopper."

Now where, in all these facts, does our old friend, the law of supply and demand, appear? I was brought up with him, and still believe him true, but at times, I must confess, I cannot but feel that either he or I have discovered,—no, rediscovered, (for the Colonel is ahead of us both),—the River of Doubt.

I have been told by old men, responsible and even eminent citizens of this Borough, that in the days before trolley cars, it was their custom in person to buy the household supplies daily. Of course, one walked then, and many things could then be done on foot that cannot now be done in automobiles. What relation have these facts to our new acquaintance, the high cost of living? Has this newspaper headline come in at the door because common sense has flown out of the window?

"I wonder and doubt—
Is civilization a failure?
Or is the Caucasian played out?"

Answer my questions or not, as you please; but do not, for old sake's sake, prate to me of "rents," and "overhead charges." This is not intended as a serious or sensible discussion, although as I end my screed, I wonder whether many other discussions of prices and their reasons are not less sensible, even if more serious.

Yours in the Progressive Faith,

A NEW YORKER.

New York, June 30, 1914.

[In these days of the undisputed sway of the psychological, we can scarcely wonder that our esteemed correspondent is bewildered at finding that the Law of Supply and Demand is to all appearance lost, strayed or stolen in this City of New York. If we remember correctly, the phenomena he describes with perfect statistical illustration have been severely commented upon by sundry persons, more or less in the public eye, who have become alarmed over the decadence of this Nation and have desired to set our crookedness straight. It is certainly a plain sign of decay that a bunch of turnips or of carrots should cost 5 cents in any mart or market. Only legislation can remedy such an evil, and we have no doubt that effective statutes are already being evolved and revolved in the minds of many of our political leaders. At the same time, we confess to having been tempted to indulge in a little economic discussion of the matter and to have been restrained only by our correspondent's evident dislike of "rent" and "overhead charges." We shall, however, venture to ask him one question with an economic squint. We assume that he sees nothing abnormal or disturbing in paying a rent for his habitation, in the select quarter of the town in which he dwells, much in excess of the rent he would have to pay for the same accommodations on the East Side. Why should not a bunch of turnips or carrots or a quart of strawberries, situated in the same neighborhood and easily accessible to ladies who are not "particularly interested in political, or any other kind of economy," have a higher market value than they would have if situated in a neighborhood in which "ladies" have an overwhelming interest in all the kinds of economy there are? Off-hand, and speaking not according to the Progressive Faith, but in the spirit of unenthusiastic economy (political and other), we should be inclined to say that "rent" will have its way with the price of commodities at retail, quite as much as does the Law of Supply and Demand. We see no remedy for this except some adaptation of the principle of the Single Tax. Has our correspondent thought of this?—Editor.]

BRITISH RAILWAY ACCIDENTS IN 1913

A return made recently by the British Board of Trade, shows that in 1913, 1,131 persons were killed and 9,054 injured in the course of public traffic on the railways in the United Kingdom. Compared with the previous year, the fatalities increased by twenty and the cases of injury by 355. Appended are the details:

Passengers.	Killed.	Injured.
Accidents to trains, etc	33	723
Other accidents	110	2,224
Railway servants.		
Accidents to trains, etc	8	145
Other accidents	414	5,608
Other persons.		
Train accidents	...	3
At level crossings	64	46
Trespassers (including suicides)	458	132
Persons on business at stations	44	173
Totals	1,131	9,054

In addition, seven passengers, forty-one railway servants, and fifteen other persons were killed, and 694 passengers, 23,494 servants, and 554 other persons were injured on the premises of railway companies as the result of accidents in which the movement of railway vehicles was not concerned.

An Economist's Study of the History and Operation of the Single Tax in Vancouver

By Charles J. Bullock*
Professor of Economics in Harvard University

IN 1910, Vancouver achieved sudden fame as "the City of Single Tax." From various sources, but always by common inspiration, the news was published to the world that Vancouver, having never taxed personal property, had removed all taxes from buildings and other improvements on real estate, and had begun to raise her entire revenue by a single tax on land values. The effect of the change was announced by the same authorities to be magical.

In 1909, before the taxation of improvements was abolished, the buildings for which construction permits were issued were valued at $7,258,000. In 1910 these figures rose to $13,150,000; in 1911, to $17,652,000, and in 1912, to $19,388,000. Never had such prosperity visited a city. Lofty buildings were rising as if by the stroke of a wizard's wand. Population was increasing at the rate of 15 or 20 per cent a year. Prosperity was universal, and it really seemed that Vancouver had found the philosopher's stone.

After this news had been industriously circulated for a few months, the single-tax publicity agencies turned their attention to the United States. Thousands of American farmers were found to be moving across the line into Canada, and it was claimed that nothing but single tax could be attracting them there. Seattle, Portland, San Francisco, Los Angeles, and other Pacific Coast cities were reported to be rapidly losing both capital and people to their British Columbian rival, which had been wise enough to "untax" capital and industry. Campaigns for the local or State-wide adoption of the single tax were begun in Washington and Oregon, and it was reported that the policy of taxing land values was sure to be adopted by the entire Pacific Coast. Once established there, it must necessarily spread to the older and more conservative portions of the United States.

Thus for a couple of years Vancouver remained one of the best advertised cities in the world. The facts seemed to speak for themselves. Between 1909 and 1913 the population increased from 78,000 to 114,200, and the value of real estate improvements increased from $24,405,000 to $68,010,000, while the land values of the city jumped from $48,281,000 to $144,974,000. But toward the end of 1913, Vancouver suddenly disappeared from the headlines, and the campaign of publicity was directed elsewhere. No longer was the American press regaled with statistics showing the increase of building permits in Vancouver.

Reports concerning the depopulation of our Northwestern States suddenly ceased, and presently ordinary news agencies reported that the tide of migration had turned, and that thousands of Americans were coming home from Western Canada—"busted." Immediately Houston, Tex., became the centre of single-tax news, and the Houston system of "untaxing industry" replaced the stories of Vancouver's prosperity under single tax. The campaign had been a clever one in many ways, but a trifle overdone. Doubtless the "cause" had received considerable publicity; and, without doubt, Vancouver had received a valuable line of advertising for which she was, and is, duly grateful; but it is to-day a trifle awkward for the single-tax enthusiasts to have to switch their campaign so abruptly from Vancouver to Houston.

The fact is, of course, that the boom in Western Canada has come to an end, and that Vancouver, like other cities of that region, is to-day undergoing the inevitable reaction from the flush times of 1910 to 1912. With the end of the boom came also the end of the magical increase of population and business attributed to the single tax, and it is now possible to study in an unemotional manner the recent experience of Vancouver with the taxation of land values.

Vancouver is known to every one as the gateway to Western Canada, and the terminus of the Canadian Pacific Railroad. Its hinterland is a vast domain, endowed with wonderful natural resources, which, during the past twenty years, have begun to be developed. The recent boom in Western Canada had a solid basis in the rapid development of a new country blessed with great natural resources. Things were overdone, of course, as they always are, and the collapse of the boom was absolutely inevitable; but its passing leaves Western Canada what nature made it, a great country, whose future development and prosperity are assured.

Vancouver's rapid growth was the natural and inevitable result of the growth of Western Canada. Founded only in 1886, the city had 12,000 inhabitants in 1890, 24,000 in 1900, and 114,000 in 1913. In recent years the Grand Trunk, the Great Northern, and other railroads have extended their lines to Vancouver, with the result that the strategic position of the city as the natural terminus of a number of transcontinental lines has been placed beyond question. Add to the other favorable conditions the influence of the wave of speculative activity which recently spread over the whole of Western Canada, and you have the explanation of Vancouver's prosperity. Remarkable it certainly was, but no more so than similar booms in newly developing districts in the United States. Nothing has happened in Vancouver that cannot be matched in Seattle during the decade ending in 1909, or in Los Angeles to-day. In fact, the development of Los Angeles is in some ways more remarkable than that of Vancouver.

Vancouver's methods of taxation cannot be understood without considering briefly the relations of provincial and local revenues in the province of British Columbia. The Dominion of Canada, under the provisions of the British North America Act, pays annual subsidies to the various provinces, from which source British Columbia now receives $713,000, or nearly $2 per capita. The Province, in addition to this subsidy, derives large revenues from public lands, timber royalties, mineral and coal taxes, a tax upon wild lands, and fees and licenses, as well as taxes levied directly by provincial officials upon polls, real property, personal property, and incomes. From these sorces it derives a large revenue, from which it is able to make grants to the municipal governments for school purposes. Vancouver in 1913 received $167,000 from the provincial treasury, or nearly $1.50 per capita.

The municipalities, therefore, are obliged to levy taxes only for local purposes, and have no responsibility to the provincial treasury. Instead of being obliged to contribute for the support of the State Government, like an American municipality, they receive substantial subsidies from the provincial treasury, so that their general financial position is extremely favorable compared with that of the average American city.

The laws of the Province authorize municipalities to raise their revenue by the taxation of real estate within their corporate limits;

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and the municipal taxes are the only ones to which such property is subject, because the realty tax of the Province applies only to land lying outside the incorporated municipalities. The charter of Vancouver authorizes the Council at its discretion to exempt from taxation improvements upon real estate; and, in 1895, 50 per cent of the value of such improvements was exempted. In 1906, the exemption was raised to 75 per cent, and in 1910, to 100 per cent of the value of improvements. The action taken by the city in 1910 was merely the last step in a gradual process of exempting improvements from taxation, and in actual magnitude was less important than the action taken in 1895, when the first exemption of 50 per cent was granted.

The exemption of 50 per cent of the value of improvements in 1895 exerted no magical effect upon the development and prosperity of the city. The population of Vancouver increased, but no more rapidly than that of many a "boom town" in the United States. The construction of buildings annually increased in response to the demand of the growing population, but at no more rapid rate than in many a city south of the line under the operation of the general property tax. It has in fact never been claimed that the 50 per cent exemption worked any magic. * * *

Certain it is that if the 50 per cent exemption of 1895 stimulated construction at all, it did not do so immediately. The assessed value of improvements in 1895 was $4,317,000, and in 1898 it was only $4,551,000, a smaller rate of increase than during any similar period prior to 1895. Population also increased slowly during these years, but after 1898 things took an upward turn. Between 1898 and 1905 the assessed value of improvements increased to $11,804,000, and population rose to 45,000; but this increase was not greater than can be matched in American cities under the general property tax, and it coincided not with the exemption of improvements in 1895, but with the beginning of the boom in Western Canada.

Altogether it would seem that the statistics do not show that the 50 per cent exemption after 1895 produced any considerable effect, and that if such exemption exerted any material influence, it must have been in some manner that the statistics do not disclose. As I have already said, the opinions of competent observers differ widely upon these points; but it is agreed that no spectacular developments followed the policy of partial exemption in 1895.

The exemption of an additional 25 per cent of improvement values in 1906 came at the time when the boom in Western Canada was gathering strength and Vancouver was rapidly growing in wealth and numbers. The assessed value of improvements showed a handsome increase from $11,804,000 in 1905 to $24,405,000 in 1909. The population was increasing in the interim from 45,000 to 78,900, so that the increase of buildings was not more rapid than would have been expected, and could have been matched in growing towns south of the line.

This brings us to 1910, when the last 25 per cent of the tax upon improvements was removed, and it could be said that Vancouver had adopted single tax upon land values. This was the time chosen by the single taxers for advertising to the world the magical effects of single tax in Vancouver, and the statistics of the increase of population and of building construction from 1909 to 1912, as given in an earlier paragraph, furnished plausible evidence in support of the contention. It also happened to be the very height of the boom period, and in 1913 came the collapse, about which single-tax publicity agencies have maintained discreet silence.

The year 1913 opened with building operations at their height, but by Fall new construction practically came to an end, and for the entire year the value of new building was reported at $10,423,000, as compared with $19,388,000 for 1912. During the first five months of 1914 the depression has continued, and the building permits from the first of January to the end of May aggregate but $1,820,000, indicating total operations of between four and five million dollars for the year 1914. From nineteen millions to four millions is a startling decrease. It is doubtless to be attributed to the depression that has fallen upon Western Canada. If the single tax, rather than the previous period of flush times, accounts for the increase in building operations from 1909 to 1912, it must accept the responsibility for the slump of 1913 and 1914. It is a poor kind of magic that can be used only to account for prosperity and proves useless in a season of adversity.

The present situation in Vancouver seems to be as follows: The city is gradually recovering from the wild times of 1911 and 1912. A good volume of business is being done in staple lines, and in many ways the city is better for the passing of the boom. The more substantial business men do not hesitate to say so. Vancouver's future is assured, and after the inevitable depression the city will go forward as before, and upon a safer, saner, and sounder basis. Meanwhile, however, speculation is at an end. Thousands of people have left the city, and there are said to be in Greater Vancouver not less than 3,000 empty houses.

Concerning the actual operation of the so-called Vancouver plan of taxing land values, it is still too early to say very much. The first thing that strikes an American, however, is that land values in Vancouver are not yet taxed as heavily as in the average city south of the line. The rate of taxation in the city has been only 20 mills on the dollar, and in 1914 it will increase to 22 mills. Land is supposed to be assessed at about 60 per cent of its actual value, so the actual rate probably does not exceed 14 mills on the dollar. Many an American city has a higher rate than this, and therefore can be said to tax land values more heavily than Vancouver.

The second thing to be noted is that all improvements are not actually exempt from taxation. The law defines improvements only in the most general way as including buildings and structures erected upon or affixed to the land. In practice buildings and certain other visible improvements are exempted. But not such improvements as filling, grading, and erecting retaining walls, which are necessary to make a holding as good as adjacent lots. Such improvements may secure exemption for a brief time, but before long the assessor values the improved lot at the same figure as adjacent properties, and the exemption disappears. * * *

The point of greatest interest is the financial aspects of the Vancouver plan. Until 1914, the increase of land values in Vancouver was sufficient to provide the revenue needed, without increase of the tax rate, but for 1914 the rate has been increased from twenty to twenty-two mills, and a further increase is probable. More revenue is certainly needed for improvements that must be made before many years, and the city is now considering the question of future sources of revenue.

An embarrassing factor in the situation is that arrears of taxes are becoming large, rising from $179,000 in 1910 to $570,000 in 1912, and $728,000 in 1913. For many years the city has managed to avoid tax sales, and has a strong desire to do so because such sales would be regarded as a bad advertisement for the city. It now appears that it will be necessary before long to sell land for unpaid taxes, and the effect of such action on land values in outlying districts is problematical.

Last year the proposal was made in the Council to restore the tax upon buildings, or at least to restore 25 per cent of the assessment. The occasion of the proposal was the need of providing increased facilities for fire protection, which were made necessary by the construction of high buildings. The question was raised whether it was fair to tax the owner of a vacant lot or the owner of a dwelling house to purchase a water tower with which to ex

tinguish fires in skyscrapers, and not a few of the Councilmen were disposed to answer the question in the negative. The proposal to restore a part of the tax upon buildings was defeated for the time being, but it will certainly recur. It has already received sufficient support to alarm the single-tax advocates, who are now announcing their intention to apply to the Provincial Legislature for an amendment to the city charter that will prevent the Council from returning to the taxation of improvements.

At present it is certain that public opinion is divided, and that four tendencies may be observed. First of all, there is a comparatively small body of orthodox single-taxers, who are frankly for the confiscation of land values. They probably form only an inconsiderable element in the electorate. There are, in the second place, a number of persons who call themselves single-taxers, but who understand by the single-tax nothing more than the exemption of improvements from municipal taxation. Such persons are numerous, and form a large proportion of the population, though no one knows whether they are a minority or a majority. In the third place, there are persons who take the ground that, since the city has adopted the policy of exempting improvements, it is well to test that policy fully and unwise to restore the tax upon improvements until the necessity for doing so is too clear to admit of serious question. It appears to have been this element in the Council which held the balance of power when the question came up some months ago. There are, in the fourth place, the out-and-out opponents of the Vancouver plan, who consider its practical operation to be both unjust and unfortunate.

It does not seem possible to identify any one of these four opinions with any particular class or section of the population. One of the newspapers, some eight months ago, canvassed the members of the Vancouver Board of Trade, and found them nearly equally divided upon the subject. Some of the leading members of the Manufacturers' Association are strongly opposed to the policy of exemption of improvements, since they do not desire to carry out their industries in loft buildings and prefer to erect one or two-story factories, which, of course, require a considerable area of land. Other manufacturers either favor exemption or are not disposed to oppose it.

One thing, however, is certain: confiscatory taxation of land values will find little support in Vancouver. All that has been tried is a limited form of single tax under which land has been subject to a rate of taxation actually lower than that which prevails in many American cities. Concerning the working of the so-called single-tax unlimited, by which is meant such taxation of land values as would appropriate the whole of the ground rent for the use of the Government, the experience of Vancouver furnishes no information whatever.

RAILWAY REVENUES AND EXPENSES IN APRIL

A bulletin of the Bureau of Railway Economics shows that steam roads operating 225,821 miles of line or about 90 per cent of the total mileage in the United States, returned revenues for the month of April, 1914, amounting to $230,534,172. This amount includes revenues from freight and passenger traffic, from carrying mail and express, and from miscellaneous sources connected with rail operation. Compared with April, 1913, total operating revenues show a decrease of $7,970,644. Total operating revenues per mile averaged $1,021 in April, 1914, and $1,065 in April, 1913, a decrease of $44, or 4.1 per cent. There was a decrease of 5.2 per cent in freight revenue per mile, and a decrease in passenger revenue per mile of 0.2 per cent. Operating expenses, which include all the costs of maintaining track and equipment, operating trains, securing traffic, and of administration, amounted to $172,231,630. This was $7,556,970 less than for April, 1913. These operating expenses per mile of line averaged $763 in April, 1914, and $803 in April, 1913, a decrease of $40 per mile, or 5.0 per cent. Net operating revenue, that is, total operating revenues less operating expenses, amounted to $58,302,542, which was $413,674 less than for April, 1913. Net operating revenue per mile of line averaged $258 in April, 1914, and $262 in April, 1913, a decrease of $4 per mile, or 1.5 per cent. Taxes for the month of April amounted to $11,465,060, or $51 per mile, an increase of 9.3 per cent over April, 1913. Operating income, which is net revenue from rail and auxiliary operations, less taxes, averaged $206 per mile of line, and in April, 1913, $214, thus decreasing $8, or 3.5 per cent. Operating income for each mile of line for each day in April averaged $6.88 and for April, 1913, $7.14. Operating income is that proportion of their operating receipts which remains available to the railways for rentals, interest on bonds, appropriations for betterments, improvements, new construction, and for dividends. The operating ratio for April, that is, the per cent of total operating revenues absorbed in operating expenses, was 74.7 per cent, which is comparable with 75.4 per cent in April, 1913, and 73.6 per cent in April, 1912.

GOVERNMENT REVENUES IN THE FISCAL YEAR 1913-14

A statement of the Secretary of the Treasury shows that for the fiscal year ended June 30, 1914, the total ordinary receipts of the United States Government were $734,343,700.20, and that the surplus of ordinary receipts was $33,784,452.07. Mr. McAdoo said:

"Subject to revision upon analysis of complete returns, the following is a statement of the ordinary receipts and the ordinary disbursements for the fiscal year ended June 30, 1914:

Customs		$232,128,527.33
Internal revenue, ordinary		308,613,483.73
Corporation excise and income	$43,079,819.44	
Individual income	28,306,336.69	
		71,386,156.13
Miscellaneous		62,215,172.71
(Including $3,800,000 surplus of postal revenues for the fiscal year 1913.)		
Total ordinary receipts		$734,343,700.20
Total ordinary disbursements		700,559,248.13
Surplus of ordinary receipts		33,784,452.07

"The Panama Canal payments during the year amounted to $34,826,941.76. These have been paid out of current revenues, so that the surplus for the year of $33,784,452.07 has been absorbed, leaving the sum of $1,010,058.81 as a charge against the general fund of the Treasury.

"The following is a comparative statement of the ordinary receipts and disbursements, including expenditures on the Panama Canal, for the last three fiscal years:

	1912.	1913.	1914.
Receipts	$691,778,465	$724,111,229	$734,343,700
Disbursements	654,553,963	682,770,705	700,559,248
Surplus	37,224,501	41,340,524	33,784,452
Panama Canal	35,327,370	41,741,258	34,826,941
Surplus or deficit	*1,897,131	†400,733	†1,010,058

*Indicates surplus. †Indicates deficit.

"Owing to the provision in the income tax law which gives ten days after the close of the fiscal year before penalties attach there was a failure to pay approximately $3,500,000 of taxes which had been assessed against corporations and individuals and which should have been paid before the close of the fiscal year 1914. Had this $3,500,000 been paid on or before June 30, 1914, there would have been a surplus for the fiscal year of approximately $2,500,000 against a surplus for 1912 of $1,897,000, and a deficit for 1913 of $400,000.

"The net balance in the general fund of the Treasury is now $145,835,502."

INDUSTRY, COMMERCE AND FINANCE

Commercial Failures in United States for First Half of 1914.—According to the reports of R. G. Dun and Company, the commercial failures in the United States during the first six months of 1914 were, with the single exception of 1908, the most numerous recorded for the same period in any year in the past fifteen, and in the amount of the estimated liabilities of the concerns failing, ($185,099,730), they exceeded all previous records by over $52.000,000, the next highest amount of liabilities having been experienced in the first half of 1913 ($132,909,061) and the third highest in the first half of 1908 ($124,374,833). The following table shows the number of failures, the estimated assets and the estimated liabilities of the business concerns failing, for the first half of each year since 1900:

Year.	Number.	Assets.	Liabilities.
1914	8,344	$132,393,632	$185,099,730
1913	8,163	91,123,616	132,909,061
1912	8,317	89,643,271	108,012,223
1911	7,061	65,997,792	103,638,334
1910	6,388	76,328,611	112,239,303
1909	6,831	63,146,097	88,541,373
1908	8,700	78,762,588	125,374,833
1907	5,608	42,153,278	69,568,662
1906	5,612	32,802,020	62,654,074
1905	6,210	32,262,157	55,904,585
1904	6,214	46,764,276	73,430,903
1903	5,628	35,957,751	66,737,260
1902	6,165	31,048,808	60,374,856
1901	5,759	27,635,046	55,804,690
1900	5,332	43,436,559	74,747,452

* * *

The Production of Iron Ores in France in 1913.—Figures published by "L'Économiste Français" show France to be third among the iron producing countries of the world. The production of iron ore in France, in 1913, amounted to about 21,714,000 metric tons, [2,205 pounds], being a gain of 2,500,000 tons over 1912. Exports were 9,743,863 tons, an increase of more than 1,400,000 tons over the preceding year.

According to the statistics of the French Department of Public Works, the total production of iron ores in France, during the last few years, has been as follows:

Year.	Tons.	Year.	Tons.
1907	10,008,000	1912	19,160,000
1911	16,408,000	1913*	21,714,000

*Estimated.

These figures do not include the production of Algeria and of Tunis. which was, in all, 1,476,965 tons in 1911, and 1,681,992 tons in 1912. This production is exported principally to England and Germany.

Comparisons with the production of foreign countries, says "Le Génie civil," brings out the following figures:

	Tons.		Tons.
United States (1912)	*59,485,000	Spain (1911)	8,773,691
Germany (1912)	27,199,944	Sweden (1912)	6,699,226
England (1912)	*13,790,391	Russia (1910)	5,638,000

*Tons of 2,240 pounds.

It is the Meurthe-et-Moselle basin that produces the largest part of the French ores, as appears from the table given below, which shows the production of the various iron-producing districts:

District.	1912, Tons.	1913, Tons.
Meurthe-et-Moselle	17,370,853	19,814,000
West (Normandy, Anjou and Brittany)	1,112,765	
Pyrenees	303,331	1,900,000
All others	373,453	
Totals	19,160,407	21,714,000

A large part of the French iron ore is exported; a certain amount, however, is imported, principally from Germany (845,000 tons in 1912), and from Spain (468,000 tons in 1912). The foreign commerce of France in iron ores for the last few years was as follows:

	Imports, Tons.	Exports, Tons.		Imports, Tons.	Exports, Tons
1907	2,000,000	2,147,000	1912	1,454,000	8,324,000
1911	1,351,000	6,176,000	1913	1,417,000	9,746,000

A detailed table of these exports is given below:

Exports to	1911, Tons.	1912, Tons.	1913, Tons.
Belgium	3,689,000	4,672,780	
Germany	1,851,000	2,798,353	
Netherlands	368,000	604.082	9,745,853
Great Britain	254,000	215,588	
Other countries	14,000	32,909	
Totals	6,176,000	8.323,712	

It must be remembered that most of the ore exported to The Netherlands is in reality destined for Germany, where it is received by way of the Rhine. Thus France's principal customers for iron ores are Belgium and Germany.

* * *

Secondary Metals Values.—The value of the "secondary metals," exclusive of gold, silver, platinum, and iron, recovered in the United States in 1913 was $72,845,000, according to J. M. Dunlop, of the United States Geological Survey. Even this large figure is a decrease compared with 1912, when the value was $77,396,000.

The term "secondary" is applied to metals recovered from scrap metal, sweepings, skimmings, drosses, etc., as distinguished from "primary metals," which are derived from ore, but without implication that the secondary metals are of inferior quality. The Survey figures reveal only in a partial way the vast extent of the waste-material industry, which yearly becomes greater and better organized. The value of old iron and steel re-used exceeds that of remelted brass, and the value of old rubber and paper stock amounts to many millions of dollars.

For a few purposes requiring especial purity of material it is necessary to employ primary or virgin pig metal, but as a general rule secondary metals can be used in whole or in part, and most foundries use them. Over 90 per cent of the refining and smelting of drosses and scrap metals in the United States is confined to the territory East of St. Louis and North of the Ohio River.

The amount of secondary copper (including that in brass) recovered in 1913 was 136,500 tons, being over 22 per cent of the primary copper smelted from domestic ores during the year.

The secondary lead recovered amounted to 72,834 tons, equal to nearly 17 per cent of the refined lead produced from domestic ores.

The output of secondary zinc was 79,570 tons, equal to 23 per cent of the production of primary zinc.

The recovery of secondary tin is of especial importance, for practically no domestic tin ore was smelted in the United States, and the secondary tin recovered in 1913 (14,178 tons, valued at $12,567,379) was more than 27 per cent of the tin imported during the year.

In aluminum the recoveries in 1913 amounted to 5.654 tons, valued at $2,199,480.

* * *

The Population of India.—In a general report on the census of India in 1911, says "The Insurance Observer," of London, it is stated that the provinces under British administration comprise 1.093,000 square miles, or 60.6 per cent of the 1,802,657 square miles in the Indian Empire, the balance being in the various native States. The total population in 1911 was 315.156,396, of which British territory contained 244,267,542, or 77.5 per cent, and the native States 70,888,854, or 22.5 per cent. With regard to area, it is mentioned

that the Indian Empire is equal to the whole of Europe except Russia. Burmah is about the same size as Austria-Hungary; Bombay is comparable in point of area with Spain; Madras, the Punjab, Baluchistan, the Central Provinces and Berar and Rajputana are all larger than the British Islands; the United Provinces and Bihar and Orissa than Italy; and Hyderabad and Kashmir than Great Britain, excluding Yorkshire.

The population of India exceeds that of Europe without Russia, and is considerably more than three times that of the United States of America. The United Provinces and Bengal, with the States attached to them, both have as many inhabitants as the British Islands, Bihar and Orissa as France, Bombay as Austria, and the Punjab as Spain and Portugal combined. The population of the Central Provinces and Berar approaches that of Brazil, Hyderabad and Burmah have as many inhabitants as Egypt, Central India and Rajputana as Scotland and Ireland combined, and Assam as Belgium. In the whole Empire there are, on the average, 175 persons to the square mile, or much the same as in Europe outside Russia. In British territory the number to the square mile is 228, and in the Native States 100; the former figure exceeds by thirty-four the density ratio in France, and the latter is identical with that in Spain.

* * *

India's Wheat Crop.—The official estimated wheat yield of British India for the crop year 1913-14 is 8,385,000 tons, a decrease of 1,332,000 tons from 1912-13. The Punjab has an increase of 4.4 per cent and is expected to yield 3,428,000 tons, but large decreases are reported in practically all the other wheat growing districts of India. However, compared with the average crop for five years ending 1911-12 the decrease is only 187,000 tons. India exported by sea during the fiscal year ended March 31, 1914, wheat to the extent of 1,202,205 tons, compared with 1,660,187 tons in the preceding year.

* * *

The French Olive Crop.—Mr. William Dulnay Hunter, United States Consul at Nice, writes under date of June 11, that the present outlook for the olive crop for the Spring of 1915 is, so far, encouraging. The trees have blossomed abundantly, and the young fruit is commencing to develop satisfactorily. The unusually cool and rainy weather which has prevailed all Spring and until now has been most favorable for the crop, but the ground is so moist that unless the weather becomes warmer the development of the olives will be seriously affected.

* * *

The Trade of Finland.—The Finnish press reports an increase in the foreign trade of Finland from $156,000,000 in 1912, to $173,000,000 in 1913. In the latter year the imports amounted to $96,000,000 and the exports to $77,000,000. Imports of corn were valued at $19,000,000.

* * *

The Meat Supply of London.—According to the recent report of the medical officer of health of the Port of London, 8,339,114 carcasses of frozen mutton and lamb were imported into London during 1913, of which 2,381,357 came from Australa, 5,092,054 from New Zealand, and 865,703 from South America. Only once before has the total been exceeded. From the same countries 1,996,105 quarters of beef were received, amounting to about 35 per cent of the total shipments to the whole of the United Kingdom.

* * *

The French Cotton Goods Industry.—Mr. Lucien Memminger, United States Consul at Rouen, France, writes: "By far the most important industry in the district is the manufacture of cotton goods, in which American cotton, bought at Havre and shipped thence by rail to mills, is used almost exclusively. The annual output of yarn and textiles is valued at about $44,390,000, which is the product of 70 spinning mills, with 1,400,000 spindles, 14,000 employes (output $24,125,000), sixty weaving mills with 24,000 looms, 24,000 employes (output $11.580,000), and nine print goods factories, 2,500 employes (output $8,685,000), all situated at Rouen and in its vicinity and at Evreux. A crisis occurred in this industry in 1913, which resulted in the closing of several spinning mills representing 150,000 spindles. Conditions had been bad from the previous year, trade was very inactive, prices were low, and cost of raw material was high. Stocks were low during the entire year owing to exportation, spinners of the North and of Normandy, representing 1,600,000 to 1,700,000 spindles, having in fact founded an exchange for regulating, controlling, and developing their foreign trade in yarn. Cotton weavers experienced a bad year, the stock on hand at the end of December being greater than at a similar period in the previous year, but orders were unexpectedly light and prices offered not proportional to increased costs. Printed tissues fared better than allied industries, the prevailing fashions favoring this type of textile, but sales to the colonies were small."

* * *

American Cotton Goods in Greece.—Mr. A. B. Cooke, United States Consul at Patras, writes: "A three years' effort on the part of this consulate to introduce into the consular district American cotton goods has at last resulted in the placing of a substantial order with a local wholesale importing firm. In 1911 this consulate made an exhaustive report on 'Cotton-goods Trade of Greece.' Among other things, the report stated that practically a million dollars' worth of cotton goods was consumed annually in this consular district; that American cotton goods were unknown; that importers, when asked why they did not handle the American article, stated almost without exception that they had never so much as seen samples of American-made cotton goods. The report suggested that interested firms in America might at least begin to cultivate the field by putting samples and price lists within reach of local merchants. The consulate offered to display samples in its offices and to introduce them to local dealers if the proper materials and price lists were put in its hands. Nothing tangible seems to have come of this, though some correspondence was had with American jobbers. Latterly, the consulate has interested an energetic local commission merchant in the matter. He got in touch with American exporters, and had a full line of samples forwarded to him. He reports to this office that the local merchants were astonished at the excellence and the beauty of the goods, asking him where he secured them. His samples consisted of piece goods (bleached and unbleached), ladies' dress goods, and fine shirtings. The commission merchant states that the chief obstacle in the way to the building of a brisk trade in American cotton goods is the matter of terms. At present this trade is in the hands of English, German, and Italian exporters, all of whom extend to local importers terms of 5 per cent discount and three months' credit. The American exporter has heretofore quoted 'cash against documents, New York.' It is obvious that under such a handicap in the matter of terms the American goods must find difficulty in getting a foothold on the Greek markets. The order above referred to was placed only after the American firm had agreed to quote 'cash against documents, Patras.' The interested local commission merchant states that on this latter basis he hopes to build up a good trade. He suggests that, at least at first and to get American goods known here, quotations might be made 'cash against documents, Patras,' the documents being sent through some responsible local bank."

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

IT is to be hoped that the Equitable Life Assurance Society will from time to time make public complete details of its experience with the new plan, just announced by it, of assisting its policyholders to keep watch and ward over their health, through periodical medical examinations provided by the society. This policy has been adopted by the Southern Life and Trust Company, of Greensboro, N. C., which has had a similar plan in operation for over a year [See p. 18]. The Equitable's larger programme involves a systematic effort to reach the half million policyholders of the society, and to get them into the habit of having themselves examined physically from time to time, so as to catch threatening troubles in their incipiency. The medical director of the Equitable, Dr. Franklin C. Wells, will have the new service under his direct supervision, and has already organized a staff of competent salaried physicians at important geographical points distributed throughout the country. Dr. Wells has himself stated the precise object in view. "We strongly advise policyholders," he has said, "to go from time to time to their own physicians and have a thorough physical examination made to determine whether or not there are any signs of physical impairment and, if so, to obtain the physician's advice as to the best course to pursue. Those who do not wish to go to their own physicians or prefer to be examined by the Equitable, will be able to avail themselves of the service now offered. It is not our purpose to offer medical treatment to the policyholders, but simply to give advice as to consulting their own physicians where the same appears necessary." Free physical examination by the society's salaried examiners will be open to all policyholders of three years' standing or more. Where resort to some one of the points where a salaried physician is stationed is not practicable, the policyholders may have a chemical kidney test made at the home office of the society. The important question now remains, in how large numbers will the policyholders of the Equitable avail themselves of the service? Further, will there be a reasonable distribution of those seeking examination throughout the whole body of policyholders, or will particular and comparatively limited classes of them use this means of keeping track of their physical condition? It may perhaps be expected a priori, that the greatest willingness will be found among those who have been insured as sub-standard risks. These already know that there is at least incipient or threatened impairment of their physical condition, and that one of the problems of their lives is to keep this impairment from becoming actually effective. Again, policyholders of advanced years will perhaps as a class have got past the hesitancy that most normal persons have about continually scrutinizing their own state of body. Both these classes of persons have a positive, rather than sub-conscious, desire to prolong their lives, and this may be expected to override any reluctance to admit the possibility of something wrong in their physical condition. But will the mass of policyholders, enjoying so far as they know normal health, accept the view that they should perpetually be anticipating trouble? The question can be answered only through actual trial of such a plan as the Equitable's. But true service of the cause of health, or life, conservation requires that the results of the trial should be made public in detail. No doubt, this is in the mind of Dr. Wells and of the officers of the Equitable.

THE report submitted on Saturday last to Chancellor Walker, of New Jersey, by the commission appointed by him, under a law enacted in 1912, by the New Jersey Legislature, for the purpose of ascertaining what portion of the surplus of the Prudential Life Insurance Company of America properly belongs to the stockholders of the company, and what further compensation they should receive in case of the mutualization of the company, is a highly interesting one. The commission itself consisted of three very experienced men, former United States Senator James Smith, Jr., former Governor John Franklin Fort, and former Assistant Postmaster General William M. Johnson. Their investigations were exhaustive, as befitted the great interests at stake. They have found that of the Prudential's surplus on December 31, 1913,—$25,645,458.62,—one-half may properly be held to belong to the stockholders. They have further found that the good-will and going value of the company, property of the stockholders, has a value of $5,000,000; and they allow an increment of value, accrued since December 31, 1913, of $351,379.58. The total vested interest of the stockholders in the assets of the company is accordingly put at $18,174,108.89. As there are 40,000 shares of stock, the resultant value of each individual share is $456. The conclusions of the commission must be accepted by Chancellor Walker, before they can become effective, and the next steps can be taken towards the mutualization of the Prudential. No doubt there will be strenuous objection from many quarters, and it will be claimed that the diversion of so great a sum of money from the policyholders of the company is unjust and contrary to public policy. This is all the more likely to be the case since a precedent will here be made which will probably much affect the mutualization of other great life insurance companies, organized as stock companies and having great accumulated surpluses,—for example, the Equitable and the Metropolitan Life. It has become popular in this country to assert that all life insurance companies, no matter how organized, are essentially mutual in character, and that there can be no accumulation of profits for the nominal stockholders. On this point, it is an interesting fact that in Germany, the country *par excellence* of mutual and social undertakings, the contrary view is generally taken. There it is asserted that the tendency of mutual life insurance associations is to extravagance in salaries and commissions; and that stock companies are fully entitled to any profits they may make, because these result from economy and efficiency, and are coincident with a lower cost of insurance.

GOVERNOR WALSH, of Massachusetts, appears to be one of the many persons in our intellectually unsettled time who suppose that the nature of a thing can be changed by changing its name. He is urging the Legislature of Massachusetts to declare that insurance is a "commodity," and hence included within the inhibitions of the anti-trust statutes of the State. It is the consensus of opinion of civilized men,—*quod semper, quod ubique, quod ab omnibus creditur*,—that insurance is not a "commodity." This opinion is embodied not only in the famous decision of the Supreme Court of the United States in the case of Paul vs. Virginia, but also in the unbroken tradition of the English, and indeed of the Roman, law. Is it not a little absurd for the Governor of a day in Massachusetts to flout this great conclusion of mankind,—and that, too, for the sake of preventing certain liability insurance companies from affording workmen's compensation insurance to Massachusetts employers on such cheap terms that competing mutual associations find it hard to maintain themselves in the field?

Reinsurance and Retrocession as Affecting and Affected by Our American Insurance System

By William Hotchkiss*
Former Superintendent of Insurance of New York

AN important question now confronting insurance supervisors is the policy which should be adopted in the laws of our States relative to the increasingly important subject of reinsurance. Bills introduced into the legislatures which met in 1914 have brought this matter to the front and seem to call for an early settlement through either uniform ruling or uniform law.

There is as yet very little statute law on the subject. In our American insurance system we have heretofore treated reinsurance as, in effect, identical with insurance. While, technically considered, the principles and practice having to do with the former are different from the principles and practice having to do with the latter, yet, in our haste to bring direct writing under close supervision, we have perhaps neglected our duty as to reinsurance writing. The purpose of my remarks is to bring before this Convention some of the more patent facts needed to a proper understanding of the subject from the viewpoint of supervision, and, from such facts, perhaps to draw a few conclusions which may be helpful both to supervising officials and to insurance men generally.

Some of our State laws contain no reference whatever to reinsurance. Few of them do much more than does New York which dismisses the subject in a single brief section—and Massachusetts—where there are but two or three sections, the most important being rather involved and difficult to understand. Generally speaking, however, reinsurance—whether practiced as incidental to its business by a direct writing company or done by a reinsurance company, per se—is, in such matters as incorporation and authorization, service of process, payment of taxes, deposits and investments, examinations, solvency and reserves, under the same regulatory provisions of the States' laws as is insurance proper. Its only distinct point of contact with substantive law seems to be in, first, the prohibition existing in many of the States against reinsurance in a non-authorized company, and, second, the requirement of other States that, if the business is ceded to—i.e., reinsured by—a non-authorized company, no credit shall be allowed to the ceding corporation either in reduction of taxes or of liabilities.

The question is now broached as to whether we should not insert in our laws provisions applicable only to reinsurance, or at least applicable solely to reinsurance companies, per se; and, if so, whether when so doing we should not in certain important matters regulate reinsurance differently than we do direct writing.

The importance of reinsurance to our American commercial civilization is as yet little appreciated. It is, however, almost a truism that reinsurance occupies much the same economic relation to insurance that insurance does to the individual. The function of insurance is to spread the losses of the individual over a large number of individuals. The function of reinsurance is to spread the risks of a single company over a number of companies. Without reinsurance, in this day of large and congested risks, only the largest of our insurance companies could either properly serve the public or safely assert their continuing solvency.

Our fire direct writing companies have since their inception [illegible] reinsured from time to time, authorized [illegible] branch of underwriting, did not become a fact in the United States until the establishment of the U. S. branch of the Munich Reinsurance Company in 1898. The great increase in our property interests since that time, in connection with the enormous congestion of values in our great commercial cities—to say nothing of the excess risks which must now frequently be assumed by life, casualty and surety companies—has made company or treaty reinsurance year by year increasingly important. Indeed, we seem to be approaching a condition which calls for the adoption by us of some policy that will make scientific reinsurance as general in the United States as it is and long has been abroad.

In the past five years, the number of authorized reinsurance companies—i. e., those which do no direct writing—has greatly increased. Thus, while there were but ten of them admitted to New York prior to 1909, there were twenty-four doing business there in 1913. Similar increases are indicated in the other States; as shown by the reports filed in January, 1914, there were doing business in Massachusetts twenty-two reinsurance companies; in New Jersey the same number; in Pennsylvania twenty-six, and a like number in New York—all but two of such companies being limited to the fire (now inclusive of the marine) field. The increase in the premium income of those authorized in New York in the fire field during the period 1909-1913 is also notable. In 1909 it was $18,340,000; in 1913 it was $38,321,000.

Aside from the figures just quoted, two facts stand out as bearing strongly upon any declared American policy that shall become a part of our laws: First, that, while the ratio of losses to premiums in authorized fire reinsurance companies was 42.7% in 1909, such ratio has increased each year and is now—the companies having more than doubled in number—58.3%; and, second, that of the twenty-six reinsurance companies authorized in New York as of January 1, 1914, but one is an American corporation.

Still another fact should perhaps be stated, viz.: That, of the twenty six companies so authorized, but one has power there to reinsure a life risk, and but one a casualty or surety risk; the twenty four others are, in effect, limited to the fire field.

It is also well known that vast amounts of reinsurance are placed either by our direct writing or by our authorized reinsurance companies at Lloyd's or in un-admitted companies—chiefly of European domicile. It is impossible, of course, to get any reliable statistics as to the premium income which thus goes abroad; but, with the large amount of reinsurance business done here by Lloyds, London, in mind, the total must be very large.

More, as throwing light on the necessity of some substantive legislation, we have—for reasons which will be somewhat suggested later—adopted certain substitutes for reinsurance which perhaps could well be dispensed with, and probably would be, were reinsurance and retrocession underwriting wisely treated by our American laws.

The surplus line practice of the important commercial States, one of these substitutes, was, when inaugurated, a necessity; but, if our laws were so framed either that a sufficient number of American reinsurance companies would be formed or a sufficient number of foreign reinsurance companies be persuaded to enter, our surplus line concession to the doctrine of authorized insurance—with all its bother to both insured and insurer—could be abandoned.

* Mr. Hotchkiss' remarks at the National Convention [illegible] at Chicago, Ill., April 15, 1914.

Another substitute is the so-called Reinsurance Bureau of New York, operated by some fifty-eight authorized direct writing fire insurance companies, which was declared, in a recent examination report of the New York Department, to be "simply a reinsurance clearing house for such business as may be submitted to it by the contributing members, and organized for the specific purpose of giving an opportunity of reinsuring excess lines in an economical and convenient manner." But the reinsurance transacted by this bureau is not scientific reinsurance in the Old World sense; and, had our policy been such as to stimulate reinsurance companies, *per se*, this bureau would have been unnecessary and the work it does could have been done by reinsurance and retrocession companies even still more economically and conveniently.

A third substitute is the so-called Excise Reinsurance Bureau; which, strictly, is not a reinsurance organism at all, but a joint general agency of the subscribing companies, whose basic purpose is the control of rates and the elimination of bad hazards in the excise field.

A fourth substitute is the now well known Workmen's Compensation Reinsurance Bureau; which, strictly, again, is not reinsurance, proper, but merely a pooling of a definite percentage of the compensation insurance premiums of certain—but not all—stock casualty companies against the single hazard of a catastrophe causing liability in excess of $25,000, and available only in the States where workmen's compensation liability, so far as a single catastrophe is concerned, is unlimited in amount. Doubtless, such bureau would never have been formed had there been a sufficient number of casualty reinsurance companies available to take this excess liability. It may perhaps be added, also, that some of the largest as well as a number of the smaller companies writing workmen's compensation insurance have either not applied for admission or not been admitted to this bureau.

Another device—which is hardly a substitute—is exchange reinsurance, practiced in life insurance and, to an extent, in other fields where the excess liability in large lines is, in effect, brokered by company agents or companies, themselves. Conditions in the life field here seem to render this method or substitute usually sufficient; but that it is cumbersome and, in effect, uneconomical will not be denied.

Now, all of these plans are of value so far as they go. But each stops much short of that complete, instantaneous and automatic spreading of liability demanded by the civilization in which we live and in the end essential to the solidity of our insurance structure. Most of them are subject to the criticism that they are operated by voluntary associations, dominated on the one hand by one or two forceful companies, and subject, on the other, to influences, both within and without, that militate against sound underwriting and absolutely equitable adjustments. None of them makes its service a business, with all that that means in service and square dealing. They are simply conveniences—temporary, it is hoped—until a sufficient number of reinsurance and retrocession companies—making a business of this necessary service—can be somehow persuaded to enter this important field.

Our American system—or, rather, want of system—of reinsurance thus involves scientific reinsurance in authorized companies, chiefly of foreign origin; scientific reinsurance in unauthorized foreign companies; and various so-called bureau and exchange substitutes—to say nothing of surplus line insurance, by means of which our dearth of scientific reinsurance facilities is, to an extent, avoided.

Strictly considered, there is necessary to the protection of a large risk, first, a direct writing company, which issues its policy covering the whole risk; second, several other companies, which will automatically assume such risk above a limit retained by the direct writing company; and, third, a goodly number of additional companies, which, in turn, will also automatically assume, in agreed upon quotas, the excess liability which is ceded to them. Thus, such a risk is so scattered among a large number of companies as to make the loss possibility of each relatively small. Thus, also, the indemnity back of a large risk becomes a pyramid of protection, and a pyramid, mark you, standing firmly on the broad base of reinsurance and retrocession companies.

For convenience, then, we may divide the insurers obligated on a large risk into (a) the direct writing company, (b) the treaty reinsurance companies—perhaps one, or may be two or three in number—and (c) the quota retrocession companies—which may number ten, or, if they cede portions of their liability to still other retrocession companies, fifteen or twenty in all.

Now, it is clear that both the function and the practice of each of these three classes of companies differ quite materially from the function and practice of each of the other classes. This is true even as between reinsurance and retrocession companies, though both are, in a popular sense, reinsurers.

Stated broadly, the insurance company gives indemnity for loss of or injury to life or property. The company writing such indemnity is interested chiefly in the risk; thus, it selects and grades according to underwriting practices, based on the physical and moral hazards. The reinsurance company, however, gives indemnity to the direct writer—i.e., to an insurance company—against loss in excess of an agreed upon limit. Assuming that the insurance company's risks have been properly selected and graded, the reinsurance company views all risks as a class, and is interested, chiefly, first, in the underwriting skill of the insurance company and, second, in the amount or limit of insurance which it—the reinsurance company—can carry on a given class. One is in close touch with the insured and evidences the agreement by a policy; the other usually knows the insured chiefly as a member of a class and evidences its contract by a treaty.

Of course, these are but generalizations. In practice, the primary reinsurer is not a little concerned as to the quality of the risk, itself. Indeed, usually such a reinsurer knows the salient facts upon which the direct writer's action on a given risk was based. But, in secondary or subsequent reinsurance—i.e., retrocession—the risk *per se*, usually vanishes from the problem and classes and limits are the only concern.

Now, it must be evident that the system of indemnity thus hurriedly and imperfectly sketched is of great value to the public. It scatters company liabilities in such a way as to conserve the solvency of all. It puts back of a large risk a huge aggregate of capital and surplus protection. It is economically necessary in communities where large risks must be assumed, and no temporary substitutes—whether by way of surplus line or bureau schemes—should be encouraged any longer than it is necessary to put into effect the more scientific, as well as more economical and certainly less troublesome, method of reinsurance by automatically acting treaties.

In two other matters, however, scientific reinsurance differs so vitally from scientific direct writing as to warn those who would recommend legislation for the regulation of reinsurance to move cautiously:

First: Reinsurance, to be of real value, must operate automatically and instantaneously. The direct writer cannot bind itself on a large risk unless it is sure that much of its liability may be instantly scattered. If obliged to broker the excess, the contingency insured against may happen before the process is complete and the subsequent loss be serious. Hence, it follows that—at least where large risks and excess lines are numerous—there must be sufficient reinsurance facilities—i.e., a goodly number of reinsurance com-

panies with which treaties may be made. Put another way, restrictive legislation limiting these treaties is plainly against the public interest.

Second: The relation between the direct writer and the primary reinsurer must be confidential to a degree. The reinsurance company often gets and can always demand the facts—name, address, moral hazard, valuation, etc.—as to each risk assumed. If compelled to broker a portion of its treaty liability such facts must be disclosed to a business competitor of the direct writer—with possible serious consequence to it in this age of competition. Hence, here also it follows that, to avoid such brokering, there must be a plenty of secondary reinsurance—that is, retrocession—companies, or the system fails. Put another way, restrictive legislation limiting the number of retrocession companies needed to complete our pyramid of indemnity is plainly against the public interest.

Reinsurance and retrocession insurance have reached a high plane of development in Europe. It is now possible there, through treaties operating automatically and without resort to brokerage of excesses, to spread the liability of an individual risk assumed by a direct writer among twenty or more companies, and at no greater expense than if the insurance was carried only by the direct writer. This should be true of the United States, where the risks needing reinsurance are larger and, in the fire field at least, the congested territories of our great cities are more ominous to insurance stability. That it is not so is due both to legislation and want of legislation in the past. The problem now is just what should, or, perhaps, rather, what can be done at this late day.

These comments lead to a consideration of three legislative proposals advanced in different States in 1914:

1. The Massachusetts bill to prohibit retrocessions to non-authorized companies.

2. The New York bill to permit reinsurance companies—unlike insurance companies—to operate in all the different fields; and

3. The New Jersey bill to prohibit reinsurance in excess of at least twice the amount of the liability retained by the direct writer.

1. The Massachusetts bill is an extreme expression of the American policy (which, considered broadly, has been more or less of a failure) that none but authorized insurance companies shall do business or share in the premiums paid for indemnity on American risks. Massachusetts—with several other States—has for some time prohibited reinsurance, *per se*, in an unauthorized company. A couple of years ago the question was raised as to whether retrocession was reinsurance within the meaning of the Massachusetts law. The Commissioner ruled that it was. The Attorney-General, however, evidently noting the difference between the two, as well as interpreting the words of the Massachusetts statute, ruled that retrocession was not reinsurance within the meaning of that statute, and that, therefore, authorized principal reinsurance companies could cede to unauthorized quota retrocession companies. The Massachusetts bill of 1914 wipes out this distinction and makes both reinsurance and retrocession in companies not authorized in Massachusetts illegal.

2. The New York law evidences an as yet slowly moving American tendency the other way. For some time, in New York, it has been possible not merely for the direct writer but also for an authorized reinsurance company to place a portion of its liability in unauthorized companies, provided it maintained the full reserve against its liability and paid the full statutory premium tax. This policy, liberal from an American standpoint, is also the law of a number of other States; in fact, the Massachusetts rule and the New York rule have long run counter to each other and created conditions which, sooner or later, must be met by a declared American policy and uniformity either in law or ruling. But the proposal of 1914 went much further. Heretofore, reinsurance companies admitted to New York had been compelled to file waivers for the United States of all powers save in the field in which they elected to do business. Thus, such companies were brought within the American rule of single field insurance. The bill of 1914, had it become a law, would have given any reinsurance company the same rights as such companies have abroad, and permitted it to reinsure life, fire, casualty, surety and other risks. When coupled with another bill advanced at the same time, the effect of which would have been to have authorized such reinsurance companies to hold the stock of—nay, control—direct writing companies, this proposal would have set in motion—indeed, perhaps actually established—the European practice of insurance corporate systems made up of principal and subsidiary companies, not unlike our important railway systems of the present day.

3. The New Jersey proposal went still in another direction, and was intended to set limits on reinsurance, irrespective of the American doctrine of authorization. Under it, a direct writer which, say, had assumed a risk in $600,000, could cede only $400,000, thus often remaining liable in a sum too large for underwriting safety. The reason for this suggestion was, frankly, that the small companies might be protected from what they asserted was the menace to them of treaty reinsurance.

The Massachusetts proposal was actively supported by the organized agents and brokers of that State, doubtless, in the belief that thereby they would keep more premiums at home and thus increase their commissions; and by the Insurance Commissioner, doubtless, in furtherance of the American policy against unauthorized insurance.

The New York proposal was supported chiefly by a Connecticut reinsurance company, said to be owned largely by one of the great foreign reinsurance companies, and which, having multi-field powers under its Connecticut charter, wished to enter other States and reinsure in all fields. It was not, however, actively supported by the direct writing companies or by the Insurance Superintendent; and was actively opposed by some companies which saw the effect of such an innovation on the American classification system. The bill did not even get out of committee.

The New Jersey proposal seemed to have little open support. It was actively opposed by the large direct writing companies and by their agents and most of the brokers. This bill also failed.

These three proposals, however, indicate the chaotic condition of American sentiment as to the great subject of reinsurance and—as nothing else in recent years—suggest the necessity of an American policy and, it is thought, such a policy as will lead ultimately to the establishment here of a scientific reinsurance and retrocession system like that abroad.

To sum up, the following conclusions seem warranted:

1. We need more—nay, we must have more—reinsurance and retrocession facilities. Such substitutes as have been devised are merely temporary concessions to conditions, which we have permitted year by year to grow more acute. The need of additional facilities of this kind in the fire field is conceded by everyone. The need of such facilities in the great new field of workmen's compensation is recognized by every student of the subject. Like needs are beginning to be felt in other and less prominent fields.

2. More reinsurance and retrocession companies are absolutely essential to the existence of our smaller direct writing companies. These now suffer in competition with their larger rivals because the large companies, with their numerous treaties, have practically a monopoly of the larger and better risks. Unless the small companies, through a considerable addition to present treaty companies, can furnish the same facilities, many of them will in the near fu-

ture be forced either to go out of business through mergers or be limited largely to the local fields in which their home offices are situated. Indeed, it may be asserted with some confidence that to our rather narrow American policy as to reinsurance are due many of the mergers and retirements from business through which the larger companies have been slowly becoming the absolute masters of insurance indemnity.

3. Rightly considered, the hostile attitude of agents and brokers to treaty reinsurance is against rather than to their interest. If it continues, there is certain to be a demand on the part of the large owners of property that our present narrow policy be reversed, and, if that demand becomes strident, the agents and brokers will be the chief sufferers. It is already in the minds of many rather doubtful whether the economic service performed by this great class of middlemen warrants its cost. Should the question become acute, it will be settled not by numbers nor yet by the selfish interest of those who stand between the insurer and the insured, but, rather, by economic need.

4. Any uniform legislation on this subject must recognize, first, that reinsurance and retrocession to be economically valuable must be automatic in operation, and, second, that there must be enough of both available to make unnecessary the brokering of excess, and thus protect direct writers from a disclosure to competing rivals of the facts as to given risks. Reinsurance companies under their treaties go blindfold into liability. They do not know even until two or three weeks after risks are placed that they are bound on such risks. Hence, if we are to have in the United States anything like the scientific European system, there must be an adequate supply of retrocession companies among which the reinsurance companies so automatically bound may scatter just as automatically the liability they have assumed.

5. Heretofore our American legislation has prevented rather than encouraged the establishment here of a scientific system for spreading liability through successive insurances. The Massachusetts rule is to a considerable extent responsible for the control of this field by foreign capital; American companies, with the needed retrocession facilities in effect denied them through such rule, are limited to the States which enforce only the broader New York rule; while the heavy requirements of all the States as to deposit capital of United States branches have made it unprofitable for the numerous foreign retrocession companies—whose cessions cannot but be limited in their aggregate and whose annual underwriting profits are correspondingly small—to seek authorization here. Ways must, therefore, be found to lift or modify these conditions, if we are to secure these facilities.

6. The experience of reinsurance companies in the American market has not been favorable during the past few years. The loss ratio has steadily mounted up. It is now above, rather than below, a figure from which a reasonable underwriting profit seems likely. The effect of this experience upon both foreign and American capital—which might otherwise be available—will be appreciated.

7. Treaty reinsurance and retrocession in the United States is now done almost wholly on foreign capital. It is an open secret that New York's only reinsurance company is controlled abroad. Likewise of Connecticut's; and likewise also of the two reinsurance companies operating respectively in the life and casualty fields. This is one of the most significant facts confronting those who seek to solve the present problem. As a corollary, new American insurance capital is at present very limited. Of course, some came out after the Armstrong investigation in the life field, but it is very precariously engaged at present; so also it has not been difficult to increase the capitalization of old and prosperous American companies, and such increase is, in most cases, profitably engaged. But the number of new American insurance corporations during the last decade—except in the life field—has been startlingly small, and a sufficient number of American reinsurance and retrocession companies to supply us with the needed facilities is apparently impossible—even should we get any at all. This field is, therefore, almost certain to remain one controlled by foreign capital, and ways must be found—if we are to have treaty reinsurance and retrocession facilities—which will persuade rather than prohibit, invite rather than just allow.

8. Equally startling and significant is the enormous amount of unauthorized insurance of American risks. This is, of course, not true of the life field, for American life insurance dominates the world. But, in spite of drastic laws intended to compel Americans to do business only with authorized insurance companies and in spite of equally drastic rulings on the part of American supervising officials, a vast amount of the American premiums in other fields of insurance goes abroad; indeed, it is perhaps not an overstatement to say that our American theory—that insurance is a commodity on which we can levy a tariff at ports of entry, and thus compel the capital of the world to pay tribute for the privilege of sharing in our market—has in its practical application largely failed. Nor does there seem to be any way to enforce that theory, save by taxing the insured who places his insurance in other than authorized companies. Any supervising official who has tried that remedy and met the unanimous protest of the business interests thus to be taxed knows that such a requirement either never would be enacted or, if enacted, that it would be quickly repealed.

9. And, finally, the present chaos between the laws of the States—as evidenced very clearly in the three important proposals in 1914 in Massachusetts, New York and New Jersey—can only be ended by some agreement between the States through the National Convention of Insurance Commissioners, either on a uniform law solely applicable to treaty reinsurance and retrocession, or by—what is very much more difficult as well as less wise—the adoption of a policy of uniform rulings that will amount to an American policy on this subject and end the present confusion.

With these conclusions in mind, I may perhaps add a few suggestions:

First: So long as we continue to believe in the classification or single field system, as distinguished from the multi-field system abroad, any uniform reinsurance law should deny to reinsurance companies multi-field powers. If we are to abandon our classification system—and there are already signs that we may—we should abandon it directly, not by indirection. Rightly or wrongly, we, Americans, have heretofore refused to permit the policyholders in one class or field to be put in jeopardy by the hazards of an entirely different class or field. More, we have prescribed different reserve requirements in each field. This from the beginning has been our theory and our practice; it is embedded in our laws. The business operations in the home offices of hundreds of companies recognize this division. Foreign multi-field companies have come to our market and—while doubtless protesting—have recognized it by establishing mono-field United States branches. This is the law of the land, not merely by statute but by insurance practice affecting home office and field, and the public, as well, and has been such for considerably more than half a century. Our American classification system cannot, therefore, be changed without great shock—shock that would unsettle the insurance business for a number of years. Nor should it be changed nor broken in upon in any legislation that may be proposed affecting reinsurance alone.

Second: In view of the conditions here summarized, any further extension of the narrow authorized-insurance rule to reinsurance and retrocession companies—to say nothing of the peculiarly unwise

New Jersey proposal of 1914—is not in the interest of our American public, in that such rule tends to decrease rather than increase the supply of much needed insurance facilities, and makes evasions—perhaps violation—of law both by our citizens and by their insurers not only likely but necessary.

Third: That we should adopt a more liberal treatment of the problem—having in mind that the rule of authorized insurance is not so much an expression of sovereignty as a means to protect our citizens—and that, therefore, when the retention of the full reserve by an authorized company under American supervision has been accomplished, we can, in view of the conditions which confront us, well put aside our rather straight laced notions of sovereignty and, so doing, get this much needed service for our people.

Fourth: That the whole subject be taken up at an early day and, after an investigation covering both American conditions and European practices, there be blocked out a uniform law regulating reinsurance and retrocession; and

Fifth: That, meanwhile, legislation on this important subject and rulings or action affecting it or further committing any State to its present or to some other policy be, so far as possible, avoided.

LIFE, INDUSTRIAL AND ACCIDENT INSURANCE IN NEW ZEALAND IN 1912

ORDINARY life insurance business in New Zealand was prosperous in 1912, according to somewhat belated statistics, issued by the New Zealand authorities and summarized by the "Australasian Insurance and Banking Record." An unusually large amount of new assurances was written, while discontinuances showed only a small increase, the result being that a substantial sum was added to the total amount at risk, raising it to over £37,000,000. Industrial business, as usual, was not of large proportions, and the percentage of discontinuances was high. An ordinary life policy is generally preferred to an industrial policy by workers in settled positions in New Zealand. The accident business of 1912 showed a large increase, and a substantial surplus accrued on the operations.

The following tables give the consolidated figures for the business of all the companies and institutions operating in New Zealand.

I.—Ordinary Life Insurance Business.

Particulars of policies issued and policies discontinued during 1912 as compared with the two previous years are stated as follows:

	1910.	1911.	1912.
Number of policies issued*	14,532	16,029	16,587
Number of policies discontinued*	10,532	9,861	10,160
Increase in number of policies in force	4,000	6,138	6,427
Amount of new insurance written	£3,491,739	£3,821,193	£4,203,766
Amount of new insurance discontinued	2,293,001	2,314,183	2,364,590
Net addition to total amount at risk	1,198,738	1,507,205	1,839,176

*Including policies transferred to and from the colony.

The discontinuances for the last three years are stated, in amounts, under the various causes as follows:

Discontinuances.	1910.	1911.	1912.
By death	£268,870	£273,500	£274,816
By maturity	185,267	224,411	278,382
By surrender	527,726	647,602	612,325
By lapse	1,179,230	1,046,350	1,077,420
By other causes (transfer to Australia, etc.)	131,903	122,325	121,634

Ignoring the last item, the proportions of total discontinuances for the three years are as follows:

	Per Cent.		Per Cent.
Death	12.39	Surrender	27.10
Maturity	10.43	Lapse	50.08

That one-half of the discontinuances is due to lapsing can hardly be considered as satisfactory.

The New Zealand Government Life Insurance Department accomplished a net gain in insurance in force of £350,805 for 1912, against £153,861 for 1911. The Australian Mutual Provident Society showed gains in its New Zealand business of £764,525 and £509,730 for the two years, respectively.

The average amount of insurance per policy and the average rate of premium of the new business for the three years are stated as follows:

	1910.	1911.	1912.
Average amount per policy	£240	£238	£253
Average rate of premium, per cent.	£3 3 11	£3 3 1½	£3 0 6

A considerable increase in the average amount of insurance per policy was accompanied in 1912 by a rather notable decrease in the average rate of premium.

Some particulars of the business in force at the end of each year are as follows:

	1910.	1911.	1912.
Number of policies	137,514	143,652	150,079
Amount	£33,816,736	£35,323,742	£37,162,918
Annual premiums	1,073,010	1,116,772	1,164,699
Average amount of policy	246	243	247
Average rate of premium, per cent.	£3 3 5½	£3 3 2½	£3 2 8

The Australian Mutual Provident Society now stands first for amount, exceeding the total of the Government Department by £644,763. The two offices together hold very nearly two-thirds of the total amount of the New Zealand ordinary life insurance business.

We now arrive at the revenue and expenditure accounts, and in the first place summarize the income as follows:

Income.	1910.	1911.	1912.
New premiums	£108,339	£113,497	£124,954
Renewal premiums	945,897	988,823	1,033,305
Consideration for annuities	26,305	34,748	33,454
Interest	518,505	542,383	564,355
Other receipts	577	119	115
	£1,599,623	£1,679,576	£1,756,183
Transfers from head office and branches	82,738	240,563	104,071
Totals	£1,682,361	£1,920,139	£1,860,254

The outgo for the three years is summarized in the following table:

Claims:	1910.	1911.	1912.
By death	£360,740	£374,748	£380,424
By maturity	225,581	263,329	314,505
Annuities	28,206	30,407	31,986
Surrenders	136,625	170,123	155,302
Cash bonuses	12,064	20,687	23,291
Expenses of management:			
New commission	60,353	65,210	71,377
Renewal commission	10,922	10,271	9,339
Other expenses	95,092	101,597	103,392
Taxes	31,266	33,809	35,492
Depreciation in investments and securities	264	33,027	2,509
Other payments	85	9	126
	£961,198	£1,103,297	£1,127,743
Transfers to head office and branches	259,021	405,193	275,602
Totals	£1,220,219	£1,505,490	£1,403,345

Total expenses, including taxes, but not depreciation, compare with the total income as follows:

	1910.	1911.	1912.
Total income	£1,599,623	£1,679,579	£1,756,183
Expenses—Amount	197,633	210,887	219,600
Per cent	12.36	12.56	12.51

II.—Industrial Business.

Five offices conduct industrial life insurance business in New Zealand. The following is a comparison of the total new business and discontinuances for 1912 with those for the two previous years:

	1910.	1911.	1912.
Amount of new policies issued	£754,331	£811,945	£908,678
Amount discontinued	512,523	533,626	637,517
Net gain	£241,808	£278,319	£271,161

The revenue and expenditure accounts are summarized as follows:

Revenue.	1910.	1911.	1912.
Premiums	£84,382	£101,217	£120,116
Interest	4,414	4,907	5,308
Other revenue	†5,177	1,126	1,481
Totals	£93,973	£107,250	£126,905
Expenditure.			
Claims paid	£14,358	£14,143	£15,219
Surrenders	1,581	1,515	2,023
Expenses*	44,121	56,938	61,609
Other payments	833	1,103	1,159
Totals	£60,893	£73,704	£80,010
Excess of revenue	£33,080	£33,546	£46,895

*Including taxes and depreciation in investments and securities.
†Including advances from ordinary department of the Colonial Mutual Life Assurance Society.

III.—Accident Business.

The revenue and expenditure account for the last three years is summarized as follows:

Income.	1910.	1911.	1912.
Premiums	£241,507	£265,858	£321,803
Other receipts	3,714	6,615	4,898
Totals	£245,221	£272,473	£326,701
Outgo.			
Claims	£115,989	£133,029	£146,137
Commission	32,631	34,677	43,091
Salaries	28,782	30,009	31,635
Other expenses of management	26,013	27,163	30,772
Other payments	968	3,332	2,423
Totals	£204,383	£228,210	£254,058
Surplus income	40,838	44,263	72,643

METROPOLITAN LIFE INSURES ITS EMPLOYES

FOLLOWING closely on the dedication of a sanitorium where its employes are to be cared for in the event of tuberculosis, the Metropolitan Life Insurance Company of New York York has announced a plan of co-operative disability insurance coupled with free life insurance which became effectual on July 1. A letter "To the Clerical Staff at the Home Office" and signed by Mr. Haley Fiske as vice-president, says:

"On July 1, 1914, new plans for the benefit of the home office force will be adopted, under the first of which every home office clerk not over sixty years old and not protected under the Workmen's Compensation Act, will, as a matter of contract and not of grace, be entitled to a weekly income in the event of incapacity due to illness or accident. No medical examination will be required, but in event of incapacity the company will examine and will require proof of incapacity as often as it may deem necessary. All home office clerks—men and women—are eligible if salary is under $2,500 a year. The weekly benefit on account of incapacity will be two-thirds of the average weekly salary for the preceding six months taken to the nearest dollar. No benefit is payable for the first seven days of incapacity, or for the first thirteen weeks of insurance. The benefits are divided into three periods: During the first period of twenty-six weeks, full benefit will be paid; during the second period, four years and six months, one-half benefit will be paid; during the third period, running to age 65, one-quarter benefit will be paid.

"The company will pay one-half of the premium on the disability insurance on men employes, and on women employes the difference between the printed rates and the sum to be paid by the men for similar amount of benefit.

"As an example of the practical working of this new plan, we will take the case of an employe whose average weekly salary for the preceding six months has been $15.00. The amount of life insurance would be fifty-two times $15.00, or $780. The disability benefit would be $10.00 a week, payable for twenty-six weeks; $5.00 a week, payable for the succeeding 234 weeks; then $2.50 a week up to age 65. The cost to the employe for this protection (including life insurance mentioned below for which the company pays the entire premium) at ages sixteen to thirty will be thirty-five cents a month; one-half of the actual premium for men on the disability insurance alone. The premiums are based on age nearest birthday. In the case cited, when the employe reached age thirty-one the monthly cost would be forty cents.

"The company reserves the right to cancel the insurance herein provided for at any time, and also reserves the right to settle any question in dispute. In the event of the cancellation of the insurance of any clerk through the non-payment of premiums or otherwise, no further benefits will be paid such clerk whether incapacitated or not.

"The second plan is one whereby every member of the home office force whose income is less than $2,500 per year will have life insurance for a sum equal to one year's salary, payable in twelve equal monthly instalments. The company will pay the entire premiums. Applications under this plan should be forwarded to the intermediate branch. No medical examination will be required. This offer is open only to those who accept the offer of disability insurance above outlined.

"This is the most liberal proposition, so far as we are aware, ever offered by any corporation to its employes and will, we trust, be promptly availed of by every employe eligible therefor. The division in charge of the disability insurance, which is to be extended to general public operation, will be called the disability insurance division. The officer in charge of this new work will be the sixth vice-president, who will pay especial attention to field work. The home office force and work will be in charge of Assistant Secretary Thornton R. Richardson, and under the supervision of the third vice-president, who already has such supervision in the ordinary and industrial departments."

* * *

Infant Mortality in New York City.—Of all the various activities of the Department of Health, says a bulletin of the Department of Health of the City of New York, none has been productive of more gratifying results than the campaign directed against infant mortality. In 1904, of every 1,000 infants born in New York City, 162 died in the first year of life, while last year the rate was only 102. With approximately 135,000 births in 1913, this represents over 8,000 infant lives saved last year. The showing is still more striking when only the deaths from diarrhoeal disease are considered, for here the rate has fallen from 47 per 1,000 births to less than 23. Without depreciating in any way the influence of a better milk supply, it is safe to say that a very large share of this marked reduction in infant mortality must be credited to popular education in infant hygiene.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

New York Compensation Law in Effect.—The New York workmen's compensation law came into effect on Wednesday (July 1) of this week. Various estimates have been made of the volume of insurance issued and the amount of premiums, but they cannot be better than guesses until there has been time for an exact compilation of the items. The notable development in connection with the law's coming into effect was the announcement that the State commission had discovered a basic error in computation, the correction of which would work a material reduction in the rates of premiums. This was scouted by the insurance companies and made the subject of a formal denial by the State Insurance Department.

A statement issued by the Superintendent of Insurance shows that thirty-two stock insurance companies and fifteen mutual companies, in addition to the State Fund, were authorized to write workmen's compensation insurance when the law came into effect on July 1.

As showing how the premiums are arrived at the case of the Standard Oil Company is interesting. A circular ruling covering this risk was issued by the classification committee of the inspection rating board as approved by the State Insurance Department as follows:

"*Standard Oil Company of New York.*—The department has approved the decision of the classification committee of the compensation inspection rating board with regard to the classification of this risk upon the basis of divided payroll following:

	Estimated Payroll.	Rate.	Estimated Advance Premium.
Drivers and helpers	$370,000	$2.20	$8,140.00
Chauffeurs	35,000	2.43	850.50
Oil distributing	195,000	1.62	3,159.00
Oil refining	2,060,000	3.24	66,744.00
Box manufacturing (wood) (with machinery)	53,000	3.73	1,976.90
Grease manufactures	53,000	1.46	773.80
Candle manufactures	45,000	1.46	657.00
Office force at plants	610,000	.10	610.00
Office force at 26 Broadway	727,000	.10	727.00
Totals	$4,148,000		$83,638.20

"As to clerical office force at 26 Broadway, the rate of 10 cents as shown contemplates obligating the insurance company to pay compensation to any employe of the offices at 26 Broadway on the scale of the New York workmen's compensation law. If desired, this item of clerical office force at 26 Broadway may be written at a rate of 5 cents, reducing the premium on that item one-half, and at this rate the company carrying the risk would be obligated to pay compensation only when such compensation is payable under the law, otherwise to treat the case as coming under employers' liability.

EMPIRE YARD AND VESSELS.

	Estimated Payroll.	Rate.	Estimated Advance Premium.
Ship or boat builders	$105,000	$6.48	$6,804.00
Harbor and coast tugs	140,000	5.67	7,938.00
Harbor and coast steamers	170,000	5.67	9,639.00
Coast barges	60,000	10.53	6,318.00
Harbor barges	190,000	4.86	9,234.00
Totals	$665,000		$39,933.00

"Including all payroll in the State, manufacturing, distributing, office force, yard and vessels contained in both of the above schedules, the average rate for the entire risk figures $2.56—plus."

Individual claims for compensation will be made through the Bureau of Claims of the Workmen's Compensation Commission. As to methods adopted for the adjustment of claims, Mr. Daniel A. Golden, chief of the Bureau, made the following explanation:

"The Bureau of Claims has furnished to all the insurance companies and to the mutuals, and to all of those firms or corporations who are being permitted to carry their own insurance, and to all those who have insured in the State Fund, the necessary blanks upon which to report injuries that occur after midnight of June 30, 1914.

"As soon as such notice of injury is received the Bureau of Claims will examine it to ascertain and determine whether the injured workman was, according to his notice, injured in the course of his employment, and whether his employment was one which comes under the operation of the compensation law, and the probable duration of his injury.

"If it appears that his injury will last for a period longer than two weeks, he is supplied with a blank to be filled out by his attending physician, indicating the nature and extent of his injury, after an examination by said attending physician; also a blank upon which to make his claim for compensation. Upon receipt of the claim for compensation his case will be set for a hearing, and those interested in his case, such as his employer, his employer's insurance carrier, and the injured workman himself, will be notified of the date upon which the hearing will be held.

"They may be represented by counsel, or they need not appear at all, but their failure to appear will be taken as an indication by the commission that there is no objection to the manner in which the commission has indicated that it will dispose of the claim.

"In the case of deaths some additional proof will be required, and an investigation will be made by a representative of the bureau in person, at and about the scene of the accident, as the commission is equipped with Deputy Commissioners and has branch offices located at various points throughout the State.

"Immediately upon the granting of an award a check in payment of said award will be sent to the injured workman. There will be no delay on this. All payments of compensations extending over a long period will be made bi-weekly; for instance, in the case of a man who has lost a leg or arm or foot or hand."

* * *

Free Physical Examination of Policyholders.—A statement issued by the Southern Life and Trust Company of Greensboro, N. C., affords probably the first record in this country of the experience of a life insurance company in furnishing free physical examination for its policyholders. The plan was inaugurated in June, 1913, and, therefore, has been in operation one year. After some general comment which includes an explanation that the examinations have cost approximately $2.50 each, the statement thus summarizes the "findings of the year":

"Those who were found to be in first class physical condition constituted 27.03 per cent.

"Those who had some slight impairment constituted 67.42 per cent. This class includes those who had simply a 'bad cold' or had abnormal temperature from any cause, however transient, and in fact any person who was not entitled at the moment to more insurance if he should desire it; also those with albuminuria or any kidney symptoms, or indications in the lungs of incipient tuberculosis, or any other beginning or existing curable disease or condition.

"Those who were seriously impaired constituted 5.55 per cent. This class includes those well advanced in any chronic disease or seriously sick with an acute attack.

"Twenty-five per cent of the policyholders residing in localities which the assistant medical director was able to visit took advantage of the offer. Discounting those who were away from home

at the time and those who had moved without notifying the home office of their change of address, thus failing to receive notice, the percentage would be somewhat larger.

"While it is impossible in any degree to approximate the financial savings that may result from the examinations, yet in several instances the company has been notified by policyholders who were found to be impaired that they had consulted their physicians and that treatment had completely relieved them. There are, as the direct result of the examinations when tuberculosis was diagnosed, now in sanatoria policyholders having several thousand dollars of insurance. A number of clerks and bookkeepers, who were found to have incipient tuberculosis, were advised to change their occupation, and have done so, choosing an outdoor life. While it cannot be claimed that these lives have been saved, yet every insurance company would much prefer to have its tubercular cases in sanatoria or following outdoor vocations, cognizant of their impairments and using their best efforts to restore their health."

* * *

Camorrists in Malingering Conspiracy.—A newspaper correspondent at Rome, says a London contemporary, is responsible for the statement that insurance malingering on a colossal scale has been revealed by the arrest at Naples of 150 members of the notorious Camorra Society on charges of swindling the Government Workmen's Insurance Bank. The amount involved is said to be £160,000. The method adopted by the Camorrists was, he says, to inflict slight wounds on their hands and then to claim payment as injured workmen. The wounds were kept festering for months until the men were placed on the permanent pension list. So far 18,000 cases have been traced.

INSURANCE NEWS IN THE WEST

Fight State Insurance in Wisconsin.—At the annual meeting of the Wisconsin Field Men's Club last week, O. B. Ryon, general counsel of the National Board, fired the first gun in what promises to be a hot campaign in Wisconsin. He spoke against the adoption of the proposed constitutional amendments, the adoption of either of which would permit the State to embark in the insurance business, unrestrained by present legal or constitutional restrictions. Mr. Ryon is not the first who has spoken on this subject. W. A. Fricke, former insurance commissioner of Wisconsin, and now vice-president and general manager of the Great Northern Life of Wausau, turned his guns on these amendments last Winter, but he addressed Wisconsin business men and life and casualty men chiefly. Mr. Ryon presented the subject to the fire insurance men in such a manner as to result in an immediate movement to organize the State and fight the amendments from now until election day. The special agents will take the lead, but will depend largely upon getting the support of the local agents. Mr. Ryon will address the Wisconsin local agents at their meeting.

Insurance Commissioner H. L. Ekern has intimated that the purpose of the proposed amendments is to clear away all question of the constittuionality of the present law under which the State conducts a life insurance fund. Mr. Ekern is a pretty good politician, and he naturally would present the case of the amendments in a way to arouse least opposition to them.

* * *

Bank Failure Hurts Insurance Promotions.—Plans of the Marquette National Fire, of Chicago, are still quite indefinite. The company has started suit to recover from the receiver of the La Salle Street Trust and Savings Bank $374,000 in securities, which the Marquette claims to have bought and paid for in good faith. Some time may elapse, however, before the suit will be settled. One of the officers has stated that the company may conclude to cut its capital to $500,000 and start business when that amount and a fair amount of surplus is actually on hand. It has $125,000 in good securities and $600,000 in stockholders' installment notes. When these notes or a sufficient percentage of them have been paid, the company would have enough to start on. Then it will either recover the securities in the bank or will get its dividends as a depositor in the bank, which would help out the surplus. The trouble to the Marquette National caused by the bank failure is said to be having a bad effect on the other companies whose stock is being sold in Chicago. Sales of stock in the Merchants National were reported slow, even before the bank failed. The promoters of the Hibernia also have expressed disappointment at the slowness with which its stock was being disposed of. If the Marquette National, by reason of the setback it has received, should conclude not to complete its organization, it is doubtful if the two mentioned would be able to complete theirs. The Anglo-American Reinsurance is also selling stock, but it is a going concern and is selling for an increase in capital.

* * *

In Odd Tangle Over Board Rules.—The peculiar position of the Northwestern National, of Milwaukee, in Chicago, has been the subject of some comment of late. President W. M. Patton is a member of the joint committee on large cities of the Western Insurance Bureau and the Western Union. In that capacity he is working to clear up the large city situation in the West. At the same time the Northwestern National and the Northwestern Underwriters are both non-board companies in Chicago. For many years the Northwestern National was the most pronounced non-affiliated company in the West. It went to the extent of remaining out of many local boards. In Chicago it maintained a branch office outside of the board. It was never charged with being a rate cutter, but it openly accepted business from persons who could not qualify as brokers under the board rules. Eight or nine years ago, when John B. Faatz became manager of the Northwestern Underwriters, there was talk of its branch office entering the Chicago board, but this was held impossible because the office of the parent company was outside. When the Western Insurance Bureau was organized, President Patton became a member, to the surprise and delight of many of the fire insurance men of the West. A few months ago its Chicago branch office moved into the Insurance Exchange, where the board agencies are mostly located, and there was talk of its joining the board. There has been a hitch in that programme, however. The board's attitude towards annexes having changed, a person cannot qualify for Class 1 membership now by having the sole agency of an underwriters agency. Accordingly Manager H. M. Hansen of the Northwestern Underwriters is not eligible to board membership, as he has no other company. Thus the Northwestern National could get in if it had no annex, but the annex cannot get in and a company and its annex cannot be one in and one out. The Northwestern Underwriters has a considerable business in Chicago, which it is not likely to sacrifice. Furthermore, that institution has a separate home office from the parent company, is under its own management, has its own field men and underwriting policy and comes nearer being an independent institution than most underwriters agencies are.

* * *

Surety Company Quits.—Another small surety company has decided it is not expedient to continue in the business. The Citizens Trust and Guaranty of Parkersburg, W. Va., has notified its stockholders that the directors have approved the reinsurance of its fidelity and surety business in the National Surety, of which it will take the general agency for West Virginia. The company will now engage in the trust business which it is chartered to do, but was not per-

mitted to do by the law of West Virginia, so long as it was in the fidelity and surety business. It expects to utilize its West Virginia agency plant to get trust business and also surety business for the National Surety. As the local company was by far the leader in West Virginia bonding business, the National Surety will have about half the premium income of the State on this line. The Citizens Trust also did business in Ohio and Kentucky, but not a large volume in either State. Its premium income last year was between ninety and a hundred thousand dollars. Having been in business over a dozen years, it cannot be charged with undue expansion. In fact its operations have been conservative. President Peterkin says that as many new companies have been organized with larger capital than it had (its capital was $400,000), and as many old companies have increased capital, and as most of these have engaged in casualty insurance also, the company was confronted with the alternative of increasing capital and becoming a multiple line company, or of retiring from the bonding field. The excellent opportunity to get a general agency caused it to choose the latter course.

* * *

Scrutinizing Reinsurances.—Superintendent Potts, of Illinois, has made a ruling to the effect that if one foreign casualty company reinsures the business of another, both being licensed in Illinois, and the reinsurance is not approved by the Illinois department, or provision is not made by the reinsuring company to handle the Illinois liability of the reinsured company satisfactorily the department will consider the reinsurance as an act of fraud justifying revocation of the license of the reinsuring company. He states that this action was brought about by the reinsurance of one company by another, neither of which made satisfactory provision for meeting accrued Illinois claims of the reinsured company.

* * *

Quits Distant Field.—The Southern Surety Company has announced that it has retired from British Columbia and will cancel all its business in that province, and that it will not accept any more new business in Washington, although it will carry present risks to expiration and will maintain a claim department at Seattle. The Southern Surety got into the Northwest field by reason of its absorption of the Missouri Fidelity and Casualty, which had a considerable business in that territory. The Southern has concluded it has all the business it can handle nearer home, and that it is not advisable to operate at such a distance with a large intervening district unworked.

LA SALLE.

Chicago, July 3, 1914.

ITEMS OF INSURANCE NEWS

W. Louis Bennett, formerly an insurance broker, at 148th Street and Third Avenue, New York City, who was arrested in Newburgh, N. Y., on May 18, 1914, on complaint of Superintendent of Insurance Frank Hasbrouck for violation of Section 1198 of the Penal Law, in placing insurance in an unauthorized company, was tried June 30 in the Court of Special Sessions, New York City, before Justices Zeller, Morse and Herman. Bennett pleaded guilty to the charge and was sentenced to pay a fine of $100 or thirty days' imprisonment.

A decision believed to be the first of its kind in the United States has been handed down by the Minnesota Supreme Court at Minneapolis, awarding damages for injuries sustained in a fire. Suits were based on the allegations that the fire escapes were insufficient. Mrs. Wardwell received judgment for $2,713. She went down a fire escape until she was compelled to jump twenty feet. Her leg was broken. Margery McCall, as administratrix for Jennette Wilford, a little girl who was burned to death, received judgment for $1,000.

The New York Life Insurance Company announces the promotion of Norman R. Haskell to be assistant secretary and of Harry H. Bottome to be general solicitor. Mr. Haskell has been with the New York Life since 1882, having started in the agency department. Mr. Bottome was associated with the law department of the company since his graduation from Yale University in 1893 until 1905, when he went into general practice. He was general solicitor from 1903 to 1905. He re-entered the company's service in 1911.

A curious insurance, arising out of the damage caused by militant suffragettes was effected recently in London, when some underwriters agreed to indemnify the assured during the next two years against the legal liability he may have incurred through his wife's action in contributing to suffragist funds employed in the destruction of property. They will be liable for any sum in excess of £250 up to £20,000. The premium paid was £75 for two years.

J. C. Cleary, State Labor Commissioner of Arkansas, makes the following statement: "If there is any movement in the State for the enactment of a workmen's compensation act by the next Legislature I have heard nothing of it. So far as I can see, the sawmill men and the insurance men are the only ones that are urging the passage of such a law, and even they do not appear to be agitating it very much now."

The report of the British Columbia Royal Commission on Labor Conditions in the Province includes a recommendation for the repeal of the existing Workmen's Compensation Act and the establishment in its place of a system of State insurance. This scheme, the Commissioners recommend, should be limited to "dangerous" employments, though other employers may come in on request.

President Corwin McDowell, of the New England Casualty Company, at a meeting of the board of directors of that company, was elected chairman of the board, in which position he will hereafter devote his entire time to the accounting department of the company. First Vice-President A. O. Johnson has been made general manager and will be in charge of all other departments.

The report of the examination of the John Hancock Mutual Life, which has just been published by the Massachusetts Insurance Department, shows that since the last examination the annual income has increased from $22,000,000 to over $30,000,000; its assets from $65,000,000 to over $105,000,000 and its insurance in force from $527,000,000 to over $712,000,000.

Commissioner James R. Young of the North Carolina Insurance Department, has addressed a letter to the mayors of the various cities in that State asking their co-operation in a plan to have an expert fireman employed by the Department visit the towns for the purpose of advising and giving information to the officials and firemen.

The Superintendent of Insurance of the District of Columbia, in an address before the Young Men's Christian Association, stated that Americans carry a total insurance on their lives of $34,000,000,000. The old line companies have outstanding 34,552,348 policies, and the fraternal concerns have 7,534,981 outstanding certificates.

The Cleveland Association of Life Underwriters has elected officers as follows: President, A. D. Hatfield; first vice-president, E. B. Hamlin; second vice-president, W. H. Whitney; treasurer, O. W. Olmstead, and secretary, S. R. Johnson.

The Insurance Society of New York has decided to have a course of lectures on fire loss adjustments, a course on automatic sprinklers and another on the insurance laws of the various States.

A Senatorial Commission on Workmen's Compensation, representing the State of Missouri is in New York City after having inquired into the subject in California, Oregon, Washington and Ohio.

The United States Treasury Department has ruled that the mutual fire insurance companies and other similar co-operative and inter-insurance institutions are subject to the income tax.

At a meeting of the directors of the Illinois Surety Company it was voted to reduce the company's capital stock from $500,000 to $250,000, transferring the difference to surplus.

The industrial, health and accident business of the Philadelphia Life Insurance Company has been reinsured by the Massachusetts Bonding and Insurance Company of Boston.

Walter C. Betts, formerly with Higgins & Cox, of New York City, has been appointed general manager of the London and Midland Insurance Company of London.

The meetings next year of the Executive Committee and the General Council of the International Fire Service Council will be held in Copenhagen, in June.

The per capita cost of the fire extinguishing equipment used in Indiana cities averages $1.13, according to the Indiana State Fire Marshal.

The date of the annual meeting of the National Association of Insurance Agents has been changed from August 18 to August 17.

The Appalachian Life Insurance Company of Bristol, Va., has been sold to the Columbia Life Insurance Company of Cincinnati.

The National Association of Mutual Insurance Companies will hold its annual convention at Columbus, Ohio, on September 22-24.

The American Indemnity of Galveston, Tex., has amended its charter increasing its capital stock from $300,000 to $500,000.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

HOPE that the second half of 1914, both financially and commercially, will be an improvement over the first half is widely entertained and with considerable reason. The impulses which must be generated to start the improving processes are not discernible as yet, but agricultural conditions in our own and other lands are of the most favorable sort; there has been a prolonged shrinkage in consumption of goods and commodities which suggests the probability of some steps to restore the average; financial positions have everywhere been so strengthened that whereas a year ago they were breaking down under a tremendous strain, they are to-day in shape to accommodate a good deal of expansion in values and volumes.

It is especially when the immediate situation is contrasted with that at the turn of the mid-year in 1913, that a basis for optimism appears. Thanks to the impending establishment of the Federal reserve system our potential banking position has been greatly bettered, although there has been a large loss of gold through exports to Europe, which has sorely needed an increase in banking reserves. All the great central banks abroad have been making returns lately which must promote confidence in the underlying stability of the credit system, on the soundness of which the maintenance of modern trade and industry in a state of progressive expansion is absolutely dependent. The world has behind it a twelvemonth of liquidation and destructive happenings which have searched out and removed weak spots from the economic structure.

With the restoration of confidence which must come in time, there should be inaugurated a new period of prosperity for the human race, although we would not seem to commit ourselves at this moment to any prediction of the course of economic events in the near future. There is a continuing struggle between a variety of factors, making for and against a restoration of business and financial confidence, no matter how strong the statistical appeal to the spirit of enterprise. It would seem altogether likely that if the economic journey immediately ahead lies uphill rather than down, the early stages of ascent will be slow, toilsome and difficult and characterized by much slipping backward. Calculations of the future will have to include for a long time a large allowance for the fearful racking and wrenching to which the banking and business community has been subjected and must count upon after effects of such an experience. Moreover, while men of affairs have too much sense to wait at any time for clear skies, there are still too many clouds in the sky, political clouds chiefly, to permit any large projection of forward enterprise.

A test of the foreign situation was undoubtedly afforded in the past week by the fresh tragedy involving the reigning house in Austria. The assassination of the Archduke Ferdinand and his wife, an evident act of vengence for Austria's aggressions on Slav states, was such an episode as must have infallibly precipitated more than a moderate financial panic in Europe a year ago. Concern for the peace of Europe has been aggravated by the occurrences of the last few years, and the failure of financial confidence to return abroad is owing more to doubt about the preservation of European peace than to anything else, including even the encroachments of socialistic domestic politics in various lands on the capitalistic organization. Nevertheless there was hardly a ripple of disturbance on the surface of the European bourses and stock exchanges when the news of the murder of the Austrian Archduke was published.

This was striking testimony, corroborative of similar indications furnished in our own country, to the extent to which economic affairs had been liquidated to an irreducible minimum and the conclusions which are drawn therefrom are of good augury for financial and business recovery, given some incentives to recovery. It may be that a forward impetus will be provided by the flotation of the French National loan next week, particularly if the subscription should be a more or less satisfactory success of public buying rather than of banking support. Yet it is doubtful if American business can expect Europe to supply a momentum to betterment. The economic history of the last half century all goes to suggest that conservative Europe will not of itself tend to move forward until and unless the United States, the most forward looking nation in the world, begins to recover confidence and commits itself to ventures for future profit. The most hopeful thing which can just now be said on the score of Europe is that conditions abroad do not seem likely to militate against an economic revival here if the domestic conditions of revival are otherwise propitious.

National politics is still the most depressing factor with which our merchants and manufacturers and bankers have to contend. There is persistently evinced at Washington a most discouraging lack of intelligence respecting the American business character, the requirements of American business and the proper relations which Government should maintain toward them. No more exasperating illustration of what we mean has been provided than is contained in the obstructive efforts of some imbecile Senators to block the confirmation of Mr. Paul Warburg's appointment to the Federal Reserve Board. It is inconceivable that obstruction should have its way, for if Mr. Warburg, who is so supremely qualified for membership on the board, can be excluded therefrom, the whole world will wonder into whose hands the American people are willing to entrust the conduct of the colossal aggregate of American business enterprises.

By the vote of the Democratic Senate caucus last Wednesday it was demonstrated that the whole Summer might pass with Congress still in session trying to cope with President Wilson's formidable programme of further legislation in the business field. There is nothing in this prospect which can be regarded as contributing to a speedy business revival and, despite President Wilson's happy thoughts on the subject of business and political relations our contemporary politics provides no basis for financial and business optimism, but the contrary. Uncertainty as to the time when business legislation is going to be enacted is far from being, as the Administration thinks it is, the most detrimental factor in the business situation. If that were so there would to-day be no such severe criticism as is bestowed on the operations of the revised tariff law which was passed last Autumn, and no discussion about the dubious features of the Federal reserve act in their bearings on financial developments.

The Administration's pending programme of statutory interference with business endeavor has not commended itself to informed judgment as a miracle of law making, and the programme has itself provoked much uneasiness about the consequences of

subjecting business enterprise to its provisions. Not only does uncertainty for business fail to end with legislation, but new uncertainties are always added and frequently they are of the greater importance. Uncertainty as to the effect of laws is much more paralyzing than the uncertainties of a legislative situation which is all the Administration seems to regard.

One trouble with all considerations of the political factor in values is that at the present time they lead up a blind alley. Nobody can clearly see just what alternative of relief is to offer from the particular kind of politics with which business is afflicted. There is no large amount of comfort to be derived from the Rooseveltian tirade delivered at Pittsburgh last week. It was very satisfying as a caustic review of the achievements of the Wilson Administration, but when the Colonel unfolded his own prospectus it was not obvious that it contemplated anything in the nature of a real political change. Until the march of events shows whether or not there is any possibility of rational conservatism coming to dominate the councils of a potentially victorious party, it is a fair surmise that business will proceed very slowly to discount a future comparatively free from unsettlement by politicians ambitious to hoist themselves into office with schemes that promise in the last analysis to raise the price of whatever one has to sell while lowering the cost of whatever one wants to buy.

There were echoes in the last few days of the Claflin failure, but it began to be realized that this was not a symptomatic episode. The Interstate Commerce Commission continued to trifle with expectations by delaying decision in the Eastern rate case. The Wall Street stock market came almost to a standstill. The money market showed in the disorganization of commercial paper that the Claflin failure had had a disconcerting influence, but money conditions are wholly adverse to any very disastrous reflection of the Claflin collapse. Foreign exchange suggested the likelihood of further gold exports to Paris, but it was banking opinion that the persistent French demand for gold was not a token of latent trouble so much as an expression of the consistent policy of the Bank of France to take advantage of periods of depression to augment its gold holdings. All the really good news of the week was comprised in crop reports, and these were almost uniformly of an optimistic tendency, even cotton having shown a gain during June.

BROAD STREET.

[QUOTED PRICES OF BONDS AND STOCKS ON THE NEW YORK STOCK EXCHANGE WILL BE FOUND ON PAGES 27-31.]

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week June 20, 1914			Week June 27, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,489.4	640.0	2,129.5	1,483.4	634.8	2,118.2
Deposits (net)	1,576.3	480.6	2,056.9	1,560.7	472.6	2,033.3
Cash reserves	430.6	74.7	505.4	422.5	74.3	496.8
Reserve ratio (%)	27.3	15.5	24.5	27.0	15.7	24.4

Actual Status.

	Week June 20, 1914			Week June 27, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,484.8	641.3	2,126.2	1,481.4	636.9	2,118.3
Deposits (net)	1,570.8	475.5	2,046.3	1,552.3	474.0	2,026.3
Cash reserves	429.8	73.0	502.8	416.0	74.5	490.5
Reserve ratio (%)	27.4	15.3	24.5	26.7	15.7	24.2

Actual Status Non-Member Institutions.

	1914			
	June 6.	June 13.	June 20.	June 27.
Loans	573.8	573.1	575.3	571.3
Deposits (net)	573.1	572.9	575.8	575.6
Cash reserves	54.6	53.3	53.3	53.2
Other reserves	111.9	107.0	104.8	105.8
Reserve ratio (%)	30.8	29.6	29.1	29.2

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914			
	June 6.	June 13.	June 20.	June 27.
Loans	2,683.5	2,701.5	2,701.5	2,682.6
Deposits (net)	2,629.3	2,639.7	2,622.1	2,602.9
Cash reserves	572.9	564.0	556.1	543.7

PHILADELPHIA BANKS STATEMENT.

	1914			
	June 8.	June 15.	June 22.	June 29.
Loans	401.7	399.7	398.4	398.2
Deposits	459.1	457.0	459.7	453.1
Cash reserves	104.9	103.5	106.6	102.6

BOSTON BANKS STATEMENT.

	1914			
	June 6.	June 13.	June 20.	June 27.
Loans	238.4	238.6	239.7	239.2
Deposits (net)	223.6	221.7	224.0	221.6
Cash reserves	34.8	35.6	36.5	35.3

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Aug. 9.	Oct. 21.	Jan 13.	Mar. 4.
Loans	6,163.5	6,260.8	6,175.4	6,357.5
Deposits (individual)	5,761.3	6,051.6	6,072.0	6,111.3
Cash reserves	899.1	889.6	981.9	968.0
Other reserves	571.3	586.8	588.8	572.5
Reserve ratio (%)	20.75	20.54	21.74	20.62

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
	New York.	Outside.	Total.	New York.	Outside.	Total.
June 27	1,634	1,314	2,948	1,657	1,328	2,985
June 20	1,792	1,393	3,185	1,689	1,419	3,108
June 13	1,951	1,419	3,370	1,691	1,361	3,052

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
June 27	2½	3½	5½	2	2¼	3¾
June 20	2½	3¾	5½	2	2	3¾
June 13	3	4½	5¼	2	2¼	4¾

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
June 27	1,546,971	15,677
June 20	575,640	11,255
June 13	677,277	13,668

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	June 11.	June 18.	June 25.	July 2.
Deposits	58,675	59,506	62,989	71,621
Circulation	28,635	28,417	28,703	29,784
Gold	36,935	38,681	39,928	40,082
Securities	49,701	48,508	51,040	60,697
Reserve ratio (%)	45.50	48.24	47.10	40.13
Discount rate (%)	3	3	3	3

BANK OF FRANCE (In Thousands of Francs).

	1914			
	June 11.	June 18.	June 25.	July 2.
Deposits	1,072.2	1,158.5	1,166.7	1,332.3
Circulation	5,950.0	5,927.3	5,852.2	6,051.1
Gold	3,824.0	3,875.3	3,975.6	4,057.6
Silver	637.4	641.6	638.3	638.8
Discounts, etc	1,428.9	1,599.2	1,579.3	1,790.8
Coin to notes (%)	74.9	76.1	78.8	77.6
Discount rate (%)	3½	3½	3½	3½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	June 9.	June 17.	June 25.	July 2.
Gold and silver	1,611.4	1,702.1	1,722.3	1,586.8
Loans and discounts	843.4	843.6	810.3	1,284.3
Circulation	1,909.7	1,834.4	1,804.5	2,407.1
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	February.	March.	April.	May.
Loans on call	212.4	214.3	208.4	197.1
Loans, other	901.4	912.3	924.4	927.5
Deposits, demand	337.5	345.5	350.5	340.7
Deposits, other	760.4	760.6	767.0	759.3
Circulation	97.5	96.8	93.0	97.7
Cash reserves	112.6	112.7	113.2	133.3

THE COUNTRY'S COMMERCE

	April		May	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$146,194,461	$172,640,724	$133,723,713	$163,637,386
Exports	199,813,438	162,368,852	194,607,422	161,650,203
Specie				
Gold—Imports	4,013,537	3,462,174	4,561,260	1,972,411
Exports	3,010,369	447,386	12,467,492	16,835,902
Silver—Imports	2,807,655	2,213,529	3,093,063	1,755,062
Exports	5,972,387	4,542,9	5,329,354	4,844,241

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	56½	56⅝	56½	56¾	56⅝	56⅝
London	26	26 1-16	26	26	26 1-16	26 1-16

COTTON

July 3, 1914.

THE central event of the week for the cotton markets was the publication on Wednesday of the estimates of the Bureau of Statistics of the Department of Agriculture, of the acreage planted to cotton this year and of the condition of the growing crop, as at June 25. The trade had been much at sea over the probable figures of both these estimates. The uncertainty about the acreage arose from the reports of fields abandoned or unplanted West of the Mississippi River by reason of the wet weather of May and June, and of fields in the Atlantic States in which the seed had never germinated because of the heat and drought in that section during the same months. The uncertainty about the condition figure was due to the known lateness and irregularity of the crop over large areas. The confusion was perhaps increased by the anticipatory forecasts of private crop observers. On Tuesday, the New York "Journal of Commerce" issued its monthly estimate of condition and its annual estimate of acreage. The latter it put at 36,822,000 acres, as compared with the Government's revised estimate of 37,458,000 acres last year, a reduction of 1.7 per cent. The condition it estimated at 78.6 per cent of normal, as compared with its own figure of 80.9 per cent of normal on the same date last year. More striking, however, than any other feature of the report of the "Journal of Commerce" was the fact that the improvement in condition shown for the month from May 25, to June 25, was only 0.4 per cent. On Tuesday. also, Miss Kate M. Giles issued her condition figure for June 25, making it 79 per cent of normal, as compared with her own 77.5 per cent of normal a month earlier. She further estimated a decrease of 1.4 per cent in the acreage. The New York "Commercial" put the condition at 78 per cent of normal, and indicated a slight increase of acreage. The average guess of 104 members of the New York Cotton Exchange as to the probable condition figure of the Department of Agriculture was 78.1, though it is probable that many secretly believed it would prove decidedly lower than this, perhaps as low as 75 to 76 per cent. The Department of Agriculture's report on Wednesday actually showed a condition, as at June 25, of 79.6 per cent of normal, compared with 74.3 per cent a month earlier, with 81.8 per cent a year ago, and with a ten-year average of 80.7 per cent. The acreage was estimated at 36,960,000 acres, compared with the final revised estimate of 37,458.000 acres for 1913. The impression created by these figures, when given out, was decidedly bearish. The trade had not expected so large an improvement in condition during June as 5.3 per cent; and the comparatively small decrease in acreage was scarcely noticed, because all had in mind the successive upward adjustments made by the Department in its acreage figures of last year. The markets immediately eased off, and the declining tendency was even more pronounced on Thursday and Friday, there being a total decline in New York of nearly 50 points from the price level just before the report was issued. A sudden increase of bearish sentiment was immediately observable, and numerous predictions of a speedy decline of 1 cent or more per pound were heard. It was once more asserted that a really large crop of cotton might fairly be counted on, unless very unfavorable weather should be experienced during the next two months. Very few undertook to calculate the actual crop expectancy indicated by the Government acreage and condition figures, though the results of such a calculation would have shown that the interpretation of the figures could by no manner of means be considered as bearish. The Department of Agriculture announced a month ago the number of pounds of lint cotton per acre indicated by 100 per cent (normal) at the beginning of each successive month of the season of 1914. For July 1 this "normal," or 100 per cent, is given as 232 pounds. A condition of 79.6 per cent of normal, therefore, means a productive expectancy of 232×.796, or 184.672 pounds of lint cotton per acre. This average production on 36,960,000 acres would mean a total production of 6,715,497,120 pounds of lint cotton, or 14,049.157 bales of cotton of 500 pounds gross weight (478 pounds net weight). Now the crop expectancy indicated by the condition report of July, 1913, (81.8 per cent of normal) applied to the revised acreage figure for 1913,—i.e., 37.458,000 acres,—was no less than 14,637,463 bales of 500 pounds gross. In other words, the Department of Agriculture in its July report this year prognosticates a final yield smaller than last year's by 588,306 bales. Assuredly, it is difficult to find an argument for declining prices here. It may, of course, be that the weather during July and August this year will be as abnormally good all over the Cotton Belt, as it certainly was abnormally bad last year West of the Mississippi River. In that case the present crop may attain or even exceed last year's crop. But all reports concur in saying that, except for restricted districts, the present crop is one of the latest of recent record, as well as that it is extraordinarily uneven and irregular in its stands. The boll-weevil, too, is reported as more numerous in all the infested sections than for several years past, while the infested area has been considerably extended both towards the East and towards the North. These are heavy handicaps to overcome, be the weather never so good. Indeed, really good weather for cotton will bring with it precisely the conditions most suitable for the propagation, activity and destructiveness of the boll-weevil. As against any threatened scarcity of cotton, however, it is argued that there must be a severe reduction in the consumption in 1914-15, because of the general industrial, commercial and financial depression in all the Occidental world. This is now a story many months old, yet the consumption of cotton has somehow held its own. It must be admitted, of course, that the cry of "wolf" may finally come true. There is much complaining from cotton manufacturers, both in this and in foreign countries, as to the unprofitableness of their business. Yet the distribution of cotton goods, taking the world as a whole, seems to be going on in virtually undiminished volume. A good monsoon has broken in India, so that that great market will need goods. Perhaps it will be the same in time elsewhere.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
June—						
High	12.86	.....	.....	.....	.....	.....
Low	12.86	.....	.....	.....	.....	.....
Close	12.79	12.85	.....	.....	.....	.....
July—						
High	12.93	12.96	12.90	12.95	12.70	12.55
Low	12.78	12.83	12.78	12.60	12.58	12.45
Close	12.79	12.85	12.78	12.72	12.57	12.45
August—						
High	12.95	12.98	12.94	12.88	12.68	12.51
Low	12.84	12.86	12.77	12.58	12.51	12.41
Close	12.86	12.86	12.77	12.71	12.52	12.42
September—						
High	12.68	12.75	12.62	12.61	.....	12.24
Low	12.63	12.72	12.62	12.44	.....	12.24
Close	12.66	12.69	12.62	12.49	12.28	12.18
October—						
High	12.65	12.78	12.75	12.65	12.45	12.26
Low	12.60	12.68	12.60	12.41	12.27	12.13
Close	12.65	12.68	12.61	12.49	12.28	12.18
November—						
High	12.55	12.59	.....	.....	12.28	.....
Low	12.53	12.58	.....	.....	12.28	.....
Close	12.54	12.56	12.55	12.44	12.23	12.12
December—						
High	12.73	12.82	12.81	12.76	12.55	21.37
Low	12.65	12.72	12.68	12.53	12.39	12.25
Close	12.68	12.72	12.71	12.6	12.39	12.27
January—						
High	12.60	12.70	12.68	12.68	12.46	12.28
Low	12.55	12.60	12.56	12.43	12.30	12.14
Close	12.56	12.60	12.60	12.52	12.30	12.17
March—						
High	12.64	12.74	12.71	12.72	12.48	12.33
Low	12.58	12.65	12.61	12.49	12.35	12.19
Close	12.60	12.64	12.63	12.56	12.34	12.21
April—						
High	12.76	.....	12.85	.....	12.57	12.44
Low	12.76	.....	12.85	.....	12.55	12.37
Close	12.76	12.81	12.78	12.71	12.50	12.36
May—						
High	12.81	12.93	12.92	12.90	12.67	12.52
Low	12.78	12.85	12.83	12.70	12.53	12.39
Close	12.79	12.85	12.82	12.74	12.53	12.39

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	13.20	13.13	.....	.....	.....	.....
July—						
High	13.26	13.30	13.20	13.15	13.00	12.85
Low	13.08	13.27	13.10	13.05	12.90	12.83
Close	13.25	13.17	13.17	13.10	12.90	12.81
August—						
High	13.27	13.33	13.31	13.23	13.03	12.87
Low	13.20	13.25	13.24	13.02	12.90	12.78
Close	13.21	13.26	13.21	13.11	12.90	12.78
September—						
High	.....	.....	.....	.....	.....	12.16
Low	.....	.....	.....	.....	.....	12.16
Close	12.82	12.91	12.85	12.78	12.55	12.45
October—						
High	12.70	12.78	12.74	12.70	12.49	12.36
Low	12.63	12.68	12.64	12.48	12.36	12.24
Close	12.64	12.69	12.64	12.57	12.37	12.27
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	12.63	12.69	12.64	12.57	12.37	12.27
December—						
High	12.68	12.76	12.73	12.71	12.49	12.35
Low	12.63	12.67	12.64	12.48	12.37	12.24
Close	12.63	12.69	12.64	12.57	12.37	12.27
January—						
High	12.70	12.79	12.76	12.73	12.51	12.40
Low	12.66	12.77	12.65	12.53	12.40	12.27
Close	12.64	12.72	12.66	12.60	12.40	12.29

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
March—						
High	12.81	12.87	12.86	12.80	12.63	12.49
Low	12.76	12.83	12.77	12.60	12.50	12.38
Close	12.74	12.81	12.76	12.70	12.50	12.39
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
May—						
High	12.80	.....	.....	.....	.....	12.50
Low	12.83	.....	.....	.....	.....	12.41
Close	12.78	12.85	12.80	12.73	12.53	12.43

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, each day in the week, in pence and hundredths of a penny per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
June—						
Opening	7.45	7.44½	7.48½	....	6.70	6.59
12:30 p. m.	....	7.44½	7.46½	6.73½	6.66½	6.58
Close	7.44½	7.49½	7.46½	6.67	6.64½	6.57
June-July—						
Opening	7.27	7.26	7.33½	....	....	7.11
12:30 p. m.	....	....	7.34	7.25½	7.19½	7.11½
Close	7.26½	7.32	7.26	7.21	7.17½	7.11½
July-Aug.—						
Opening	7.27	7.26½	7.31	7.25	7.24½	7.11½
12:30 p. m.	....	7.27	7.31½	7.26	7.19	7.12
Close	7.26½	7.32	7.26	7.21	7.17½	7.11½
Aug.-Sept.—						
Opening	7.10	7.09½	7.14½	7.10½	7.09	6.96
12:30 p. m.	....	7.10½	7.19	7.11	7.04	6.97½
Close	7.10	7.15½	7.11	7.06	7.02½	6.94½
Sept.-Oct.—						
Opening	6.88	....	6.91½	6.89	6.85	6.74
12:30 p. m.	....	....	6.95	6.90	6.81	6.72
Close	6.88	6.92½	6.90½	6.83	6.80	6.70
Oct.-Nov.—						
Opening	6.80	6.79	6.83	6.80	6.77	6.65
12:30 p. m.	....	6.78½	6.86½	6.80	6.72	6.64
Close	6.79	6.83½	6.81½	6.74	6.71½	6.62½
Nov.-Dec.—						
Opening	6.72½	....	6.75	6.72	6.70	6.57
12:30 p. m.	....	....	6.78½	6.73	6.65½	6.57½
Close	6.71½	6.76	6.73½	6.66½	6.64	6.55½
Dec.-Jan.—						
Opening	6.71	....	6.76	6.71	6.68	6.56
12:30 p. m.	....	....	6.77	....	6.64½	6.55½
Close	6.69½	6.74½	6.72	6.65	6.62½	6.54½
Jan.-Feb.—						
Opening	6.71	6.69½	6.74	6.71½	6.68	6.57
12:30 p. m.	....	6.69½	6.77	6.71½	6.63½	6.55½
Close	6.69½	6.71½	6.72	6.65	6.62½	6.54½
Feb.-Mar.—						
Opening	....	6.70	6.74	....	....	6.57
12:30 p. m.	....	....	6.77	6.72	....	6.55½
Close	6.70½	6.75	6.72½	6.67½	6.63	6.55
Mar.-Apr.—						
Opening	6.73	6.71½	6.76	6.72	6.7	6.58½
12:30 p. m.	....	6.71½	6.79	6.73	6.65	6.57
Close	6.72	6.76½	6.74	6.67	6.64½	6.56½
April-May—						
Opening	....	....	....	....	....	.....
12:30 p. m.	....	....	6.78	6.73½	....	6.57½
Close	6.72	6.76½	6.74	6.67	6.64½	6.56½

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs	Fri
June	89⅜	89⅝	89⅛	88⅜	87⅝	86⅞
July	89⅜	89⅝	89⅜	87½	86½	85¾
August	87¾	87¾	87¾	85⅞	85⅛	84⅛
September	85¾	86	86⅛	84¼	83⅝	82¾
October	83⅞	84⅛	84½	83½	82⅞	82
November	83⅛	83⅜	83¾	83	82⅛	81⅜
December	82⅝	82⅞	83¼	82½	81¾	81

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	13.25	13.25	13.25	13.25	13.25	13.25
New Orleans	13 9-16	13 9-16	13 9-16	13 9-16	13 9-16	13 7-16
Galveston	13 11-16	13 11-16	13 11-16	13 11-16	13⅝	13½
Mobile	13¼	13¼	13¼	13¼	13¼	13¼
Savannah	13⅞	13⅞	13⅞	13⅞	13⅞	13⅞
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	13¾	13¾	13¾	13¾	13¾	13¼
Baltimore	13⅞	13⅞	13⅞	13⅞	13⅞	13⅞
Philadelphia	14¼	14¼	14¼	14¼	14⅛	14¼
Augusta	13¾	13¾	13¾	13¾	13¾	13¾
Memphis	13¾	13¾	13¾	13¾	13⅝	13⅝
St. Louis	13⅝	13⅝	13⅝	13⅝	13⅝	13⅝
Houston	13¾	13¾	13¾	13¾	13⅝	13⅝
Little Rock	13¼	13¼	13¼	13¼	13¼	13¼

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	8.59	8.61	8.62	8.58	8.51	8.44
Good middling	8.13	8.15	8.16	8.12	8.05	7.98
Middling	7.61	7.63	7.64	7.60	7.53	7.46
Low middling	7.13	7.15	7.16	7.12	7.05	6.98
Good ordinary	6.17	6.19	6.20	6.16	6.09	6.02
Estimated spot sales	3,000	4,000	3,000	5,000	7,000	7,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on each day of the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	97¼	97	96¼	96	94⅝	94¼
Fully middling	94	93¼	93	93¾	91⅞	91
Low middling	86¾	86½	85¾	85½	84⅛	83¾

The MOVEMENT OF THE AMERICAN CROP.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	8,685	18,713	26,641	33,018
Overland to mills and Canada	2,741	5,775	9,706	5,183
So. mill takings, est., exclusive of takings from Southern ports.	15,000	25,000	25,000	20,000
Loss of stocks at interior towns	10,024	10,943	16,283	21,950
Brought into sight for week	16,402	38,545	45,064	36,251
Total Movement—				
Port receipts	8,516,715	11,831,868	9,764,512	10,336,246
Overland to mills and Canada	952,576	1,247,390	1,064,982	1,137,400
Southern mill takings	2,150,000	2,605,000	2,685,000	2,820,000
Stocks at interior towns in excess of Sept. 1	62,758	42,513	107,774	50,894
Brought into sight thus far this season	11,682,049	15,726,771	13,622,268	14,344,540

The total crop movement is respectively for 310 days, 309 days, 307 days and 306 days.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	6,920	3,776,158	43,914	15,632	3,606,642	81,630
New Orleans	6,341	1,416,797	40,868	5,638	1,853,789	74,637
Mobile	1,472	225,040	5,533	1,512	433,870	9,904
Savannah	3,948	1,270,186	24,029	1,295	1,803,410	15,467
Charleston	833	306,241	10,124	62	422,460	1,624
Wilmington	392	342,360	10,020	114	398,648	10,715
Norfolk	3,039	583,606	32,874	1,157	574,120	17,977
Baltimore	1,286	76,480	7,592	137	91,699	2,466
New York	198	14,874	51,182	.....	6,603	114,633
Boston	138	45,435	7,271	92	20,151	8,495
Philadelphia	69	8,162	925	70	3,629	1,895
Newport News	.....	110,343	.....	.....	129,956	.....
Brunswick	190	234,319	716	125	289,805	401
Pensacola	.....	124,899	36	6,895	163,999	.....
Port Arthur	.....	138,642	.....	.....	46,238	.....
Pacific ports	1,524	370,230	.....	289	256,433	.....
Texas City, etc.	53	75,116	2,701	.....	502,640	2,557
Jacksonville, etc.	238	15,342	501	.....	29,163	145
Georgetown	.....	110	.....	.....	.....	.....
Totals	26,641	9,764,512	237,266	33,018	10,336,246	339,788

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	48	17,747	145	465	4	17,730	38	502
Dallas	.....	132,965	.....	3,728	3	100,559	54	838
Shreveport	6	140,931	33	3,310	7	194,922	998	4,914
Little Rock	153	181,198	2,246	15,746	103	189,220	4,197	15,808
Helena	50	41,643	53	175	2	65,628	919	2,299
Vicksburg	85	29,337	92	778	6	34,321	185	891
Columbus, Miss.	.....	27,647	18	714	.....	38,224	54	247
Natchez	.....	18,131	.....	525	.....	19,706	.....	1,271
Memphis	2,079	899,553	4,992	29,336	2,939	1,117,843	5,215	21,669
Nashville	.....	7,807	.....	441	.....	10,984	.....	126
Selma	38	117,717	313	582	16	129,306	79	713
Montgomery	375	158,371	1,504	6,750	11	156,145	3	2,912
Eufaula	8	21,110	109	1,673	6	22,631	.....	692
Columbus, Ga.	125	75,106	1,700	9,371	30	81,140	206	4,047
Macon	4	36,789	900	5,572	5	44,556	8	58
Albany	.....	23,961	2	707	.....	27,418	7	1,101
Atlanta	330	162,180	782	2,140	677	232,632	1,539	3,906
Rome	56	51,543	400	4,598	71	58,041	275	3,844
Augusta	610	335,573	2,233	22,542	1,325	373,478	1,717	14,627
Columbia	2,188	96,252	2,188	.....	988	81,536	988	.....
Newberry	.....	17,982	.....	.....	.....	23,101	.....	.....
Charlotte	40	11,651	40	.....	18	11,747	18	.....
Raleigh	22	11,065	75	113	71	14,839	100	59
St. Louis	4,252	579,853	5,467	20,255	2,628	565,078	3,691	17,402
Houston	3,886	3,113,242	6,712	43,017	5,212	2,752,757	12,817	44,686
Meridian	216	58,101	441	8,817	27	33,731	79	2,290
Cincinnati	298	225,187	639	22,275	3,283	246,619	4,227	13,964
Yazoo City	.....	22,476	.....	2,761	.....	40,656	163	1,500
Totals	15,799	6,516,318	31,168	201,391	17,472	6,687,885	37,572	160,386

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	18,749	9,266	19,768
France	.....	1,428	4,370
Continent	16,664	31,529	31,590
Mexico	320	1,735	.....
Japan	473	1,095	289
Totals	36,206	44,053	56,026
Since September 1.			
Great Britain	4,164,042	3,508,342	3,358,442
France	1,157,374	971,925	1,056,183
Continent	4,407,901	3,458,960	3,931,142
Mexico	14,539	20,888	27,447
Japan	514,611	385,580	345,975
Totals	10,258,467	8,345,295	8,719,189

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	2,500	600	4,000
Since September 1	7,252,697	7,452,851	7,601,523

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	4,250	198,605	3,750	199,750	.....	201,039
To Manchester	.....	222,936	.....	270,432	5,300	217,215
To Continent	5,250	367,162	6,250	386,171	5,500	416,445
To America	2,000	111,291	600	121,365	.....	81,948
Total exports	11,500	899,994	10,600	907,718	10,800	916,647

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	26,000	2,628,000	36,000	3,640,000
Exports to Great Britain	.....	18,000	.....	69,000
Exports to Continent	4,000	415,000	26,000	1,110,000
Exports to Japan and China	32,000	904,000	5,000	1,138,000
Afloat in harbor	11,000	.....	26,000	.....
	Exchange, 1s. 4 7-32.		Exchange, 1s. 4⅛.	

Receipts exclusive of —— American this week, and 2,000 this season; —— this week last year, 27,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	934,000	743,000	935,000	723,000
London	4,000	.....	5,000	.....
Manchester, in wareh'ses	63,000	43,000	77,000	57,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	4,000	25,000	3,000
Bremen	311,000	308,000	392,000	384,000
Havre	188,000	179,000	286,000	255,000
Other ports—Continent	44,000	36,000	86,000	51,000
Alexandria	115,000	.....	138,000	.....
Bombay	674,000	.....	610,000	.....
U. S. interior towns	201,391	201,391	160,386	160,386
U. S. ports	237,266	237,266	342,546	342,546
Afloat for—				
Liverpool	45,000	27,000	84,000	43,000
London	.....	.....	.....	.....
Continent	205,000	102,000	315,000	108,000
Afloat in Bombay harbor	11,000	.....	26,000	.....
Coastwise to New York	4,000	4,000	5,000	5,000
Exports to-day	.....	.....	2,000	2,000
Totals	3,051,657	1,884,657	3,488,932	2,133,932

Decrease in general visible supply for the week, 288,783, against decrease last year, 231,057. Decrease in American visible supply for the week, 134,783, against decrease last year, 175,057.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	1,057,598
Crop in sight to date	13,622,268	14,344,540
Total supply	14,981,238	15,402,138
Less visible supply, American, to-day	1,884,665	2,145,397
World's takings, American, to-day	13,096,573	13,256,741
American Takings.		
Stocks at United States ports August 31	296,353	231,106
Returned from foreign countries	166	3,124
Receipts at United States ports to date	9,764,512	10,336,246
Total supply at ports	10,061,031	10,570,476
Deduct.		
Stocks at ports to-day	237,266	342,546
*Exports to date	8,349,295	8,724,189
Southern mill takings from ports	80,392	134,024
Burnt at ports	8	11,465
Totals	8,666,961	9,212,224
To Northern mills from ports	1,394,070	1,358,252
Overland to Northern mills	1,064,982	1,137,400
Total Northern mill takings	2,459,052	2,495,652
Southern mill takings	2,765,392	2,954,024
Total American mill takings, including Canada	5,224,444	5,449,676

*Includes 5,000 in transit between Southern ports and New York, against 4,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	50,050	5,224,444	43,008	5,449,676
Great Britain	75,236	3,078,176	53,768	2,830,140
Continent	91,957	4,387,485	73,969	1,603,263
Mexico	1,735	20,888	.....	27,447
Japan and China	1,095	385,580	389	345,975
Totals	220,113	13,096,573	171,034	13,256,741

LIVERPOOL WEEKLY.

	1912.	1913.	Last Week.	This Week
Sales, all kinds	62,000	56,000	28,000	29,000
Sales, American	52,000	48,000	21,000	20,000
Sales, speculation	4,000	3,000	2,000	1,000
Sales, exports	3,000	1,000	1,000	.....
Forwarded	81,000	88,000	67,000	74,000
Imports, all kinds	23,000	48,000	78,000	51,000
Imports, American	5,000	28,000	38,000	41,000
Actual exports, all kinds	7,000	9,000	6,000	7,000
Stock, all kinds	1,070,000	934,000	964,000	935,000
Stock, American	871,000	743,000	742,000	723,000
Afloat for Great Britain, all kinds	54,000	45,000	113,000	84,000
Afloat for Great Britain, American	32,000	27,000	66,000	43,000

* * *

GOVERNMENT REPORT ON ACREAGE AND CONDITION OF THE COTTON CROP ON JUNE 25, 1913.

The Crop Reporting Board of the Bureau of Crop Estimates (formerly Bureau of Statistics) of the United States Department of Agriculture estimates, from the reports of the correspondents and agents of the Bureau, that the area of cotton in cultivation this year (1914) in the United States is about 36,960,000 acres, as compared with 37,458,000 acres, the revised estimate of acreage in cultivation a year ago, being a decrease of 498,000 acres, or 1.3 per cent.

The condition of the growing crop on June 25, was 79.6 per cent of a normal condition, as compared with 74.3 on May 25, 1914, 81.8 on June 25, 1913, and 80.7, the average condition for the past ten years on June 25. Details by States follow:

	Area Under Cultivation a Year Ago (Revised Estimate).	Area, 1914. Preliminary Estimate—Pct. Compared With 1913.	Area, 1914. Preliminary Estimate—Acres.	Condition—June 25, 1914.	Condition—May 25, 1914.	Condition—June 25—Ten-Year Av'ge. 1913.	Condition—June 25—Ten-Year Av'ge. Av'ge.
States.							
Virginia	48,000	95	46,000	86	83	81	84
North Carolina	1,589,000	100	1,589,000	82	76	76	81
South Carolina	2,798,000	101	2,826,000	81	72	73	79
Georgia	5,345,000	101	5,398,000	83	80	74	81
Florida	192,000	101	194,000	86	82	85	85
Alabama	3,798,000	103	3,912,000	88	85	79	80
Mississippi	3,117,000	101	3,148,000	81	87	82	78
Louisiana	1,263,000	110	1,389,000	81	82	81	78
Texas	12,686,000	95	12,052,000	74	65	86	82
Arkansas	2,527,000	100	2,527,000	80	79	86	81
Tennessee	866,000	100	866,000	79	80	87	83
Missouri	113,000	110	124,000	93	86	88	83
Oklahoma	3,102,000	92	2,854,000	79	68	89	82
California	14,000	250	35,000	100	100	95	97
United States	37,458,000	98.7	36,960,000	79.6	74.3	81.8	80.7

* * *

Cotton Growing in Italian North Africa.—Mr. N. Roderick Dorsey, United States Consul at Tripoli, Libya, transmits, as follows, his translation of an article in the "Boletino di Informazioni" of the "Ufficio Economico-Finanzario," Rome, for December, 1913:

"The Society for the Cultivation of Cotton in Eritrea has started some culture experiments in Tripoli, to study the adaptability of various types of cotton to the soil of the oases. The trials were conducted on nearly seven and a half acres, planted with Russells and Allens, herbaceous American varieties from Florida; the first is very early and will give two crops a year; the second is less forward, has more branches, and is very productive. Planting was made in November, 1912, with seed disinfected with lysoform, but the Winter cold killed the young plants and it was necessary to

replant at the beginning of the following June. The harvest from this planting was begun in the second half of October, and completed in three pickings, with interval of fifteen days. The plants were irrigated six times during the Summer in conformity with the Arab custom, the ground having been previously subdivided into small plats. The ground was not manured, as it had been planted to green crops. No disease attacked the plants. The harvest was abundant and of excellent quality, the fibre of the Allens attaining an average length of eighteen millimeters and a maximum of twenty-two millimeters (seven-tenths and eighty-seven one-hundredths inch, respectively). The best results were obtained with the Mebane of the Mississippi, with respect both to quantity and quality of fiber, the length of which attained thirty-eight millimeters (one and one-half inches). Not so much can be said of the Willets variety, which was grown with little irrigation —only once or twice during the sprouting period. Many young plants died, others survived only where they were grown among watermelons whose abundant foilage no doubt protected the young plants from the sun's heat and conserved the moisture in the ground. It was not possible to have exact data, but the society asserts that there was a fair margin of profit.

"During 1914, the experiments will be repeated in the various seasons. Non-irrigation outside the oases will be tried with selected Mebane seed.

"The few cotton plants that are cultivated in the oases by the natives belong to the herbaceous variety which assumed the dwarf-tree form. They are constantly irrigated, but it is thought that owing to their robustness and woody condition they could live tolerably well without irrigation in those lands that retain a certain amount of moisture in the subsoil. This is shown by some existing examples in the gardens of Tripoli that have been abandoned and left to themselves for more than two years."

* * *

Salonika.—In a review of trade conditions and prospects in Salonika, New Greece, Mr. John E. Kehl, United States Consul, writes: "Textiles form the principal import item. Previous to the recent political changes the average annual importation was valued at more than $5,500,000. As to the future the view of the trade is very pessimistic. The participation of American fabrics is limited almost entirely to cabot sheeting. The annual consumption of this article is estimated at 1,300 bales of 25 pieces each. Albania, now a principality, was a heavy purchaser of cabot from Saloniki merchants. In general, the imports consist of gray, bleached, printed, and colored piece goods; gauze, tulle, and muslin; embroidered tissues, bed and table covers, shawls, velvet, tissues for curtains, handkerchiefs, napkins, lace, passamenterie, and knit goods."

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3 3/8	3 3/4
Gray goods, 38 in., standard	5 1/4	5 1/4
Brown sheetings, Southern standard	8	8
Denims, 9-ounce	14 -17	14 -17
Tickings, 8-ounce	13 1/2	13 1/2
Standard prints	5 1/4	5 1/4
Standard staple ginghams	6 1/4	6 1/4
Yarns.		
Southern 2-ply skeins, 30s	25 -25 1/2	25 -25 1/2
Southern 2-ply skeins, 60s	45	45
Southern single skeins, 20s	22 -22 1/2	22 -22 1/2
Southern single chain warps, 20s	22 1/2	22 1/2
Southern 2-ply chain warps, 20s	22 1/2-23	22 1/2-23
Southern frame cones, 20s	22 3/4	22 3/4
Southern frame cones, 30s	26	26
Eastern carded cops, 20s	24	24
Eastern carded cops, 30s	28	28
Eastern carded peeler warps, 30s	31	31
Eastern carded peeler warps, 50s	48	48

THE GRAIN AND PROVISION MARKETS

The high and low prices quoted on the Chicago Board of Trade during the past week for contracts for the future delivery of the chief grains and provisions are as follows:

WHEAT.

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
June 27	78 5/8	77 5/8	78 1/2	77 5/8	81 1/2	80 3/4
June 29	79 3/8	77 3/4	78 3/4	77 1/2	81 3/4	80 7-16
June 30	77 7/8	76 3/4	77 5/8	76 7/8	80 3/8	80
July 1	78 1/2	77 3/4	78 1-16	77 3/8	81 1/8	80 3/8
July 2	79 1/2	78 1/8	79	77 15-16	81 15-16	80 7/8
July 3	79 3/4	79 3/8	79 3/8	78 9-16	82 3/8	81 1/2

CORN (New Contract).

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
June 27	69	67 7/8	67 1/4	65 7/8	58	56 3/4
June 29	68 7/8	67 3/4	67 1/8	66 3-16	57 15-16	57 1/4
June 30	68 3/8	67 1/2	66	65 3-16	57 1/8	56 5-16
July 1	68 1/2	67 1/8	65 5/8	64 3/4	56 1/4	55 3/4
July 2	68 3/8	67 1/2	65 7/8	65	55 3/4	55 1/4
July 3	68 1/4	67 1/4	65 1/2	64 1/2	55 5/8	54 5/8

OATS.

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
June 27	37 7/8	37 3/8	37	36 1/2	38 1/4	37 5/8
June 29	37 5/8	37 1/4	36 7/8	35 7/8	38 1/4	37 1/4
June 30	36 7/8	36 1/8	35 13-16	35 1/4	37 1/4	36 11-16
July 1	36 5/8	36	35 1/2	34 3/4	37	36
July 2	36 3/8	36 1/8	35 1/2	34 7/8	36 7/8	36 3-16
July 3	36 13-16	36 1/2	35 7/8	35 1/8	36 7/8	36 3/8

LARD.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
June 27	10.00	9.95	10.15	10.10	10.20	10.17 1/2
June 29	10.07	10.00	10.22	10.17	10.27	10.22
June 30	10.10	10.02	10.27	10.20	10.35	10.25
July 1	10.10	10.00	10.25	10.15	10.32	10.22
July 2	10.05	10.05	10.22	10.17	10.30	10.25
July 3	10.12	10.10	10.27	10.22	.....	.....

RIBS.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
June 27	11.47 1/2	11.42 1/2	11.50	11.45	.....	.....
June 29	11.60	11.50	11.57	11.52	11.32	11.30
June 30	11.70	11.57	11.65	11.55	11.40	11.30
July 1	11.67	11.57	11.65	11.55	11.35	11.27
July 2	11.72	11.67	11.67	11.60	11.40	11.32
July 3	11.80	11.75	11.80	11.75	11.45	11.42

PORK.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
June 27	21.30	21.12 1/2	20.20 1/2	19.97 1/2	.....	.....
June 29	21.35	21.20	20.15	20.05	.....	.....
June 3	21.37	21.20	20.22	20.05	.....	.....
July 1	21.95	21.27	20.32	20.12	.....	.....
July 2	21.90	21.85	20.50	20.22	.....	.....
July 3	21.95	21.40	20.35	20.25	.....	.....

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	7.20	7.26	7.20	7.22	7.18	7.24
July	7.21	7.27	7.23	7.22	7.20	7.25
August	7.42	7.47	7.47	7.44	7.41	7.44
September	7.51	7.58	7.57	7.54	7.52	7.54
October	7.33	7.38	7.36	7.32	7.31	7.32
November	6.99	7.02	7.00	6.98	6.97	6.97
December	6.89	6.92	6.90	6.87	6.85	6.86
January	6.89	6.92	6.90	6.87	6.86	6.86
February	6.90	6.93	6.92	6.88	6.87	6.86

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
June	8.37	....	....	....	....	....
July	8.37	8.32	8.31	8.39	8.35	8.40
August	8.46	8.43	8.41	8.49	8.45	8.50
September	8.56	8.53	8.51	8.59	8.55	8.60
October	8.64	8.61	8.60	8.68	8.64	8.70
November	8.73	8.73	8.70	8.78	8.74	8.80
December	8.82	8.83	8.80	8.88	8.84	8.90
January	8.85	8.87	8.82	8.91	8.88	8.93
February	8.89	8.90	8.86	8.94	8.91	8.96
March	8.93	8.93	8.89	8.96	8.93	8.99
April	8.95	8.96	8.92	8.99	8.96	9.02
May	8.98	8.99	8.95	9.01	8.98	9.05
Spot Rio 7's	9	8 7/8	8 7/8	8 7/8	8 7/8	8 7/8

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Ma- turity.	Interest Payable.	Saturday. June 27. High.	Saturday. June 27. Low.	Monday. June 29. High.	Monday. June 29. Low.	Tuesday. June 30. High.	Tuesday. June 30. Low.	Wednesday. July 1. High.	Wednesday. July 1. Low.	Thursday. July 2. High.	Thursday. July 2. Low.	Friday. July 3. High.	Friday. July 3. Low.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	.....	.....	.....	.....	77½	77½	.....	.....	77¾	77¾	.....	.....
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	86½	86½
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1017⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	100⅞	100⅞	100⅞	100⅜	.....	.....	.....	.....	.....	.....	100¼	100¼
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*	.....	.....	102⅛	102⅛	.....	.....	.....	.....	102⅝	102⅝	.....	.....
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O	.....	.....	88	88	.....	.....	.....	.....	.....	.....	89	89
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*	.....	.....	.....	.....	98½	98½	98½	98½	.....	.....	.....	.....
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	122½	122½	.....	.....
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	.....	.....	63	63	62½	62½	.....	.....	.....	.....	.....	.....
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	.....	.....	92⅜	92⅜	92⅝	92⅜	92½	92½	92⅝	92½	92½	92¼
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	95¾	95¾	95⅝	95⅝	95¾	95⅝	95¾	95⅝	95⅞	95¾	95⅞	95⅞
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov	88	88	87½	87½	87½	87½	.....	.....	.....	.....	87½	87½
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	.....	.....	101	101	.....	.....	.....	.....	.....	.....	101	101
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	.....	.....	98	98	97¾	97¾	.....	.....	.....	.....	.....	.....
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S	93½	93½	.....	.....	93¾	93½	.....	.....	.....	.....	93½	93½
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	89¼	89¼	.....	.....	89	89	92¾	92½	.....	.....	92½	92½
91¾	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	.....	.....	.....	.....	91½	91½	.....	.....	.....	.....	92	92
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	93½	93½	93½	93½	93⅜	93⅝	93¾	93⅝	93⅝	93⅝	93⅞	93¾
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	.....	.....	86¾	86¾	.....	.....	.....	.....	87	87	.....	.....
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	.....	.....	.....	.....	91	91	.....	.....	91¼	91¼	91½	91¼
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	99¼	99⅛	99⅜	99⅜	99¼	99¼	99⅜	99	99	98½	99	99
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*	89⅞	89¾	89⅞	89¾	90½	89¾	92	90¾	.....	.....	.....	.....
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	103½	103½	.....	.....
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	103¼	103¼	103¼	103¼	.....	.....	103	103	103	103	.....	.....
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N	.....	.....	105¾	105¾	106	106	106	105¾	105¾	105¾	.....	.....
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	99½	99⅜	99½	99½	99½	99½	99½	99½	99½	99½	99¾	99½
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	.....	.....	117	117	.....	.....	.....	.....	117¼	116¾	.....	.....
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	94	94	.....	.....	94¼	94	.....	.....	93¾	93¾	94	93⅞
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N	.....	.....	.....	.....	106⅞	106⅞	.....	.....	.....	.....	.....	.....
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	.....	.....	94¼	94¼	94⅜	94¼	.....	.....	94⅜	94	.....	.....
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	80½	79⅞	80	80	80	80	80⅛	80⅛	80½	80½	80¾	80½
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*	.....	.....	.....	.....	.....	.....	60¼	60¼	.....	.....	60¼	60¼
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	93⅜	93⅜	93⅜	93⅜	93½	93⅜	93⅜	93¼	93⅜	93⅜	.....	.....
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	97⅜	97¼	97⅜	97¼	97¼	97¼	97¼	97⅛	97¼	97⅛	97¼	97⅛
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	.....	.....	.....	.....	.....	.....	85¼	85¼	.....	.....	.....	.....
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	.....	.....	.....	.....	95⅜	95⅜	95⅝	95½	.....	.....	.....	.....
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	.....	.....	98	97⅞	.....	.....	.....	.....	.....	.....	.....	.....
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	74¼	74⅛	74	73⅞	74	74	.....	.....	73¾	73⅜	74	73⅞
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	.....	.....	96	96	.....	.....	96⅛	96⅛	96⅛	96⅛	.....	.....
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	.....	.....	91⅜	91⅜	.....	.....	91½	91½	91⅞	91⅞	91½	91½
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J	.....	.....	.....	.....	104¼	104¼	.....	.....	.....	.....	.....	.....
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*	.....	.....	.....	.....	.....	.....	83⅛	83⅛	.....	.....	83⅜	83⅜
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	96	96	.....	.....
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	87½	87½	.....	.....
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	29½	29	29⅛	28¾	28⅞	28⅝	29⅝	28¾	28⅞	28⅝	28¾	28½
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	78¼	78¼	78⅜	78¼	78	77	77⅛	76½	77½	76¾	77¾	77½
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	.....	.....	.....	.....	.....	.....	76⅜	76⅜	.....	.....	.....	.....
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*	.....	.....	.....	.....	19	19	.....	.....	.....	.....	.....	.....
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	.....	.....	90¼	90¼	90¼	90¼	.....	.....	.....	.....	90¼	90¼
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	.....	.....	.....	.....	.....	.....	99⅛	99⅛	.....	.....	99⅛	99⅛
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N	97¼	97¼	.....	.....	97½	97½	.....	.....	97½	97	.....	.....
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	79½	79½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	.....	.....	.....	.....	55½	55⅜	55½	55½	.....	.....	56	56
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	.....	.....	.....	.....	60¼	60¼	59½	59½	59	59	58¾	58½
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J	.....	.....	.....	.....	83¾	83¾	.....	.....	.....	.....	84½	84
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	.....	.....	73	73	72½	72½	.....	.....	.....	.....	73	73
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	.....	.....	71½	71½	72⅛	71	.....	.....	.....	.....	.....	.....
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	72	71⅝	70¾	70¾	71½	71⅛	71¼	71¼	.....	.....	71¼	71¼
90	Jan	20	85⅜	July	23	Erie (Pa) col 4s	1951	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	.....	.....	.....	.....	106	106	.....	.....	.....	.....	105½	105½
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100⅛	100⅛
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	.....	.....	92	92	92	92	92	92	92	92	92	92
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	52¼	52¼	52⅜	52	52⅜	52⅜	52½	52¼	52¼	52¼	52½	52½
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	77¼	77¼	77⅛	77	77⅛	77⅛	77¼	77¼	77¼	77¼	77⅜	77¼
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	.....	.....	99	98⅞	99	98⅞	99	99	99	98⅞	99	98⅞
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S	43	43	43	43	46	45	43½	4-	43	43	44	43½
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D	.....	.....	88¼	88¼	.....	.....	.....	.....	.....	.....	.....	.....
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S	.....	.....	.....	.....	48	48	.....	.....	.....	.....	.....	.....
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	73½	73½	73½	73½	.....	.....	74	74	74	73¾	.....	.....
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	69½	69	.....	.....
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	95⅜	95⅜
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O	91⅜	91⅜	.....	.....	.....	.....	91⅜	91⅜	91⅜	91⅜	.....	.....
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106½	Jan	17	101⅞	May	15	Lake Erie & W 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93½	Sept	3	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	94⅜	94⅜	94⅝	94⅝	.....	.....	.....	.....	94⅜	94⅜	94¼	94¼

Range for 1913 High.		Range for 1913 Low.		Bonds.	Ma-turity.	Interest Payable.	Saturday. June 27. High.	Saturday. June 27. Low.	Monday. June 29. High.	Monday. June 29. Low.	Tuesday. June 30. High.	Tuesday. June 30. Low.	Wednesday. July 1. High.	Wednesday. July 1. Low.	Thursday. July 2. High.	Thursday. July 2. Low.	Friday. July 3. High.	Friday. July 3. Low.
95⅜	Feb 3	88	Dec 20	Lake Shore deb g 4s	1931	*M-N	.....	.....	93⅝	93½	93⅝	93½	93½	93½	93¾	93⅝	93¾	93½
89½	Feb 19	84	Aug 9	Long Island unified 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94	Jan 4	86	July 17	Long Island gen 4s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96	Apr 23	89½	Aug 22	Long Island ref 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99½	Jan 13	91½	June 11	Louis & Nash unified 4s	1940	J-J*	96	- 96	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95	Jan 14	86½	July 1	Manhattan con 4s	1990	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	96⅛	96⅛	96¼	96¼
95½	Jan 22	87¾	June 19	Man Ry 4s stpd tax exempt	....	....	.....	.....	.....	.....	92½	92½	.....	.....	.....	.....	.....	.....
95¼	Jan 8	86½	Oct 22	M K & T 1st 4s	1990	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81¾	Jan 8	71	Nov 21	M K & T 2d 4s	June 1990	F-A	.....	.....	70	- 70	.....	.....	.....	.....	.....	.....	.....	.....
99¾	Sept 11	95½	Nov 12	M K & T ext g 5s	1944	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
77½	Feb 3	67¼	June 23	M K & T ref 4s	2004	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87	Jan 2	79½	July 7	M K & T gen 4½s	1936	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	75	- 75	.....	.....
100¼	Jan 17	97	Aug 26	M K & T of Tex 5s	1942	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	90	- 90	.....	.....
100	Feb 18	95	Dec 1	Mo Pac col tr 5s	Jan 1917	M-S	.....	.....	.....	.....	95	- 95	.....	.....	.....	.....	.....	.....
99⅜	Jan 13	91	July 14	Mo Pac col tr 5s	1920	F-A*	.....	.....	90½	- 90½	.....	.....	.....	.....	.....	.....	.....	.....
70⅜	Jan 9	62	Dec 29	Mo Pac 4s	1945	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	53⅞	- 53⅞	.....	.....
85⅞	Jan 14	79⅝	Dec 16	Mobile & Ohio gen 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	Jan 7	73	Dec 9	Nassau Electric 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88½	Jan 4	52	Dec 17	Nat Rys of M per lien 4½s	1957	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	Jan 9	76¼	Dec 28	Nat Rys of M con 4s	1977	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108½	Feb 11	104½	Nov 8	Nash Chatt & St L con 5s	1928	*A-O	108	-108	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	Jan 6	96½	Dec 17	N Y Air Brake con 6s	1928	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87¼	Jan 30	80	Dec 10	N Y Central ref 3½s	1997	J-J*	.....	.....	.....	.....	82⅝	- 82½	82⅝	- 82½	.....	.....	82¾	- 82¾
91½	Jan 9	83	Dec 29	N Y Central deb 4s	1934	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	89⅞	- 89⅞	.....	.....
83	May 14	76½	Dec 23	N Y Central L S 3½s	1997	J-J*	.....	.....	78¼	- 78¼	.....	.....	78¼	- 78¼	78¼	- 78¼	.....	.....
80	May 22	71	Dec 5	N Y Central M C col 3½s	1998	*F-A	.....	.....	.....	.....	.....	.....	77	- 76	.....	.....	.....	.....
99½	Jan 2	93½	July 18	N Y C & St L 1st 4s	1937	A-C*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
86½	Jan 10	80	Nov 5	N Y G E L H & P 4s	1949	*F-A	.....	.....	87	- 87	.....	.....	87	- 87	.....	.....	.....	.....
103⅝	Sept 29	100⅝	June 14	N Y G E L H & P col tr 5s	1948	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	105	-105	105	-105
126	Jan 3	102¾	Dec 17	N Y N H & H con deb 6s	1948	*J-J	109	-109	.....	.....	.....	.....	109¼	-109	109	-109	108¾	-108¾
87	Jan 23	68	Nov 12	N Y N H & H deb 3½s	1956	*J-J	.....	.....	.....	.....	69½	- 69½	.....	.....	.....	.....	83	- 81½
92¼	Jan 20	84	Dec 23	N Y Ont & W 1st ref 4s	June 1992	M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79	Jan 10	72½	June 10	N Y Rys ref 4s	1942	J-D	76¼	- 76⅛	76	- 76	76	- 76	75⅞	- 75⅞	75⅞	- 75⅞	75⅝	- 75¾
61	Dec 30	51⅞	June 10	N Y Rys adj 5s	1942	J-D	54¼	- 54	54	- 53⅞	54	- 54	54¼	- 54	54	- 53⅜	53¾	- 53¾
99	Jan 31	88	June 11	N & W con 4s	1996	A-O*	.....	.....	95⅝	- 95⅝	96	- 95¾	95¾	- 95½	95½	- 95½	.....	.....
92¾	Jan 10	87	Dec 20	N & W div 1st lien 4s	1944	J-J*	.....	.....	95¼	- 95¼	.....	.....	.....	.....	.....	.....	90⅞	- 90⅞
104⅞	May 26	102¼	Nov 5	N & W conv 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
92	Jan 13	83	June 23	N & W P C & C joint 4s	1941	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98⅝	Jan 10	91½	July 7	North Pac prior 4s	Jan 1997	Q-J	.....	.....	.....	.....	95⅛	- 95⅛	95¼	- 95¼	95½	- 95⅜	95½	- 95⅜
68⅝	Sept 20	63½	June 5	North Pac gen 3s	Jan 2047	Q-F	66⅜	- 66¾	.....	.....	67	- 66½	.....	.....	67	- 66¾	67	- 66¾
94	Feb 25	86	Nov 6	Oregon Ry & Nav 4s	1946	*J-D	93	- 93	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
112⅛	Jan 14	108½	July 17	Oregon Short Line 1st 6s	1922	*F-A	.....	.....	.....	.....	110¼	-110¼	.....	.....	.....	.....	110¼	-110¼
109	Jan 16	103½	June 19	Oregon Short Line cons 5s	1946	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93⅛	Jan 7	86½	June 13	Oregon Short Line ref 4s	1929	J-D*	.....	.....	.....	.....	.....	.....	91⅞	- 91¾	91⅞	- 91¾	91⅞	- 91¾
101½	Feb 3	98	July 16	Pacific Coast 1st 5s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	102	-102
101	Jan 11	95	June 11	Pacific Tel & Tel 5s	1937	*J-J	96⅞	- 96⅞	97	- 96⅞	97	- 97	97	- 97	97	- 96⅝	96⅞	- 96⅞
102¾	Feb 5	98	Nov 29	Penn con 4s	1948	M-N*	.....	.....	.....	.....	100⅛	-100⅛	.....	.....	.....	.....	.....	.....
97½	Jan 7	95⅞	July 18	Penn con 3½s	Oct 1 1915	J-D	99⅛	- 99⅛	99⅛	- 99	.....	.....	99⅛	- 99	99¼	- 99¼	99¼	- 99⅛
89	Jan 2	79	June 27	Peoria & E 1st 4s	1940	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
49¾	Feb 20	35	June 4	Peoria & E income 4s	Apr 1990	Ann.	.....	.....	.....	.....	.....	.....	20	- 20	.....	.....	.....	.....
97½	Jan 25	90⅜	Dec 19	Reading gen 4s	1997	*J-J	.....	.....	95	- 94⅞	95	- 95	95⅛	- 94⅞	95⅛	- 95	95¼	- 95⅛
96¾	Mar 12	91½	June 16	Reading Jersey Cent col 4s	1951	*A-O	.....	.....	94½	- 94½	.....	.....	.....	.....	.....	.....	.....	.....
103	Oct 11	102	Sept 30	Rep Iron & Steel col 5s	1934	A-C*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85¼	Jan 13	78	Oct 15	Rio Grande W 1st 4s	1939	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	Jan 23	67½	Dec 17	Rio Grande W col tr 4s	1949	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
84	Jan 31	75¼	Dec 10	St J & G I 1st 4s	1947	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106	Jan 10	100	June 26	St L & I M gen 5s	1931	*A-O	.....	.....	101½	-101½	.....	.....	.....	.....	.....	.....	.....	.....
82⅝	Jan 31	74	Dec 22	St L & I M ref 4s	1929	J-J*	76	- 76	.....	.....	75½	- 75½	.....	.....	.....	.....	.....	.....
83½	Jan 3	76½	Dec 9	St L & I M Riv & G Div 4s	1933	*M-N	74	- 74	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
76¾	Jan 8	65	May 29	St L & S F R R ref 4s	1951	J-J*	68⅛	- 68½	68¼	- 68	69¼	- 68¼	70¼	- 69½	70½	- 70	70½	- 70½
82¼	Jan 7	50½	July 18	St L & S F R R gen 5s	1927	*M-N	.....	.....	42	- 42	.....	.....	42	- 40¾	.....	.....	.....	.....
90	Jan 6	83¼	Dec 22	St L S W 1st 4s	1989	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	83	- 83
80	Jan 3	78	Feb 17	St L S W 2d income 4s	Nov 1989	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	Jan 7	75	Nov 26	St L S W consol 4s	1932	*J-D	.....	.....	.....	.....	68⅜	- 68⅝	.....	.....	69	- 69	.....	.....
104½	Jan 13	100¼	July 16	St P M & M con 4½s	1933	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96¼	Apr 4	92	July 21	St P M & M Mont ext 4s	1937	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85¾	Jan 2	75	Nov 19	San Antonio & A P 4s	1943	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	81½	- 81¼	.....	.....
79	Jan 13	72½	Oct 15	Seaboard A L ref 4s	1950	A-O*	.....	.....	74⅛	- 74⅛	.....	.....	.....	.....	74⅛	- 74⅛	.....	.....
86	Jan 23	79½	July 7	Seaboard A L stamped 4s	1950	A-O*	.....	.....	84⅝	- 81⅝	.....	.....	.....	.....	.....	.....	.....	.....
77¼	Jan 20	66½	June 12	Seaboard A L adj 5s	1949	F-A*	.....	.....	75⅜	- 75¾	.....	.....	76	- 75⅞	76¼	- 76¼	76⅝	- 76⅝
94⅛	Feb 4	87	June 12	So Pac ref 4s	1955	*J-J	92½	- 92⅜	92½	- 92¼	92¼	- 92⅛	92¼	- 92¼	92¼	- 92⅛	92⅜	- 92¼
98	Feb 7	87⅞	June 27	So Pac col 4s	Aug 1949	J-D	.....	.....	.....	.....	90⅛	- 90	90	- 90	90	- 90	90	- 90
93⅝	Feb 1	84	June 10	So Pac conv 4s	June 1929	M-S	86	- 85⅞	85⅞	- 85¾	86	- 85¾	86	- 85¾	85⅞	- 85¾	86⅛	- 85¾
107⅛	Jan 10	101	June 24	So Ry 5s	1944	J-J*	.....	.....	.....	.....	105	-104¾	105	-1 47⅛	.....	.....	105	-105
78½	Jan 2	72¼	Dec 1	So Ry col tr 4s	1956	*A-O	73¼	- 73¼	73⅜	- 73¼	73⅜	- 73¼	73¼	- 72¾	72⅝	- 72⅝	73⅛	- 72¾
86½	Jan 21	78½	June 20	So Ry M & O Div 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88½	Jan 8	79⅞	Aug 12	So Ry St L Div 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	Jan 11	96	Dec 18	Tenn Coal & Iron gen 5s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
89¾	May 10	88	Oct 16	Term Ass'n St L ref 4s	1953	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
107¼	Jan 3	99	Nov 21	Texas Pac 1st 5s	2000	*J-D	.....	.....	.....	.....	.....	.....	100	-100	100⅛	-100⅛	.....	.....
82⅝	Jan 10	77½	June 10	Third Av ref 4s T R ctfs std	2000	*J-J	.....	.....	.....	.....	83⅞	- 83⅞	83⅞	- 83⅞	.....	.....	83½	- 83½
81½	Dec 31	80	Dec 18	Tol St L & W 3½s	1925	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
60	Aug 29	47½	June 9	Tol St L & W 1st 4s	1950	*A-O	.....	.....	.....	.....	52⅛	- 52⅛	.....	.....	.....	.....	.....	.....
96	Sept 26	92½	May 13	Underground London 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅜	Jan 14	94	Dec 2	Union Pacific 1st 4s	1933	*J-J	97⅝	- 97⅝	97½	- 97½	97⅜	- 97¼	97½	- 97¼	97½	- 97½	97¾	- 97½
97	Jan 2	86⅜	June 12	Union Pacific conv 4s	1927	J-J*	.....	.....	91⅜	- 91	.....	.....	.....	.....	91¼	- 91¼	91⅜	- 91⅛
95½	Jan 7	87⅞	June 19	Union Pacific ref 4s	June 2008	M-S	.....	.....	.....	.....	94½	- 94½	.....	.....	.....	.....	94⅜	- 94⅜
67	Jan 3	50½	Nov 24	United Rys San Fran 4s	1927	*A-O	.....	.....	53¼	- 53¼	53¼	- 53¼	53	- 52½	53⅛	- 53⅛	.....	.....
89	Jan 10	79	Nov 29	U S Realty & Imp 5s	1924	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
27	May 8	25	Jan 2	U S Reduc & Ref 6s	1931	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103⅜	Feb 8	100	Mar 13	U S Rubber 6s	1936	*M-N	102¾	-102⅝	102⅝	-102½	102½	-102½	102½	-102½	.....	.....	102⅝	-102⅝
102	Jan 7	96⅝	June 10	U S Steel 5s	1939	*F-A	102⅜	-102⅝	102⅝	-102½	102⅞	-102⅝	102⅞	-102¾	103	-102⅞	103	-102⅞
98	Jan 13	90¼	July 1	Va-Car Chemical 1st 5s	1918	J-D*	.....	.....	96¼	- 96¼	96¼	- 96¼	.....	.....	96¼	- 96¼	.....	.....
106½	Jan 9	101	June 5	Wabash 1st 5s	Apr 1936	M-N	.....	.....	.....	.....	103⅝	-103⅜	103⅜	-103	.....	.....	.....	.....
99½	Jan 14	92½	Dec 2	Wabash 2d 5s	1939	J-D*	.....	.....	96	- 96	96	- 96	.....	.....	.....	.....	.....	.....
61⅞	Jan 2	46½	June 12	Wabash ref & ext 4s	1956	J-J*	50¼	- 50¼	50½	- 50	51¼	- 50	51¼	- 50¾	50¾	- 50¾	51⅜	- 51
27½	Jan 2	10	Dec 19	Wab-Pitts T 1st Cen tr c	1954	*J-D	.....	.....	.....	.....	.....	.....	7¼	- 7¼	.....	.....	8	- 8
2	Aug 18	½	June 13	Wabash-Pitts T 2d tr c	1954	*J-D	.....	.....	.....	.....	.....	.....	⅝	- ⅝	⅝	- ⅝	⅞	- ¾
83⅞	Feb 6	75	June 11	West Maryland 4s	1952	A-O*	.....	.....	63½	- 63	62½	- 61½	62¼	- 61	62¼	- 61¾	.....	.....
107¼	Feb 11	103	Sept 8	West N Y & P 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102½	Feb 4	95	Nov 22	West Union col tr 5s	1938	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	96	- 96	.....	.....
96½	Jan 15	87½	Dec 4	West Union R E 4½s	1950	*M-N	.....	.....	92⅜	- 92⅜	.....	.....	91½	- 91½	.....	.....	.....	.....
98¼	Jan 13	9	Nov 22	West Shore 4s	2361	*J-J	.....	.....	93¾	- 93¾	.....	.....	93	- 93	93	- 93	.....	.....
94	Jan 7	87	Dec 18	Westinghouse E & M 5s	1931	*J-J	95½	- 95½	95¼	- 95⅛	95½	- 95¼	95⅜	- 95¾	95⅜	- 95½	95⅞	- 95⅞
80⅝	Jan 29	70	July 17	Wheeling & L E con 4s	1949	M-S*	.....	.....	74	- 74	.....	.....	.....	.....	.....	.....	.....	.....
91⅝	Jan 11	84	June 25	Wisconsin Central 4s	1949	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday. June 27. High.	Saturday. June 27. Low.	Monday. June 29. High.	Monday. June 29. Low.	Tuesday. June 30. High.	Tuesday. June 30. Low.	Wednesday. July 1. High.	Wednesday. July 1. Low.	Thursday. July 2. High.	Thursday. July 2. Low.	Friday July 3. High.	Friday July 3. Low.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
24¾	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	26¾	26¾	26⅞	26⅞	27⅝	27⅛	27½	27½	.....	.....	27⅝	27⅛
9	Dec	26	7⅝	Dec	16	Allis-Chalmers	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
80½	Sept	16	61⅝	June	10	Amalgamated Copper	6	Q May	68⅜	68⅛	68¼	67½	69⅜	67	69⅜	68⅝	69¾	69	70⅜	69⅝
57	Jan	3	41¼	Sept	5	Am Agr Chemical	4	Q May	.....	.....	.....	.....	54⅓	54⅓	54¼	54¼	.....	.....	.....	.....
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Apr-Oct	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	94¼	91¼
50½	Jan	2	19¾	June	10	Am Beet Sugar	..	.....	25¼	25⅓	25⅛	25	26⅜	25⅜	26	26	26	26	26⅜	26⅜
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96¼	Jan	4	89½	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
136⅝	Jan	6	127¾	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
46⅞	Jan	31	21	June	11	Am Can	..	.....	26⅝	26⅜	26¼	26¼	27	25⅞	27⅜	26⅜	.....	.....	27¼	26⅞
129½	Jan	30	80½	June	10	Am Can pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	91¾	90½	90½	90½	91⅝	91¼
56⅜	Jan	2	36½	June	10	Am Car & Fdry	2	Q Jan	50⅜	50¼	50	50	50⅛	50	50⅞	50⅞	51⅛	51	51¼	51¼
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	116¾	116⅛	117¼	117¼
48¾	Jan	6	33¼	July	2	American Cities	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78½	Jan	2	60¼	June	28	American Cities pfd	6	Jan-July	.....	.....	62¼	62¼	.....	.....	.....	.....	.....	.....	.....	.....
57⅜	Jan	2	33½	June	12	Am Cotton Oil	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	40¼	40¼	40½	40½
98	May	6	92½	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
166	Feb	6	95	Dec	18	Am Express	8	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5⅛	Jan	3	3½	July	9	Am Hide & Leather	..	.....	.....	.....	.....	.....	4⅜	4⅜	.....	.....	.....	.....	.....	.....
28¼	Feb	10	15⅛	June	10	Am Hide & Leather pfd	..	.....	21	21	.....	.....	.....	.....	.....	.....	.....	.....	21½	21½
27¾	Apr	4	17	June	10	Am Ice Securities	..	.....	30¼	30¼	30	30	30	29¾	30	30	.....	.....	30	30
12⅛	Nov	7	6⅞	June	10	Am Linseed	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
33⅜	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
44½	Jan	6	27	June	10	Am Locomotive	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	31	31
106¾	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....	.....	.....	.....	99¾	99¾	100	100	.....	.....	c98¼	c98¼
13	Jan	3	5¼	Oct	17	Am Malt	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
61½	Jan	3	41⅞	Oct	24	Am Malt pfd	4	May-Nov	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
86	Jan	9	79½	June	12	Am Smelting pfd B	5	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
74¾	Jan	30	58½	June	10	Am Smelting & Refin	4	Q Jan	.....	.....	.....	.....	63	61¾	63	62⅞	63	62½	64	62½
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	.....	.....	102⅝	102⅜	102	102	.....	.....	102¼	102¼	.....	.....
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105	Jan	21	100	June	6	Am Snuff pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	106¾	106¾	.....	.....
40½	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	.....	.....	.....	.....	29⅝	29⅝	.....	.....	.....	.....	.....	.....
118	Jan	31	99⅞	Dec	9	Am Sugar Ref	7	Q Jan	106⅜	106⅜	.....	.....	106½	106	.....	.....	.....	.....	.....	.....
116⅝	Jan	28	110⅛	June	12	Am Sugar Ref pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	112¼	112¼	.....	.....
66⅛	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	122¼	122¼	122¾	122¾	c120⅞	c120½	120½	120⅛	120⅝	120⅝	120⅝	120½
294¾	Jan	10	200	June	6	Am Tobacco Co	20	Q Dec	227¾	227¾	.....	.....	229¼	229¼	.....	.....	.....	.....	232⅝	23 ½
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	.....	.....	.....	.....	106¾	106¾	.....	.....	107	107	.....	.....
23½	Sept	27	15	Dec	1	Am Woolen	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	74⅛	74⅛	.....	.....	.....	.....
32¼	Jan	2	11⅞	Nov	14	Am Writing Paper pfd	..	.....	10¼	10¼	10	10	.....	.....	.....	.....	.....	.....	.....	.....
41½	Jan	2	30⅞	June	10	Anaconda Copper	2	Q Jan	30⅞	30⅞	30⅞	30⅝	31⅜	30⅝	31½	31⅛	31½	31¼	c31⅜	c31
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43⅛	Feb	19	42¼	Jan	30	Associated Oil	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106¾	Jan	6	90¼	Nov	10	Atch Top & Santa Fe	6	Q Mar	98	98	98¼	98⅛	99½	98⅛	99⅛	98⅝	98⅞	98⅝	99¼	99
102¼	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	101⅝	101⅝	101¾	101¾	c100⅛	c100	.....	.....	99½	99½	.....	.....
133¾	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	.....	.....	.....	.....	.....	.....	120	120	120	120	.....	.....
52½	Jan	8	36½	Dec	13	Baldwin Locomotive Co	2	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	46½	46½
105½	June	6	100¼	June	25	Baldwin Locomotive Co pfd	7	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	106⅜	106⅜	.....	.....
106⅜	Jan	22	90⅝	June	10	Baltimore & Ohio	6	Mar-Sept	89⅞	89½	89¾	89½	89⅞	88¼	89¾	89¼	90¼	89⅝	90⅞	90
88	Jan	10	77¼	June	18	Baltimore & Ohio pfd	4	Mar-Sept	.....	.....	.....	.....	.....	.....	.....	.....	80½	80½	.....	.....
41½	Jan	9	25	June	10	Bethlehem Steel	..	.....	41½	41¼	41	40½	41½	40⅝	42	41¼	41¾	41¾	42	41½
74	Aug	12	62¼	June	10	Bethlehem Steel pfd	5	Q Mar	.....	.....	.....	.....	85¼	85	.....	.....	85½	85½	.....	.....
92¾	May	26	83¾	June	10	Brooklyn Rapid Transit	6	Q Jan	90	90	90⅛	90	91	89⅞	92⅛	91⅛	92⅛	91⅞	92⅛	91⅞
137⅞	Jan	27	120	Oct	17	Brooklyn Union Gas	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	125	125	125	125
116	Jan	30	100½	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
56½	Feb	3	16	Oct	22	California Petroleum	..	.....	19⅛	18⅜	19⅜	19⅜	.....	.....	.....	.....	.....	.....	19	19
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	.....	.....	.....	.....	55⅛	55	56½	56¼	.....	.....	.....	.....
63	Feb	13	58½	May	13	Canada Southern	3	Feb-Aug	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
266¾	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	192½	192	.....	.....	194	191¼	193⅝	193⅜	193⅝	193	194⅜	194
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
30⅛	Feb	5	17	June	10	Central Leather	2	Jan	35⅝	35⅛	35¼	35¼	35¾	35¼	36	35⅝	35⅝	35½	35⅞	35⅞
97¼	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	.....	.....	.....	.....	101⅛	101⅛	.....	.....	.....	.....	.....	.....
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
80	Jan	2	51⅛	July	11	Chesapeake & Ohio	4	Q Mar	50¼	50¼	50¼	50¼	51¾	49⅞	51	51	51	51	52⅝	51⅜
18	Jan	2	7½	June	12	Chicago & Alton	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
25¾	Feb	25	17¼	Aug	21	Chicago & Alton pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
17⅞	Jan	9	10⅛	June	4	Chicago Great Western	..	.....	.....	.....	14	14	14¼	14	.....	.....	.....	.....	14	14
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	38½	38⅛	37⅞	36¾	38¼	38	.....	.....	.....	.....	37½	37
116¼	Jan	9	96¾	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	98¾	98¼	98¼	98	99½	97¼	99½	98⅝	99	98¾	100½	99½
145	Jan	30	131½	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	.....	.....	.....	.....	.....	.....	130½	130¼	.....	.....	.....	.....
188	Mar	3	171¼	Nov	19	Chicago & N W pfd	8	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
125	Mar	8	119½	Aug	25	Chicago St P M & O	7	Feb-Aug	.....	.....	.....	.....	.....	.....	131¼	131	.....	.....	.....	.....
150½	Jan	21	130½	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
47⅝	Jan	2	30⅜	June	10	Chino Con Copper	$3	Q Jan	40⅜	39⅞	40⅛	40	40⅜	39½	40½	40⅛	.....	.....	41	41
54	Jan	21	34⅞	Aug	26	C C C & St L	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94¾	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
41½	Feb	3	24½	June	10	Colorado Fuel & Iron	..	.....	.....	.....	.....	.....	26½	25⅛	26	26	.....	.....	26⅛	26
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
33	Jan	3	23¾	June	12	Colorado Southern	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
65⅛	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102¼	Feb	25	102¼	Feb	25	Consolidation Coal	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
142⅜	Jan	9	125⅛	June	10	Consolidated Gas	6	Q Mar	.....	.....	.....	.....	128¾	128¾	.....	.....	128½	128½	129	128½
17⅛	Jan	31	7⅜	June	10	Corn Products Ref Co	..	.....	.....	.....	8½	8½	8¼	8¼	.....	.....	.....	.....	8⅞	8⅞
79¼	Jan	31	61½	June	10	Corn Products Ref Co pfd	5	Q Jan	62½	62½	.....	.....	62¾	62	.....	.....	.....	.....	.....	.....
100⅛	Jan	16	91½	Dec	27	Deere & Co pfd	7	Q Dec	.....	.....	.....	.....	93½	93½	94	94	94	91	.....	.....
167	Jan	8	147½	June	11	Delaware & Hudson	9	Q Mar	.....	.....	.....	.....	148	148	.....	.....	147½	147½	.....	.....
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	400	400	.....	.....	.....	.....	.....	.....	.....	.....	c401	c401
23⅛	Jan	9	13⅜	June	11	Denver & Rio Grande	..	.....	.....	.....	.....	.....	11	11	.....	.....	.....	.....	.....	.....
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	.....	.....	.....	.....	.....	.....	19	19	.....	.....	18½	18⅛
20⅜	Feb	4	67½	June	3	Detroit United Railway	6	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
21¾	Jan	2	9¾	June	10	Distillers' Securities	..	.....	.....	.....	.....	.....	14½	14⅛	14⅜	14⅛	.....	.....	14⅜	14¼

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday. June 27. High.	Saturday. June 27. Low.	Monday. June 29. High.	Monday. June 29. Low.	Tuesday. June 30. High.	Tuesday. June 30. Low.	Wednesday. July 1. High.	Wednesday. July 1. Low.	Thursday. July 2. High.	Thursday. July 2. Low.	Friday. July 3. High.	Friday. July 3. Low.
8½	Jan	2	4	Dec	19	Duluth S S & Alt	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
16¼	Jan	2	10	July	11	Duluth S S & Alt pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
32½	Jan	6	20¼	June	10	Erie	..	.....	28½- 28¼		28⅛- 27⅞		28¾- 28		28½- 28¼		28¾- 28½		29 - 28½	
49½	Jan	30	33½	June	10	Erie 1st pfd	..	.....	.....	.....	.....	.....	43 - 43		.....	.....	43 - 43		43⅜- 43	
41	Jan	30	28¼	June	10	Erie 2d pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
18	Jan	22	11	Dec	17	Federal Min & Smelt	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd	6	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
185⅛	Apr	23	175	Jan	14	General Chemical	6	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	147 -147		147 -147		147¾-147¼		.....	.....	148 -148		149 -149	
40	Aug	18	25	May	15	General Motors	..	.....	91½- 90½		90⅛- 88½		89¾- 88⅛		90½- 90½		.....	.....	93 - 91	
81¾	Sept	30	70	May	8	General Motors pfd	7	May-Nov	.....	.....	92¼- 92¼		93 - 92⅝		93 - 93		92¼- 92¼		.....	.....
180	Jan	11	150	May	19	Geo W Helme Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co	..	.....	.....	.....	.....	.....	23 - 23		.....	.....	.....	.....	23¾- 23⅜	
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd	7	Q Jan	87⅛- 87⅛		.....	.....	.....	.....	88⅛- 88⅛		.....	.....	.....	.....
132⅝	Jan	9	115½	June	10	Great Northern pfd	7	Q Feb	123 -122¾		123 -122⅞		124 -122¾		124¼-124		123¾-123¾		124⅞-124¼	
41¼	Jan	3	25½	June	10	Great Northern Ore subs.	$1.50	Ap-Se-De	.....	.....	31¾- 31¼		32 - 32		.....	.....	31¼- 31¼		31⅜- 31¼	
52¾	Jan	7	40¾	July	11	Guggenheim Exploration	14	Q Jan	53⅛- 53		.....	.....	53¼- 53¼		.....	.....	.....	.....	54¾- 53¼	
87	Feb	6	80	Oct	17	Havana Electric Ry	5	Q Dec	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96	Jan	8	90	Nov	5	Havana Electric Ry pfd	6	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
125	June	4	125	June	4	Hocking Valley	6	Q Mar	.....	.....	.....	.....	125 -125		.....	.....	.....	.....	.....	.....
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly	.....	.....	.....	.....	114 -114		.....	.....	.....	.....	.....	.....
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	.....	.....	.....	.....	112½-112		112¾-112¾		113½-112¾		.....	.....
39	Jan	11	5	June	6	Inter Agricultural Corp	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
19⅝	Jan	30	12⅜	June	4	Interborough-Met	..	.....	14⅛- 14		14⅛- 14		14⅛- 14⅛		14½- 14⅜		14⅜- 14¼		14¼- 14	
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	61½- 61½		61¾- 61½		61⅞- 61⅞		62¼- 61⅞		62⅛- 62⅛		62½- 62½	
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	.....	.....	102 -102		.....	.....	.....	.....	.....	.....	.....	.....
114¾	Sept	19	111	May	12	International Harv pfd	7	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	.....	.....	.....	.....	2⅞- 2⅞		.....	.....	.....	.....	.....	.....
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd	..	.....	.....	.....	.....	.....	10⅛- 10⅛		.....	.....	.....	.....	.....	.....
12⅝	Jan	30	6½	Oct	9	International Paper	..	.....	.....	.....	.....	.....	7⅞- 7⅞		.....	.....	.....	.....	.....	.....
48½	Jan	30	32⅛	Oct	15	International Paper pfd	2	Q Jan	.....	.....	33½- 33½		.....	.....	.....	.....	.....	.....	.....	.....
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	.....	.....	3½- 3		.....	.....	.....	.....	.....	.....	.....	.....
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
23	Jan	2	13	June	6	Iowa Central pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd	4	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
110	Jan	2	106½	Oct	10	Kansas City Southern	..	.....	26¼- 26¼		.....	.....	26⅝- 26⅜		27¼- 26½		27⅜- 27⅛		28½- 27⅛	
78	Jan	7	53½	Sept	9	Kan City Southern pfd	4	Q Jan	.....	.....	60⅜- 60⅛		.....	.....	.....	.....	60 - 60		61 - 61	
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co	6	Q Nov	.....	.....	.....	.....	89 - 89		.....	.....	.....	.....	.....	.....
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd	7	Q May	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
83	Sept	15	58	June	9	Kresge (S S) Co	3	Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102	Jan	4	97	June	10	Kresge (S S) Co pfd	7	Q April	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	1	Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	94 - 94	
11½	Feb	5	7	May	2	Lake Erie & Western	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
35	Jan	6	16	Nov	10	Lake Erie & Western pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July	134½-134¼		134⅝-133⅜		136¾-135⅝		136⅜-135		136 -135¼		136½-136	
235	Mar	6	195	June	6	Liggett & Myers	12	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
116½	Jan	23	106½	July	22	Liggett & Myers pfd	7	Q April	.....	.....	.....	.....	.....	.....	117 -117		.....	.....	.....	.....
43⅛	Jan	6	30	June	10	Long Island	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
200	Jan	28	150	June	13	Lorillard (P) Co	10	Q April	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
116½	Jan	22	103	June	10	Lorillard (P) Co pfd	7	Q April	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
142¼	Jan	10	126¼	June	11	Louisville & Nashville	3	Feb-Aug	.....	.....	.....	.....	138½-138		.....	.....	.....	.....	139 -139	
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	.....	.....	80 - 80		.....	.....	.....	.....	79 - 79		.....	.....
69	Apr	7	62	Dec	17	Mackay Companies pfd	4	Q Jan	.....	.....	.....	.....	68½- 68½		.....	.....	.....	.....	.....	.....
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	130⅛-130⅛	
76⅞	Jan	2	65	Oct	14	May Department Stores	5	Q June	59 - 59		.....	.....	60 - 60		.....	.....	60¼- 60¼		.....	.....
105½	Jan	2	97½	June	10	May Dept Stores pfd	7	Q Jan	.....	.....	.....	.....	98¾- 98¾		.....	.....	.....	.....	.....	.....
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..	.....	59¾- 59¾		.....	.....	59 - 59		59¼- 59¼		58⅞- 58⅞		60⅛- 59	
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
26½	Jan	4	20⅜	June	10	Miami Con Copper	$2	Q May	21⅞- 21⅞		22 - 22		22 - 22		22 - 22		22 - 21⅝		22 - 21⅜	
23¼	Jan	2	12	June	11	Minn & St. Louis	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
47	Jan	29	30	Dec	4	Minn & St. Louis pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
142¼	Jan	9	115¼	June	11	M St P & S S M	7	Apr-Oct	.....	.....	122⅛-122⅛		.....	.....	123¾-123¾		125 -125		124¾-124	
145	Apr	8	131	Nov	12	M St P & S S M pfd	7	Apr-Oct	133¼-133¼		.....	.....	.....	.....	131 -131		131 -130¼		131¼-131¼	
83½	Mar	5	81½	Dec	10	M St P & S S M 1'd line	4	Apr-Oct	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
29⅛	Jan	7	18⅛	June	10	Missouri Kan & Tex	..	.....	.....	.....	16½- 16½		17 - 16½		.....	.....	.....	.....	17½- 17	
64½	Apr	11	52	June	10	Missouri Kan & Tex pfd	..	.....	.....	.....	.....	.....	37 - 37		37½- 37½		.....	.....	38½- 38	
43⅝	Jan	9	21¼	Dec	23	Missouri Pacific	..	.....	16⅝- 16⅝		17¼- 16⅝		17¾- 17		17¾- 17⅜		17⅝- 17⅜		17¾- 17⅝	
.....	.....		.....	.....		Montana Power	2	Q Apr	.....	.....	49¼- 49¼		49¾- 49¾		49¾- 49½		.....	.....	49¾- 49¾	
.....	.....		.....	.....		Montana Power pfd	7	Q Apr	.....	.....	.....	.....	101 -101		.....	.....	.....	.....	102 -102	
170	Jan	14	132½	June	9	Nashville Chatt & St L	7	Feb-Aug	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
130	Sept	13	104	June	11	National Biscuit Co	7	Q Jan	.....	.....	.....	.....	.....	.....	132 -132		132 -131⅞		.....	.....
124⅞	Jan	8	116	June	4	National Biscuit Co pfd	7	Q Feb	126⅝-126⅝		128 -128		.....	.....	.....	.....	128 -128		.....	.....
19¼	Jan	30	9	June	5	National Enameling	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
92¼	Jan	30	74¼	Oct	21	National Enameling pfd	7	Q April	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
56¼	Jan	2	43	Oct	20	National Lead Co	3	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
107¾	Oct	4	102	Oct	31	National Lead Co pfd	7	Q Mar	.....	.....	.....	.....	108½-108½		.....	.....	.....	.....	.....	.....
59	Mar	3	31	Dec	8	Nat Rys of Mex 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
27½	Jan	2	8¾	Dec	26	Nat Rys of Mex 2d pfd	..	.....	.....	.....	.....	.....	.....	.....	10⅝- 10⅝		11 - 11		.....	.....
20	Jan	2	13	June	10	Nevada Con Copper	$1.50	Q Mar	13⅞- 13⅜		13¾- 13¾		14 - 13¾		13⅞- 13¾		14 - 13⅞		14 - 13⅞	
82½	Jan	8	56	July	16	New York Air Brake	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
109¾	Jan	30	90⅜	Dec	15	New York Central	5	Q Jan	88¾- 88¾		89¼- 88¾		90 - 88¼		90 - 88⅞		89¼- 88½		89⅝- 89½	
63¼	Jan	15	47	Dec	31	N Y Chicago & St L	4	Mar	.....	.....	.....	.....	.....	.....	.....	.....	36 - 36		.....	.....
10	Oct	14	8	Nov	10	New York Dock	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
129⅞	Jan	10	65⅝	Dec	12	N Y N H & Hartford	..	.....	65 - 65		64½- 64¼		65¾- 64½		65½- 63¾		64¼- 63⅝		65 - 64⅞	
33⅞	Jan	11	25⅛	June	11	N Y Ontario & West	2	Aug	23¾- 23⅛		24 - 23		23¼- 23		23¼- 23¼		.....	.....	.....	.....
47½	Apr	5	29	Dec	19	Norfolk & Southern	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
113½	Jan	3	98	June	10	Norfolk & Western	6	Q Mar	.....	.....	.....	.....	104½-104⅜		104½-104½		105 -104⅞		105 -105	
87	Feb	13	80¼	Aug	16	Norfolk & Western pfd	4	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81½	Jan	9	65	June	9	North American	5	Q Jan	.....	.....	.....	.....	72¾- 72¾		.....	.....	75 - 75		.....	.....
75¾	Jan	15	54	Dec	27	Northern O Tr & Light	5	O Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
122⅝	Jan	6	101¾	June	10	Northern Pacific	7	Q Feb	110¼-110		110 -109¾		111 -109¾		111 -110⅛		110⅜-109½		111¾-110½	
31½	Jan	10	16	June	10	Pacific Mail	..	.....	.....	.....	.....	.....	22 - 22		.....	.....	.....	.....	23 - 22½	
46	Jan	4	22	Nov	18	Pacific Tel & Tel	..	.....	.....	.....	.....	.....	24 - 23		.....	.....	.....	.....	24½- 24½	
96	Feb	19	82	Dec	4	Pacific Tel & Tel pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
123¾	Jan	7	106	Dec	13	Pennsylvania Railroad	6	Q Feb	110⅜-110		110¼-110⅛		111¼-110		111¼-110⅜		111 -111		111½-111¼	

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday. June 27. High. Low.	Monday. June 29. High. Low.	Tuesday. June 30. High. Low.	Wednesday. July 1. High. Low.	Thursday. July 2. High. Low.	Friday. July 3. High. Low.
129¾	Sept	23	104	June	10	Peoples' Gas & Coke.....	8	Q Feb	....	119⅞-119¼	119⅞-119¼	119¾-119¾	119½-119¼	122 -119⅝
99⅞	Jan	29	85	Sept	12	Philadelphia Co.....	7	Q Feb	....	....	....	....	....	....
104	June	11	77⅛	Dec	11	P C C & St Louis.....	3	Q Jan	....	74 - 74	73 - 73	71¾ - 71¾	....	....
100	June	25	100	June	25	P C C & St Louis pfd.....	4	Q Jan	....	....	....	....	....	....
21⅜	Jan	2	14½	June	11	Pittsburgh Coal.....	..	.....	19¾ - 19¾	....	20 - 18½	....	20 - 20	20½ - 20½
95	Jan	9	73	June	11	Pittsburgh Coal pfd	5	Q Jan	....	....	88½ - 88½	89⅞ - 89⅞	89⅞ - 89⅞	90½ - 90
100	Jan	6	90	Nov	12	Pittsburgh Steel pfd	7	Q Jan	....	....	....	.. ..	....	....
36	Jan	7	18½	June	10	Pressed Steel Car	3	Q Mar	42½ - 42½	....	42½ - 42½	....	43½ - 43¼	43½ - 42¼
101⅛	Jan	7	88½	June	10	Pressed Steel Car pfd	7	Q Feb	....	....	....	....	....	....
118	Jan	21	105	Dec	12	Public Service Corp N J ..	6	Q Mar	....	....	....	....	....	....
165	Jan	2	149	Sept	5	Pullman Co.....	8	Q Feb	....	155 -154⅛	....	....	....	....
4⅜	May	16	1	Dec	11	Quicksilver Co	..	.....	....	....	....	....	....	....
8	May	17	2	Dec	11	Quicksilver Co pfd.....	..	.....	....	....	....	....	....	....
35	Jan	9	22¼	June	11	Railway Steel Spring	..	.....	....	....	....	....	....	27¾ - 27¾
100	Jan	13	90¼	June	10	Railway Steel Spring pfd..	7	Q Mar	....	....	....	....	....	93¼ - 93¼
22	Jan	2	15	June	10	Ray Consol Copper $1.50		Q June	20¾ - 20½	20⅝ - 20½	20⅝ - 20½	20⅞ - 20½	21 - 20⅞	21⅛ - 21
171¾	Dec	26	151⅜	June	10	Reading	8	Q Feb	162⅜-162	162¼-161½	161⅛-161⅜	164 -163½	163⅞-163½	164½-163¾
92½	Apr	10	82½	Oct	14	Reading 1st pfd	4	Q Mar	....	....	88½ - 88½	....	....	....
95	Apr	10	84	June	10	Reading 2d pfd	4	Q Jan	....	....	....	....	....	....
28⅜	Jan	31	17	June	10	Republic Iron & Steel	..	.....	....	....	22¾ - 22	23 - 23	23 - 23	22⅝ - 22⅝
92¼	Sept	13	72	June	11	Republic Iron & Steel pfd..	7	Q Jan	85¼ - 85¼	....	84 - 84	....	....	....
24⅞	Feb	4	11⅝	Oct	17	Rock Island	..	.....	2 - 2	1⅞ - 1⅞	1⅞ - 1⅞	2 - 1⅞	1¾ - 1¾	1⅞ - 1⅝
44¾	Jan	2	17½	Oct	17	Rock Island pfd	..	.....	3⅛ - 3	3 - 3	....	3¼ - 2¾	2⅞ - 2¾	....
92¼	Jan	7	14	Nov	24	Rumely (M) Co.....	..	.....	....	10 - 10	9⅞ - 9¼	10¼ - 10¼	....	11 - 11
99¾	Jan	4	33	Dec	18	Rumely (M) Co pfd.....	..	.....	....	....	25½ - 25½	27⅞ - 27¼	27½ - 27	....
20¾	Apr	1	14½	June	10	Seaboard Air Line.....	..	.....	18⅛ - 18¼	....	19¼ - 18½	19¼ - 19¼	....	....
49⅜	Sept	23	38	June	12	Seaboard Air Line pfd.....	1	Q Nov	53¾ - 53½	53½ - 53½	54¼ - 54⅛	54¼ - 54¼	54¼ - 54¼	54¼ - 53¾
19¾	Jan	11	2¾	June	17	St L & San Fran	..	.....	....	....	....	....	....	....
59	Feb	11	13	June	28	St L & San Fran 1st pfd...	..	.....	....	....	....	....	....	....
29	Jan	11	5½	June	17	St L & San Fran 2d pfd....	..	.....	....	....	....	....	....	4½ - 4½
96½	May	15	96½	May	15	St L & S F C & E I pf ctf..	6	Q Jan	....	....	....	....	....	....
35½	Jan	13	20	Dec	19	St Louis S W.....	..	.....	....	....	....	20⅜ - 20¾	....	....
75	Jan	9	56¼	Dec	20	St Louis S W pfd.....	..	.....	....	....	....	....	....	....
213½	Jan	2	154¾	June	12	Sears-Roebuck	7	Q Feb	....	186¼-186¼	....	....	195⅜-190	197½-196¾
124½	Jan	2	116	June	19	Sears-Roebuck pfd.....	7	Q Jan	....	....	123 -123	....	....	....
45½	Jan	28	23	July	8	Sloss-Sheff St & I Co.....	..	.....	....	....	....	....	....	....
93¼	Feb	8	88	Apr	30	Sloss-Sheff St & I Co pfd..	7	Q Jan	....	....	....	....	....	....
110	Jan	30	83	Nov	10	Southern Pacific	6	Q Jan	95⅜ - 95	95⅜ - 94⅞	96⅞ - 94¾	97¼ - 96¼	97 - 96⅜	97⅜ - 96⅞
28⅝	Jan	2	19⅛	June	12	Southern Railway	..	.....	24 - 24	24⅛ - 24	24⅝ - 24⅛	24½ - 24⅜	24¾ - 24⅜	24⅜ - 24¾
81½	Mar	26	72.	June	10	Southern Railway pfd.....	5	Apr-Oct	....	....	78¾ - 78¾	79¼ - 79¼	80 - 79½	80 - 79⅞
40½	Jan	31	31	Dec	9	Standard Milling	..	.....	....	....	....	....	....	....
66⅞	Feb	4	52½	May	1	Standard Milling pfd.....	5	Apr-Oct	....	....	....	63½ - 63½	....	....
36	Feb	6	15¾	Dec	1	Studebaker	..	.....	29 - 28¾	29⅛ - 29	29½ - 29	29 - 28½	28⅜ - 28⅜	29½ - 28⅞
93¼	Jan	13	64½	Nov	10	Studebaker pfd.....	7	Q Mar	....	....	....	....	80⅝ - 80⅝	....
39½	Jan	4	26¾	June	10	Tennessee Copper	$3	Q Mar	....	....	33⅛ - 33	33⅛ - 33	33⅛ - 33	33½ - 33¼
132½	Dec	31	89	June	10	Texas Co	10	Q Mar	....	143 -143	142⅝-142⅝	142¾-142½	....	....
22⅝	Jan	28	10¼	June	4	Texas Pacific	..	.....	14¾ - 14¾	....	....	....	....	....
97	Jan	18	93	June	4	Texas Pacific Land Tr....	..	.....	....	....	....	....	....	....
43⅜	Sept	23	27⅞	June	10	Third Avenue R R.....	..	.....	40¾ - 40¾	40½ - 40½	41¼ - 41¼	....	....	41⅝ - 40⅛
3	Jan	14	2	June	4	Toledo Railways & Light..	..	.....	....	....	....	....	....	....
13	Jan	9	7⅛	July	9	Toledo St L & W.....	..	.....	....	....	10⅛ - 10	....	....	....
29¾	Jan	9	15¼	June	4	Toledo St L & W pfd.....	..	.....	....	....	....	....	....	....
109	Sept	6	101⅛	June	6	Twin City Rap Tran.....	6	Q Jan	....	102⅞-102⅞	103⅛-103	103 -103	102⅞-102½	....
7¾	Jan	3	4	Nov	14	Union Bag & Paper Co....	..	.....	....	....	....	....	....	4¾ - 4¾
41¾	Jan	3	18½	Nov	20	Union Bag & Paper Co pfd	..	.....	....	21⅛ - 21⅛	....	....	....	....
99½	Jan	3	78	June	10	Underwood Typewriter	4	Q Jan	....	....	....	....	....	....
113	Jan	21	104	July	10	Underwood Typewriter pfd	7	Q Jan	....	....	....	....	....	....
162¾	Jan	6	137¾	June	11	Union Pacific	8	Q Jan	153⅝-153⅛	153½-152⅝	155⅛-152⅛	155⅛-154¼	155 -154⅜	155⅝-154⅞
93½	Jan	6	79¾	June	10	Union Pacific pfd.....	4	Apr-Oct	83 - 82½	....	83½ - 83⅛	83½ - 83¼	....	....
50½	Feb	7	40¼	June	10	United Cigar Mfg Co.....	4	Q Nov	....	....	....	....	....	....
103	May	7	96	Sept	3	United Cigar Mfg Co pfd..	7	Q Mar	....	....	....	....	....	....
101	Jan	8	87	July	2	United Dry Goods.....	..	.....	....	....	....	....	....	....
105½	Jan	14	95	Dec	16	United Dry Goods pfd....	..	.....	....	65 - 63½	63½ - 63½	....	63 - 63	....
35½	Jan	3	16	June	11	United Rys Invest Co.....	..	.....	12¼ - 12¼	....	....	12½ - 12	12 - 12	....
63½	Jan	3	30	June	11	United Rys Invest Co pfd..	..	.....	33 - 32¾	33½ - 33½	....	34 - 33½	....	....
16¾	Jan	30	9¼	June	10	U S Cast Iron Pipe.....	..	.....	....	....	8 - 8	....	....	....
56¾	Jan	31	40	Dec	31	U S Cast Iron Pipe pfd....	..	.....	....	....	....	....	....	....
44	Jan	6	25	June	9	U S Industrial Alcohol	..	.....	....	....	....	....	....	....
97	Mar	4	85	June	18	U S Industrial Alcohol pfd.	7	Q Jan	....	....	....	....	....	....
77	Jan	9	49¾	Nov	28	U S Realty & Improv.....	5	Q Feb	....	....	....	59¾ - 59¾	....	....
1⅞	Jan	16	½	Sept	25	U S Reduc & Refin.....	..	.....	....	....	....	....	....	....
4	Jan	10	3	Apr	25	U S Reduc & Refin pfd....	..	.....	....	....	....	....	....	....
69½	Apr	4	51	Nov	10	U S Rubber	6	Q Mar	....	58½ - 58¼	58½ - 58¼	58⅜ - 58½	59⅛ - 59	59⅝ - 59⅜
109¾	Apr	9	98	June	10	U S Rubber 1st pfd.....	8	Q Jan	....	....	....	102¾-102½	....	103 -103
81½	Jan	9	78¾	Feb	13	U S Rubber 2d pfd.....	6	Q Jan	....	....	....	....	....	....
69⅛	Jan	2	49⅞	June	11	U S Steel	5	Q Mar	60½ - 60⅛	60½ - 59⅞	61⅛ - 59¼	61⅝ - 60⅝	61¼ - 60⅝	61⅞ - 61¼
110¾	Jan	30	102½	June	10	U S Steel pfd.....	7	Q Feb	109 -109	109¼-108¾	109½-108⅝	109½-109	109¼-109¼	109½-109⅜
60⅝	Jan	2	39⅝	June	10	Utah Copper	$3	Q Mar	57½ - 57⅛	57 - 56⅝	58 - 56⅝	58 - 57¾	58½ - 57¾	58⅜ - 58⅜
43⅛	Jan	3	22	July	1	Va-Car Chemical	..	.....	28⅛ - 28⅛	28½ - 28⅛	28¾ - 28⅜	....	28½ - 28⅜	28¾ - 28¾
114	Jan	3	93	June	30	Va-Car Chemical pfd.....	8	Q Jan	....	....	....	....	....	101¾-101¾
54	Jan	28	36	Dec	15	Va Iron Coal & Coke.....	..	.....	....	....	....	....	....	....
58	Feb	13	51	Jan	7	Va Ry & Power.....	3	Apr-Oct	....	49 - 49	....	....	....	....
90¾	Dec	11	89	July	24	Va Ry & Power pfd.....	5	Jan-July	....	....	....	....	....	....
21¾	Jan	24	11¼	Aug	8	Vulcan Detinning	..	.....	....	....	....	....	....	....
90	Jan	6	49	Oct	1	Vulcan Detinning pfd.....	..	.....	....	....	....	....	....	....
6	Aug	12	2	June	11	Wabash	..	.....	....	....	¾ - ¾	⅜ - ⅜	....	⅜ - ⅜
17⅛	Aug	13	6⅛	July	8	Wabash pfd	..	.....	....	....	3½ - 3½	....	....	....
123	Jan	6	85¼	Dec	18	Wells-Fargo Express.....	10	Jan-July	....	....	....	....	....	....
46	Jan	2	28⅞	Dec	12	Western Maryland Ry.....	..	.....	....	18¾ - 18⅜	18¾ - 18⅜	18½ - 18½	18½ - 18½	18½ - 18½
65	Jan	27	53½	June	18	Western Maryland Ry pfd.	..	.....	....	....	....	....	....	....
75⅛	Jan	9	54⅛	Dec	22	Western Union Tel.....	3	Q Jan	57⅛ - 57	57⅜ - 57	57⅞ - 57	57⅞ - 57¾	58 - 57⅞	58⅛ - 58¼
79¼	Jan	2	53⅝	June	10	Westinghouse E & M.....	4	Q April	74¼ - 74	74½ - 73¾	c73⅜-c72¾	73¾ - 73½	74 - 73¾	76¼ - 75
119¾	Jan	7	107⅞	June	13	Westingh'se E & M 1st pfd	7	Q Jan	....	....	....	....	....	....
8	Jan	3	3¾	Oct	24	Wheeling & L E.....	..	.....	....	....	....	....	....	....
28⅛	Jan	13	13	June	11	Wheeling & L E 1st pfd...	..	.....	....	....	....	....	....	....
14	Jan	3	5⅝	Dec	13	Wheeling & L E 2d pfd....	..	.....	....	....	....	....	....	....
58½	Apr	23	40⅛	June	11	Wisconsin Central	..	.....	....	....	....	....	....	....
112	Jan	2	81½	June	20	Woolworth (F W) Co.....	5	Q Dec	....	95½ - 95½	96 - 95¾	....	97 - 97	....
115½	Jan	3	109	June	14	Woolworth (F W) Co pfd..	7	Q Jan	....	....	....	115⅝-115⅝	....	....

c Ex. dividends. e Ex. rights.

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Sterling—	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Cables	488.95	487.65	487.95	488	488.05	488.20
Demand	488	487.25	487.60	487.55	487.60	487¾
Sixty days sight	485¼	485½	485¾	485¼	485½	485¾
Ninety days sight	484¼	484½	484¾	484¼	484¼	484½
Francs—						
Sixty days sight	5193/8	5183/4—1-16	5183/4—1-16	5193/8—1-16	5193/8	5193/8+1-16
Ninety days sight	520—1-16	520—1-16	520—1-16	5203/8	520—1-16	5201/2
Reichsmarks—						
Sixty days sight	94 11-16	945/8	94 9-16	945/8—1-16	945/8	945/8+1-32
Ninety days sight	941/2	943/8	943/8	94 7-16—1-32	94 7-16	941/2

MUNICIPAL BONDS AS INVESTMENTS

[Reprinted from "The Standard" of Boston]

THE new Massachusetts law, which is expected to place the municipal bonds issued in the State upon a sounder basis than those of any other State in the Union, has been made the subject of an interesting discussion in the Boston "Post," one of the results of the discussion being to show the desirability of this class of bonds as life insurance company investments.

It appears, for instance, that the average annual loss on about $77,000,000 invested by 189 representative financial institutions in Government, State and municipal bonds has been for the past fifteen years $0.0023 per $1,000 invested, an amount almost infinitisimal, while the losses on real estate and real estate loans were 300 times as much. It is of course true that the bond investments of the institutions in question have been carefully made, but that would also be true in the case of life companies.

President Joseph A. DeBoer of the National Life, one of the contributors to the discussion, reviews the subject broadly as follows:

"Municipal bonds are to-day receiving increased consideration by life companies, other trust funds and individual investors because of a constantly experienced lesser fluctuation in their values, because of their exemption under the Federal income tax law, and, in some States, from the general property tax, because their validity is easily established by competent bond attorneys and primarily because their payment rests upon taxation instead of upon earnings derived from single properties of whatever nature. They have back of them a constituency of population and of public credit instead of property, with its fluctuating earning capacity, and individual credit. Municipal bonds, if rightly chosen, are not speculative in their nature, like those industrials which have not been proven up through long periods of business depression, nor are they exposed to the inherent character of railroad bonds, which are seldom paid but usually refunded, at maturity and upon such terms as can be realized at the time.

"But even municipals themselves during the past twenty years have greatly fluctuated in price, the tendency having been during all of the period to yield the investor an increasingly higher rate of return. This has been true even in easy money times, following periods of panic and in spite of favorable influences induced for a time through exemptions from local taxation. The State of Massachusetts bonds, for example, sold on a 3 per cent basis in 1895, on a 2.92 per cent basis in 1899, while to-day they yield a rate of 3.95 per cent or better. Here is a difference of 95 points in twenty years and of 103 points in fifteen years. The City of Boston bonds supplied in basic returns an increase of 75 points and 92 points during the same period. New York City's sold in 1895 on a 3.15 per cent basis, in 1899 as low as 2.88 per cent, while at present they range at 4.15 per cent or better.

"Taking the past twenty years for Ohio, the differences in returns are not so great. Thus the basic rate rose on Cleveland's from 3.40 per cent to 4.10 per cent, and on Canton's from 3.70 per cent to 4.20 per cent. During this period, also, St. Paul's rose from 3.60 per cent to 4.15 per cent, Minneapolis' from 3.75 to 4.20 per cent, Chicago's from 3.75 to 4.10 per cent, Detroit's from 3.35 to 4.05 per cent, and Omaha's from 3.95 to 4.40 per cent. The differences in similar municipal entities and county bonds are yet more marked. With only temporary upward shifts in prices due to exemption from taxation and the state of money markets, the general tendency has constantly been in favor of higher interest returns to the investor, with a concurrent shrinkage, of course, in the market values of outstanding bonds. This tendency, with variations, pertains to other forms of bonds but is yet more pronounced.

"In a broad way this signifies that capital has found increased outlets in safe mortgage investments, notably on the security of farms, and also an enormously increased outlet through industrial expansions, but most of all it points to the fact of a serious loss in municipal credits as a result of increasing municipal debts. If the figures for cities of at least 30,000 population be considered it will be found that their combined receipts for a single year now total about 1¾ billions. This income is derived as follows: 38 per cent from the general property tax, 4 per cent from licenses, 5 per cent from special assessments for betterments, 7 per cent from earnings and 46 per cent from the sale of bonds and credits. The Bureau of the Census advises that for the decade ending with 1911 cities to the number of 146, whose population is 30,000 or over, increased their expenditures from $462,000,000 to $862,000,000, an increase of 87 per cent in ten years, or at an average annual rate of 8.7 per cent, or over one-twelfth per annum. This proves bad or, at least, most questionable municipal management, and its imporance is further emphasized by the statement that the per capita expenditure was $28.55, as compared with a Federal expenditure of $9.62, or a municipal expenditure of 297 per cent compared with that of the Nation.

"But while the statistics attest this enormous increase in municipal debts and expenditures, it is also true that in the single year of 1911 municipalities in the United States retired close to a half-billion of their bonds. Still it stands proven that under existing methods municipalities have not found the means for their needs without borrowing. It is a condition which calls for definite reform in taxation laws and financial systems.

"The basic rate of return on high-grade municipal bond purchases is not likely to be reduced materially in the immediate future, except as the matter is influenced by the tendency to exempt them from local taxation, a vicious principle, though their price may also be influenced through an expansion of their markets."

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Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Allian·e	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S Casualty	190	200
Hanover	*180	190	United States Life..	*80	90
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ARTHUR R. MARSH

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A. R. MARSH, Editor
F. L. LAIRD, Associate Editor

Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

The price of all copies of THE MARKET WORLD AND CHRONICLE, except those delivered under regular annual subscription, has been increased to Twenty-five cents each

WE have been interested for a variety of reasons in the announcement that Mr. George W. Perkins, as Chairman of the Department of Social Insurance of the National Civic Federation, has appointed a committee of three well-known persons to investigate and report upon the social insurance laws of Europe, particularly sickness and unemployment insurance and old age pensions. It will, of course, be worth while to obtain the the impressions of Mr. P. Tecumseh Sherman, the experienced student of workmen's compensation, Mr. Arthur Williams, the president of the important employer of labor, the Edison Illuminating Companies, and Mr. J. W. Sullivan, a respected member of Typographical Union No. 6, with regard to the practical operation in England and on the Continent of Europe of these now common forms of alleviation of the lot of the wage-earning class. It was certain that, just as workmen's compensation crept in upon this country almost unawares at first, so the sister forms of social insurance would before long begin to excite attention here. The temper of the time in the United States is to apply to the wage-earner all the known kinds of social help, even if he is thereby made a member of the proletariat, after the European fashion, instead of the independent, self-governing, self-helping American of the older time. This being so, the sooner we get exact information on the subject, the better. This paper has already done its modest part in this direction, and has had the honor of being called by Dr. Rubinow, author of "Social Insurance", "perhaps the only one [insurance and economic journal] in which an intelligent interest in social insurance problems may be noticed." Hence, like the ancient Athenians, we are hopeful that "something new" may result from the explorations of Mr. Perkins' committee.

We cannot help, however, feeling some slight suspicion, probably by reason of the prominence of Mr. Perkins in the matter, that the mission is tinged with political interest, rather than directly inspired by a pure zeal for humanity. There have been signs for some time past that Mr. Perkins' chief, Colonel Roosevelt, thinks there is good political material in social insurance. The éclat of Mr. Lloyd George's triumphant achievement of sickness insurance, unemployment insurance and old age pensions in Great Britain has evidently not been without its effect upon Colonel Roosevelt's mind. It has been proved by experience that great political victories can be won through advocacy of these means of relief and comfort for the less fortunate members of society.

Yet we do not believe that it is English social insurance that chiefly interests either Colonel Roosevelt or Mr. Perkins. The example of Mr. Lloyd George is after all that of a fanatical believer in transferring by almost any means,—social insurance among them,—the superfluous wealth of the rich to the toiling masses. We do not suspect either Colonel Roosevelt or Mr. Perkins of any such leveling aims. If we have interpreted their casual utterances aright, it is social insurance as conceived in Germany that is their real concern. In that country the function of social insurance is not at all to transfer wealth from the rich to the poor, but rather to maintain the working classes contented and well cared for, in order that the control of the State by the rich and the aristocratic classes may be the more confirmed. Colonel Roosevelt has of late more than once spoken in praise of the German economic and social system, under which the owners and managers of the great industries, comfortably supervised and regulated by a Government which is after all one of their own class, look out for the welfare of the wage-earners (naturally, in their proper place) as both a National and as a private duty, employing social insurance as their chief means. We should suppose that this arrangement of things would completely meet Mr. Perkins' approval, and that Colonel Roosevelt would not find it alien from his mind. We anticipate, therefore, a good deal of activity about social insurance in the not distant future; and that the type and mode of application urged upon us will be rather that of Bismarck than that of Mr. Lloyd George.

THE Thompson-Starrett Company is a large contracting corporation, domiciled in New York City but with its business represented in various large cities through the country, which is chiefly engaged in taking and carrying out contracts for the erection of important

structures, public and private, of what may be called the sky-scraper class. The beetling Municipal Building and the soaring Woolworth Building in New York City are examples of its work. At this very moment, it is constructing the vast new building of the Equitable Life Assurance Society. It claims for itself unusual expertness and efficiency in all its undertakings; and it would seem reasonable to suppose that there is some justification for the claim, inasmuch as very important works of construction are certainly entrusted to it.

In the New York "Times," of Monday last, the Thompson-Starrett Company published an advertisement which read as follows:

"FUTURES"

An Owner who employs a contractor who cannot give him positive assurances as to cost and time, might just as well speculate in "futures" on the cotton market.

There is not the slightest reason in the world why the Owner of a building operation should not at the start be in possession of accurate and definitive information as to what his building will cost and how long it will take to build.

We long ago proved that.

THOMPSON-STARRETT COMPANY
Building Construction

It is sufficiently obvious that in this advertisement the Thompson-Starrett Company is setting out its own virtues by comparing them with the vices of the only "cotton market" near enough for it to know anything about, the New York Cotton Exchange. The purpose is to bring out sharply the antithesis between the absolute reliability and calculability of the business conducted by this virtuous corporation, and the reckless, unconsidered and hazardous business of speculation in "futures" on the New York Cotton Exchange. It must be admitted that there is nothing very novel about this procedure, as it is wholly in the fashion to attribute unsoundness and the negation of economic worth to all that goes on upon the cotton exchanges. No one knows how large a volume would be required to contain the speeches of this tenor that have been made in Congress during the past seven or eight years. And more than one self-satisfied business man has thanked God in public that he was not one of the tribe of cotton gamblers. Hence it was by no means a far cry for the Thompson-Starrett Company to find this illustration of how great a contrast there is between its own immaculate business and some other business activities that are to be found amongst us.

The very ease of the comparison, however, may incite the critical mind to inquire whether it can possibly be an exact one. Is it a fact that those who "speculate in 'futures' on the cotton market" are infinitely removed in respect of the character of their transactions from the Thompson-Starrett Company itself. This corporation undoubtedly enjoys a high reputation and a high credit; but how about those who deal "on the cotton market"? It is a fact of perhaps some significance that the merchants who are members of the New York Cotton Exchange handle every year rising 80 per cent of the entire cotton crop of the United States, i. e. 80 per cent of a crop now worth not far from $1,000,000,000. They have reputation and credit enough for this, which is something. But this is not all; for these same merchants are able to enter into transactions, often reaching months and years into the future, with merchants and spinners thousands of miles away,—in Europe, in India, in Japan,—upon the mere faith of a cabled message; and these transactions frequent involve amounts of money as large as the Thompson-Starrett Company would receive for the erection of a large building. Has the Thompson-Starrett Company the reputation and credit to do this? Could any person or any group of persons engaged in a hazardous, incalculable and desperate business do it? Are those distant merchants and spinners who trust to the fulfilment of the engagements of these members of the New York Cotton Exchange running a higher degree of risk than are the customers of the Thompson-Starrett Company in their nearby dealings with it? As the record of failures among these cotton merchants through which their customers near and far have lost substantial sums of money is about one in twenty-five years, we hardly think so.

But how about this assured and of course non-speculative business which the Thompson-Starrett Company holds itself out as having discovered a method of doing? It is certainly a remarkable achievement to have found a way to get rid of all speculative elements in the construction of great buildings,—if, indeed, the way has been found. We had supposed that when a contracting concern goes "short" of labor, of steel, of stone, of bricks, of the multitude of materials required for the construction of a large building, as it does when it enters into a contract to construct and deliver the building at a specified cost and time, no inconsiderable element of speculation was involved, even if some part of the materials was bought at the time of making the contract. Or, if the contracting concern undertakes to do the work of construction, buying the labor and materials with the owner's money and for his account, and charging a percentage for its own services, we were under the impression that the speculative risk was simply transferred from the contracting concern to the owner himself. We know, of course, that the changeableness of the seasons does not affect the supply of building materials and of labor as it does the supply of cotton, and that the price fluctuations are much less numerous and severe. But there is price fluctuation and somebody must take the risk of it. How has the Thompson-Starrett Company done away with this necessity? It declares that it has accomplished this economic feat, for there can be no other meaning of the statement that "an Owner who employs a contractor who cannot give him positive assurance as to cost and time, might just as well speculate in 'futures' on the cotton market." And by what process has the company eliminated all risks of strikes, railroad tie-ups, panics, failures of sub-contractors and the multitude of other complications that beset extensive works of construction?

Of course, the truth is that, though it may have found ways to take precautions against them, it has not discovered a way to eliminate these risks. It cannot in reality give any owner desirous of constructing a building "positive assurances of cost and time." To say that it can is to say what is untrue. In essence, it is just as misleading to advertise that "there is not the slightest reason in the world why the Owner of a building operation should not at the start be in possession of accurate information as to what his building will cost and how long it will take to build," as it would be to advertise that the cotton which a manufacturer must have six months from now can then be bought in the open mar-

ket at a given price. Among those who "speculate in 'futures' on the cotton market" this kind of advertising is associated with tipsters and bucket-shop operators.

From one point of view it may be said truly enough that all this is but making a mountain out of a mole-hill; but from another point of view the matter is of more serious import. We cannot doubt that no small part of the disturbing legislation about business with which our time is afflicted has had its genesis in precisely this kind of loose and irresponsible talk on the part of one set of business men about the iniquities of another. It is after all no trifle that an important industrial corporation should in a public advertisement hold up to scorn an association of fellow business men, implying that their dealings are the opposite of all that is conservative, trustworthy and responsible. And in this time, when public opinion is formed in much the same way as the impression on the retina of the swift-fleeting moving picture films, the political and economic resultant of such casual judgments may be out of all proportion to their real worth.

Arthur Richmond Marsh

THE UNIVERSAL POSTAL UNION AND THE PROPOSED REDUCTION OF INTERNATIONAL POSTAGE

By Edmond Bouchery

Translated from "L'Économiste Européen"

A REFORM, apparently trifling in itself, yet destined to have, nevertheless, an effect the world over, is at the present moment under serious discussion. It is a matter of reducing from twenty-five centimes [5 cents] to fifteen centimes [3 cents] the international postal tariff. This new tariff will be, it is believed, discussed during the course of the year by the members of the Universal Postal Union. A certain number of nations have already declared themselves in favor of the reform; and it is conceivable that at least a partial success will be achieved, in case the majority of the countries in the Union should show themselves hostile to a general reduction of the tariff. The nations are, in fact, entitled to form limited unions among themselves, even if the letters must cross countries not taking part in these special unions; and this is probably what would happen if the proposed reduction should find a majority opposed to it.

This projected reform of the international postal tariff, seemingly so slight a matter, would be far from lacking in importance for the world of business, and would, perhaps, also make itself felt, at least during the first years of its application, in the finances of the interested countries. It is easy to see how this would be the case, by examining the statistics concerning the universal postal service, compiled through the efforts of "The International Bureau of Berne."

It is not perhaps amiss first to say a few words concerning the Universal Postal Union, on which the Bureau of Berne depends. It may be recalled, then, that the Union was established by the International Convention of Berne, on October 9, 1874, the successive Congresses of Paris (1878), Lisbon (1885), and Vienna (1891) having brought together all the international postal legislation in the shape of fifteen diplomatic conventions. Developed thereafter by the Congress of Washington (1897) and of Rome (1906), the Union includes to-day every commonwealth and every colony having an organized postal service, being almost every country of the world (about 117,000,000 square kilometers [67,000,000 square miles], with 1,279,000,000 inhabitants).

The principal convention of the Union forms of all the contracting countries "a single postal territory for the reciprocal exchange of letters between post-offices," and it guarantees the uniformity of the postage; but to the principle convention have come to be added successively special arrangements concluded between most of the countries of the Union, and having for their object the international exchange of letters and packages of which the value is declared, of money orders, of parcels post packages, of C. O. D. transmissions, of collections of accounts, etc.

In its early days, the Union scarcely occupied itself with anything, from the international point of view, except the improving of means of transportation, the method of forwarding, the transmission from country to country of letters, postal cards, printed matter, commercial and financial documents, and samples. But other forms of service had to be established little by little, as, for example, the international passport service and subscriptions to publications, etc.

To carry on with the highest efficiency a task of such importance, an office was established at Berne, under the name of the "International Bureau of the Universal Postal Union." Through pure courtesy, this Bureau was placed under the final supervision of the Post Office Department of the Swiss Republic; but it enjoys the most complete autonomy. The ordinary budget of the International Bureau, fixed at first at 7,500 francs [franc=19.3 cents], has been successively raised as time went on, first, to 100,000 francs, and then to 125,000 francs. Extraordinary allowances may, besides, be made it under certain circumstances (congresses, conferences, etc.).

The Bureau of Berne gathers, classifies, makes public and has distributed or published information concerning the international postal service. In all cases of controversy, the Bureau may be consulted, and its conclusions are almost always followed to the letter. It prepares the programmes for future congresses, and the modifications to be made in existing provisions. It publishes each year, moreover, a general statistical review of the operations of the Union. Finally, it issues an organ, "The Postal Union," and keeps up to date a directory of the post offices of the entire world.

The International Bureau of Berne has, then, it appears, a task of the greatest importance, which naturally increases constantly, in proportion as international relations develop more and more in extent.

The following table, which gives, for periods twenty years apart, the financial results of the international postal service, makes it possible to comprehend the development of postal communications between nations.

FINANCIAL RESULTS OF THE UNIVERSAL POSTAL SERVICE IN 1890 AND 1910.

(In Millions of Francs.)

	1890		1910	
Country.	Receipts.	Expenditures.	Receipts.	Expenditures.
Germany*	317.4	289.9	1,006.6	889.1
United States	315.5	341.6	1,161.3	1,191.6
Argentine Republic	7.2	24.2	29.9	33.2
Austria*	77.9	68.3	194.3	190.5
Belgium	16.6	10.5	40.2	20.9
Bosnia and Herzegovina	....	....	3.9	3.0
Bulgaria	1.8	2.4	5.8	6.5
Chili	....	....	3.7	4.5
Korea	....	....	3.7	5.7
Crete	....	....	0.2	0.2
Denmark	7.2	7.1	22.8	20.9
Egypt	2.8	2.3	7.4	7.0
Spain	22.3	12.2	31.9	12.9
Ethiopia	....	....	0.1	0.1
France	202.7	148.9	361.1	314.8*
Great Britain	246.3	167.2	545.3	407.5
Greece	1.3	2.0	3.5	3.7
Hungary*	32.0	23.6	85.9	68.5
Italy	45.4	40.0	107.2	83.7

(Continued on Next Page.)

Country.	1890 Receipts.	1890 Expenditures.	1910 Receipts.	1910 Expenditures.
Japan	15.4	18.4	122.0	85.8
Luxembourg	0.7	0.7	2.0	2.1*
Mexico	....	....	12.0	13.5
Norway	3.9	3.6	11.8	11.0
Netherlands	13.6	10.1	31.8	27.8
Peru	0.7	0.7	12.4	12.5
Portugal†	5.8	6.6	11.9	8.6
Rumania	5.9	4.0	17.5	12.1
Russia	81.6	95.8	262.4	168.1
Servia*	0.9	1.1	3.6	3.2
Siam	0.08	0.1	0.7	0.7
Sweden	10.5	9.8	30.4	28.5
Switzerland	24.2	21.9	57.1	54.5
Tunis	....	....	2.6	2.9
Turkey	2.6	1.6	9.5	6.9
Colonies:				
Belgian	0.03	....	0.4	.....‡
British	50.3	51.6	182.3	159.3
Danish	....	....	0.007	0.006
French	....	....	12.6	20.0
Dutch	....	....	4.9	9.2
Portuguese	....	....	0.8	0.9

*Figures include postal service, telegraph and telephone.
†Figures include postal service and telegraph.
‡Figures confused with other services and thus not exactly known.

These figures make very clearly evident the considerable importance of the postal service throughout the entire world. Other figures follow which will make it more easy to comprehend the tremendous impetus given to the postal movement by the reduction and uniformity of rates,—results which are due to the Postal Union.

For example, as regards letters alone exchanged between France and other countries, it is found that their number, after increasing from twenty-two millions in 1855 to thirty-nine millions in 1865, and from thirty-nine to sixty-seven millions during the following ten years, rose successively, after the creation of the Postal Union: from 67 to 104 millions in the period 1875-1880; from 104 to 165 millions between 1880 and 1890; from 165 to 239 millions between 1890 and 1900; and finally from 239 to 384 millions between 1900 and 1911.

This growth in the postal movement is not, however, peculiar to France alone. Just to give a general idea of the importance of the postal movement in its entirety, it appears, (although these figures are not absolutely accurate), that there were transmitted in 1908, in the territory of the Union: 38,272 million correspondences (letters, postal cards, printed matter, commercial and financial documents, and samples); forty-seven million letters and packages the value of which was declared, to a total amount of 57,114 millions of francs; 680 million money-orders, for a sum of 35,380 million francs; 640 million parcels, with and without value declared, for a total of 23,176 million francs; sixty million C. O. D. transmissions and other collections for a total of 3,588 million francs; and 3,508 million of various publications having the privilege of subscriptions through the post-office.

Such figures require no comment, and they make it possible to conceive what the real importance may be of this trifling change of a reduction of ten centimes [2 cents] in the international postal tariff.

RAILROAD RATE MAKING AND REGULATION IN THE UNITED STATES IN THEIR PHYSICAL ASPECTS

THE continually new tasks entrusted by Congress to the Interstate Commerce Commission are setting many people to thinking of the vast magnitude, from a purely physical point of view, of the work which the Commission is already called upon to do, and to wondering whether, physical strength and mental energy being what they are, it can be expected that prompt and efficient service will be obtainable from men so burdened. In no other country in the world has it ever been attempted to place such immense responsibilities, involving such herculean labors, upon a small body of public officials. Whatever may be the staff at their command, it seems impossible that they should give to the results presented to them by this staff the fresh attention which their duty demands, much less have left unwearied minds wherewith to pass upon the railroad problems of the greatest commercial nation on earth. If it be true that the nationalization of our railroads is impending, the insuperable difficulties in the way of having them managed by the Interstate Commerce Commission, as at present constituted, are only too apparent.

Desirous of obtaining some idea of what is physically involved in the duties of the Commission, the Peoples National Bank, of Pittsburgh, Pa., recently had a study made by a competent expert of the number of freight rates in the United States affected by any general change in the freight tariff basis. According to a published statement of the Bank, no one,—not even the Interstate Commerce Commission itself,—has ever before attempted to obtain this information. Assistance was had in the present undertaking from the foremost traffic authorities in the country. The figures obtained were hardly less than appalling in their magnitude. The published statement of the Bank on the subject is as follows:

* * *

"While there has been much impatience manifested over the delay by the Interstate Commerce Commission in rendering a decision in the 5 per cent rate increase case, it is probable that few persons appreciate the magnitude of the burdens forced upon or assumed by that Commission. Few persons outside that body know, for instance, that there are literally thousands of millions of freight ratings alone, for which tariffs are filed by the carriers with the Interstate Commerce Commission, any one of which contains the potentialities for a dispute that may constitute a 'case' for consideration by the Commission. There are also more than 10,000 different articles of freight coming under twenty-one different classifications (including multiple ratings, but not including commodity rates) which contain the possibility for innocent error by a railway station agent and may engage the attention of the Commission. This is only one phase of the Commission's work in regulating a business aggregating several billion dollars gross per annum.

"Believing that if facts were better known there would be less public clamor for even greater Government control of business, and that the physical impossibility of prompt and satisfactory service on the part of the Government commissions would become obvious, this bank obtained the subjoined statement on the subject from an acknowledged expert. No similar investigation had ever been attempted, so far as known, and in compiling the data the aid and suggestion of some of the foremost traffic authorities in the country were drawn upon. The facts and figures are amazing even to those familiar with the subject. They were compiled with painstaking care and are under rather than overstated. They are herewith submitted as an interesting study of a subject concerning which there is much popular ignorance:

" 'The total number of stations outside of the State of Pennsylvania, in the United States, Canada and Mexico, to which railroads in the State of Pennsylvania can sell tickets is approximately 77,744, multiplied by the number of stations on fifty-one roads in Pennsylvania selling interstate tickets, 2,531, multiplied by two

(both directions) equals 393,540,128, the total number of passenger rates from all points in Pennsylvania to all destinations outside of Pennsylvania, in both directions, for which tariffs are filed with the Interstate Commerce Commission.

"'The following is a condensed statement of all classified freight ratings that can be secured from published tariffs filed with the Interstate Commerce Commission, covering the various classes of articles that can be shipped by freight:

NUMBER OF ARTICLES OF FREIGHT ON WHICH RATINGS APPLY.

Classes of Freight.	Less Than Carload.	Carload.	Total Ratings.
1	1,575	31	1,606
2	953	238	1,191
3	1,273	400	1,673
4	668	857	1,525
5	73	2,190	2,263
6	....	415	415
Multiple ratings	1,312	104	1,416
Totals	5,854	4,235	10,089

"'The total number of railway freight stations in the United States, Canada and Mexico, to which freight shipments can be billed from Pittsburg, Pa., is approximately 89,425, multiplied by 10,089 (number of various ratable articles that can be handled by freight) equals 902,208,825, the total number of ratings covering all classes of freight articles for which tariffs are filed by the carriers with the Interstate Commerce Commission.

"'There are approximately 4,346 freight stations on eighty-nine railroads in the State of Pennsylvania from which freight rates are published and filed with the Commission, to all the other 85,079 freight stations in the United States, outside of Pennsylvania, Canada and Mexico; therefore, 85,079 multiplied by 4,346, multiplied by 10,089 (freight ratings), multiplied by two (both directions) equals 7,460,882,773,452, the total number of freight ratings from all stations in Pennsylvania to all other destinations outside of Pennsylvania, in both directions, for which there are tariffs filed by the carriers with the Interstate Commerce Commission, and from which tariffs any one of these total ratings can be ascertained.

"'These figures represent only a small proportion of all freight ratings and passenger fares, for the reason that all rates to and from other points outside of Pittsburgh, as well as outside of Pennsylvania, are, vice versa, applicable to all shipping destinations in the United States, Canada and Mexico. (Canada has 8,645 stations, and Mexico 4,940, which are included in the above calculations.)

"'One railroad operating out of Pittsburgh advises that during a recent year its tariff and traffic departments prepared detailed figures covering all freight ratings for all stations on its line, which comprised a supply of 5,448,110 leaflets, pamphlets and booklets (originals and duplicates, containing 57,323,706 pages of rates), for distribution to all agents, shippers, consignees, etc., and for filing with the Interstate Commerce Commission. The total weight of this output of tariffs for that year amounted to 333,859 pounds, equal to 167 tons. This is only one railroad.

"'These figures, so far as Pittsburgh and the State of Pennsylvania are concerned, readily show the stupendous undertaking imposed on all carriers in each State of the Union in the preparation and filing of detailed tariffs showing every passenger and freight rate and multiples and combinations thereof.

"'During 1912—the last year for which we have the Commission's annual report at hand—there were 6,550 complaints received and docketed by the Commission, during which period 3,096 rulings were issued. The Commission also conducted 1,154 hearings throughout the country, in the course of which approximately 125,000 pages of testimony were taken, relating to car service charges, absorption of switching, privileges or facilities affecting the value of service wherever in operation, demurrage charges, terminal allowances, carload weighing, bills of lading, individual freight cars, hours of service, examination of accounts, safety appliances, investigation of accidents, inspection of locomotive boilers, ash-pans, etc. In 1911 there were 2,179 steam railroads reporting to the Commission, whose jurisdiction also extends over interstate water carriers, electric railways, express companies, pipe lines, sleeping car companies, telephone, telegraph and cable companies—all of which carriers filed in that year an aggregate of 108,766 single copies of separate, original tariff publications of from 1 to more than 1,000 pages each.

"'The duties of the Commission in the realm of accounting devolve upon the Division of Carriers' Accounts, a force of examiners being constantly engaged in examining the books and accounts of the carriers to determine whether or not they are being kept in the manner prescribed by the Commission. The reports of these examiners are very voluminous and are supposed to be passed upon by the Commission. The accounting rules have recently been revised, and on July 1, 1914, these new classifications will take effect, the changes necessitating close scrutiny of the accounts of carriers for some time, and numerous questions will be asked for rulings which will require careful consideration and a great deal of the Commission's time.

"'The monthly and annual reports filed by the carriers require a vast amount of labor in the verification and compilation of the data and the results published in the annual reports of the Commission to Congress. Numerous special reports on a variety of matters are required in special investigations, and the results must be likewise passed upon by the Commission.

"'The magnitude of the task of carrying out the provisions of the Federal valuation law is sufficient to keep the Commission engaged for a period of five to seven years. While the preliminary work of preparing forms and establishing methods for the prosecution of the work has been delegated to Hon. Charles A. Prouty, a former Commissioner, all matters pertaining to this subject must be passed upon by the Commission and rulings issued under its order.

"'In order to comply with the comprehensive terms of the Interstate Commerce act and amendments it is imperatively necessary that the Commission have complete knowledge of all the conditions and requirements of shippers and carriers, to enable that body to decide what may be adopted as useful and practicable regulations and policies, in accordance with the established authority vested in the Commission. Compliance on the part of all carriers has entailed upon them unprecedented labor and expense; and when it is realized that the Commission is required to give attention to all passenger and freight tariffs and promulgate rulings applicable to all these and numerous other matters coming within its jurisdiction, it will indicate the magnitude of the immense burden imposed upon the Interstate Commerce Commission in undertaking the task of regulating transportation service throughout the United States.'"

THE NUMBER OF WORKERS IN GAINFUL OCCUPATIONS IN THE UNITED STATES

IN all study of the problems of society, one of the most essential facts to know is the number of persons who are workers, whether for wages or for salaries. Yet this fact is one of the most difficult to ascertain for all countries. The statistics are usually for periods considerably behind the present, and an element of doubt and conjecture must always enter into calculations of the

present situation. This has been abundantly shown, wherever efforts have been made, in advance of legislation, to ascertain the number of persons likely to be included in any system of workmen's compensation or other form of social insurance. None the less, every issue of fresh data on the subject for any country is important, as such data give a new point of departure for all calculations. Therefore, the figures just given out by the United States Bureau of the Census as to the workers in gainful occupations disclosed by the Census of 1910, are of great value, despite the fact that they represent a state of things now almost four years old. The statistics have been compiled under the supervision of William C. Hunt, Chief Statistician for Population, and were issued this week by William J. Harris, Director of the Bureau of the Census. The following is the summary of the figures, as published by the New York "Evening Post":

* * *

At the Thirteenth Census (1910) there were 38,756,223 persons ten years of age and over, engaged in gainful occupations in the United States, including Alaska, Hawaii, Porto Rico, and the military and naval stations abroad. The gainful workers thus formed 41.5 per cent of the total population (93,402,151) enumerated at that census.

In Continental United States alone the gainful workers numbered 38,167,336, which was 41.5 per cent of the total population (91,972,266) and 53.3 per cent of the population ten years of age and over (71,580,270). In the male population the gainful workers numbered 30,091,564, which was 63.6 per cent of all males and 81.3 per cent of the males ten years of age and over. In the female population the gainful workers numbered 8,075,772, which was 18.1 per cent of all females and 23.4 per cent of the females ten years of age and over.

Thus, in the total population of the United States, over two-fifths of all persons, considerably over three-fifths of all the males, but considerably less than one-fifth of all the females, were engaged in gainful occupations in 1910; and in the population ten years of age and over, more than one-half of all persons, over four-fifths of the males, but less than one-fourth of the females, were gainfully occupied. In other words, of all persons ten years of age and over, in 1910, more than every other one had a gainful occupation; of the males, over four out of five were gainful workers, and of the females, almost one out of four was a gainful worker.

The proportion of the total population engaged in gainful occupations increased gradually from 34.7 per cent in 1880 to 41.5 per cent in 1910, the increase being least rapid from 1890 to 1900, and most rapid from 1900 to 1910. Of the male population, the proportion engaged in gainful occupations increased from 57.8 per cent in 1880 to 63.6 per cent in 1910, while of the female population, the proportion increased during the same period from 10.7 to 18.1 per cent.

The proportion of the population ten years of age and over engaged in gainful occupations increased from 47.3 per cent in 1880 to 53.3 per cent in 1910, the increase being least rapid from 1890 to 1900, and most rapid from 1900 to 1910. In the male population ten years of age and over the proportion gainfully occupied increased gradually from 78.7 per cent in 1880 to 81.3 per cent in 1910, while the proportion of gainful workers in the female population ten years of age and over increased from 14.7 to 23.4 per cent.

In the several States the proportion of the population ten years of age and over engaged in gainful occupations in 1910 ranged from 46.9 per cent in Iowa to 68 per cent in Mississippi. The States having the smallest proportions were Iowa, 46.9 per cent; Kansas, 47 per cent; Nebraska, 47.7 per cent; Utah, 47.9 per cent, and Indiana, 48 per cent. The States having the largest proportions were North Carolina, 60 per cent; Georgia, 61.5 per cent; Wyoming, 62.6 per cent; Nevada, 64.3 per cent; Alabama, 64.7 per cent; South Carolina, 67.6 per cent and Mississippi, 68 per cent. Except in three States—Arizona, Montana, and North Dakota—there was an increase from 1900 to 1910 in the proportion of the population ten years of age and over engaged in gainful occupations. The States showing the largest increases were Alabama, Arkansas, Georgia, Mississippi, Nevada, North Carolina, South Carolina, and Texas.

Practically one-third (33.2 per cent) of all gainful workers in the United States in 1910 were engaged in agriculture, forestry, and animal husbandry, and considerably more than one-fourth (27.9 per cent) were engaged in manufacturing and mechanical industries. Thus over three-fifths of all gainful workers were occupied in these two general divisions of occupations.

The remaining two-fifths of the workers were distributed among the other seven large classes of occupations, namely, extraction of minerals, transportation, trade, public service, professional service, domestic and personal service, and clerical occupations, no class furnishing employment to as many as 10 per cent of all gainful workers. For the males, as for both sexes combined, agriculture, forestry, and animal husbandry gave employment to the largest proportion of the gainful workers, 36.1 per cent., and manufacturing and mechanical industries ranked second, with 29.4 per cent. Domestic and personal service was the principal field of employment for female workers in 1910, 31.3 per cent of them being engaged in this branch of occupations, as compared with 22.4 per cent in agriculture, forestry and animal husbandry, and 22.5 per cent in manufacturing and mechanical industries.

There were 30,091,564 males engaged in gainful occupations in Continental United States in 1910, as compared with 8,075,772 females; that is, of a total of 38,167,336 persons engaged in all occupations in 1910, 78.8 per cent were males and 21.2 per cent were females. Of a total of 29,073,233 persons engaged in all occupations in 1900, 81.7 per cent were males and 18.3 per cent were females.

Agricultural Workers.

In 1910 there were employed in agriculture, forestry, and animal husbandry, 10.8517,702 males and 1,807,501 females; in the extraction of minerals, 963,730 males and 1,094 females; in manufacturing and mechanical industries, 8,837,901 males and 1,820,980 females; in transportation, 2.531,075 males and 106,596 females; in trade, 3,146,582 males and 468,088 females; in public service, 445,733 males and 13,558 females; in professional service, 929,684 males and 733,885 females; in domestic and personal service, 1,241,328 males and 2,530,846 females, and in clerical occupations, 1,143,829 males and 593,224 females.

These figures show that in 1910 domestic and personal service was the only general division of occupations in which the women outnumbered the men, there being in this general division more than two women employed to each man. In professional service there were four women employed for every five men, a large proportion of the women being teachers. In clerical occupations one-third of the persons were women; in manufacturing and mechanical industries women constituted one in six; in agriculture, forestry, and animal husbandry, one in seven, and in trade one in eight of the gainful workers. Women constituted only 4 per cent of the persons engaged in transportation, 3 per cent of those engaged in public service, and one-tenth of 1 per cent of those engaged in the extraction of minerals.

INDUSTRY, COMMERCE AND FINANCE

Crop Conditions on July 1.—The Crop Reporting Board of the Department of Agriculture makes the following estimates as of July 1, of acreage and condition of crops in the United States:

	Acreage, 1914		Condition			
Crop.	Per Cent of 1913.	Acres.	July 1, 1914.	July 1, 1913.	July 1 10-yr. Av.	June 1, 1914.
Winter wheat	111.6	35,387,000	94.1	81.6	80.2	92.7
Spring wheat	97.3	17,990,000	92.1	73.8	84.4	95.5
All wheat	106.4	53,377,000	93.4	78.6	81.7	93.7
Corn	99.3	105,067,000	85.8	86.9	84.7	...
Oats	100.0	38,383,000	84.5	76.3	83.7	89.5
Barley	100.4	7,528,000	92.6	76.6	84.4	95.5
Rye	....	.....	92.9	88.6	83.5	93.6
White potatoes	101.1	3,708,000	83.6	86.2	88.7	...
Sweet potatoes	94.9	593,000	77.1	86.5	87.3	...
Tobacco	94.6	1,151,000	66.0	82.8	84.6	...
Flax	84.1	1,927,000	90.5	82.0	86.8	...
Rice	85.2	704,800	86.5	88.4	88.0	...
Hay	....	.....	80.8	80.5	*81.9	88.7
Apples	....	.....	64.2	59.4	59.4	73.7

*Six-year average.

The amount of wheat remaining on farms July 1 is estimated at 4.2 per cent of last year's crop, or about 32,236,000 bushels, as compared with 35,515,000 on July 1, 1913, and 23,876,000 on July 1, 1912.

The estimated yields indicated by the condition of crops on July 1, 1914, and final yields in preceding years (bushels per acre and millions of bushels of total production), follow:

	Yield Per Acre			Total Production of Bushels				
			1909-1913	1914				1909-1913
Crop.	*1914. Bus.	1913 Final. Bus.	Av'ge. Bus.	July Fore-cast.	June Fore-cast.	1913 Final.	1909-1913 Av'ge.	Cen-sus.
Winter wheat	18.5	16.5	15.6	655	638	523	441	418
Spring wheat	15.3	13.0	13.3	275	262	240	245	265
All wheat	17.4	15.2	14.7	930	900	763	686	633
Corn	27.3	23.1	25.9	2,838	...	2,447	2,708	2,552
Oats	31.3	29.2	30.6	1,201	1,216	1,122	1,131	1,007
Barley	28.0	23.8	24.3	211	206	178	182	173
Rye	17.2	16.2	16.1	...	...	41	35	30
White potatoes	96.1	90.4	97.1	356	...	332	357	389
Sweet potatoes	84.0	94.5	92.7	50	...	59	58	59
Tobacco, pounds	636.9	784.3	815.1	733	...	954	996	1,056
Flax	9.1	7.8	7.8	18	...	18	20	20
Rice	33.3	31.1	33.3	23	...	26	24	22
Hay, tons	1.37	1.31	1.34	...	..	64	66	60

*Interpreted from condition reports.

* * *

Rubber a Possible By-Product of Steel.—At a recent meeting of the Iron and Steel Institute in London, the president read a paper on by-products in steel manufacture. He discussed the utilization of blast furnace gases for operating gas engines and for illumination and heating, and the later developments in making nitric acid from these gases, and also, the manufacture of bricks and cement from slags. All these matters have been under discussion for a number of years, but a new idea was presented at this meeting looking toward the synthetic production of india rubber from coke oven gases. The president's words were: "It was being sought to obtain from it the hydrocarbons, the derivatives of which were found in india rubber, and experiments that had been made permitted the foreshadowing of the manufacture of artificial rubber."

* * *

Live Stock Prices in the United States.—The level of prices paid to producers of the United States for meat animals decreased 1.0 per cent during the month from May 15 to June 15; this compares with an increase of 1.6 per cent in the price level from May 15 to June 15 last year, a decrease of 2.0 per cent two years ago, a decrease of 1.7 per cent three years ago, and a decrease of 1.1 per cent four years ago, from May 15 to June 15. In the six months, from December 15 to June 15, the level of prices for meat animals advanced 5.4 per cent; this compares with an advance of 12.0 per cent during like period a year ago, an advance of 16.8 per cent two years ago, and decline of 12.3 per cent three years ago, from December 15 to June 15. On June 15 the average (weighted) price of meat animals—hogs, cattle, sheep and chickens—was $7.22 per 100 pounds, compared with $7.19 on June 15 a year ago, $6.27 two years ago, $5.45 three years ago and $7.29 four years ago. Average prices to producers in the United States for various products are given below:

	June 15, 1914.	May 15, 1914.	June 15, 1913.	June 15, 1912.
Horses, each	136.00	139.00	146.00	145.00
Milch cows, each	59.82	59.85	55.20	45.84
Hogs, 100 pounds	7.43	7.60	7.61	6.65
Beef Cattle, 100 pounds	6.32	6.33	6.02	5.23
Veal Calves, 100 pounds	7.69	7.59	7.53	6.33
Sheep, 100 pounds	4.70	4.87	4.84	4.52
Lambs, 100 pounds	6.47	6.49	6.36	6.02
Wool, per pound	.184	.172	.156	.187

* * *

Comparative Growth in Agriculture and Trade.—A recently issued British Board of Trade return gave detailed figures showing the comparative development in agriculture and in trade between 1903 and 1913 in the United Kingdom, Germany, and the United States. As presented by that official body the per cent of increase along certain lines in the three countries named during the twenty-year period mentioned was:

	Per Cent of Increase Over 1893.		
Item.	United Kingdom.	Germany.	United States.
1 Cultivated area under principal crops	* 9	8	47
2 Crops:			
Barley	*24	44	182
Oats	* 2	80	154
Rye	Unknown	61	17
Wheat	* 6	38	37
Potatoes	2	79	150
3 (a) Production of pig iron and coal:			
Pig iron	50	237	337
Crude steel	136	522	715
Coal	75	159	210
(b) Quantity available for consumption:			
Pig iron	55	264	334
Coal	56	135	199
4 (a) Net imports	91	170	109
Raw materials	117	190	198
Manufactures	116	180	110
(b) Domestic exports	141	226	192
Raw materials	238	243	196
Manufactures	121	239	563
5 Railway freight-traffic receipts:			
Total	49	141	146
Per mile of line	30	73	62
6 Estimated population	20	32	46

*Decreases.

* * *

New Bulgarian Loan.—It is announced that the negotiations between the group of Austro-Hungarian and German bankers and the Bulgarian Government with respect to a loan have been concluded, and that the group will furnish to Bulgaria a loan of 500,000,000 francs ($96,500,000) to be covered by a 5 per cent bond issue, which is to be marketed at 80 to 85. Half of the loan will be available immediately, of which German banks will supply 200,000,000 francs and Austro-Hungarian banks 50,000,000 francs. Details of the second half of the loan will be arranged subsequently. It is stated that the Bulgarian Government undertakes to give preference to German and Austro-Hungarian firms in placing orders for public works and material for public undertakings.

* * *

World Production of Raw Silk.—The union of the raw silk merchants of Lyon, France, has made public the provisional statistics for the production of raw silk throughout the world for the

year 1913; these, together with the provisional figures for 1912, are given below:

Countries.	Production in Pounds— 1912.	1913.
Western Europe:		
France	1,113,334	772,000
Italy	9,049,975	7,804,000
Spain	171,961	181,000
Austria-Hungary	665,796	580,000
Totals	11,001,066	9,337,000
Levant and Central Asia:		
Asiatic Turkey:		
Anatolia	936,965	904,000
Syria and Cyprus	881,849	1,080,000
Other provinces	264,555	287,000
European Turkey—Adrianople	573,202	187,000
Balkans—Bulgaria, Servia, Rumania	319,670	276,000
Greece, Salonika and Crete	110,231	463,000
Caucasus	870,826	849,000
Turkestan and Central Asia (exports)	617,294	496,000
Persia (exports)	496,040	463,000
Totals	5,070,632	5,005,000
Extreme Orient:		
China:		
Exports from Shanghai (including tussahs, yarns, etc.	14,100,583	12,787,000
Exports from Canton (including shipments to Bombay and India)	4,971,423	6,120,000
Japan—Exports from Yokohama	23,413,087	26,125,000
East Indies—Exports from Bengal and Kashmir	352,740	220,000
Indo-China—Exports from Saigon, Haifong, etc.	33,069	33,000
Totals	42,879,902	45,234,000
Grand totals, provisional	58,951,600	59,636,000
Grand total, corrected	59,448,000	.....

‡Includes Salonika. †Exclusive of Salonika.

It will be seen from the foregoing table that the 1913 production is slightly in excess of the corrected total for 1912, which was the greatest ever recorded.

* * *

Lyon's Output of Silk Goods.—The Chamber of Commerce of Lyon, France, with the concurrence of the Syndical Chambers of Silk Merchants and Silk Buyers, has just published statistics concerning the production of silk fabrics in Lyon, during the year 1913, which shows that the value of such production was $90,266,100, while the output in 1912 was $79,516,000, an increase of $10,750,000. The items forming these totals were:

Articles.	1912.	1913.
Fabrics of pure silk or waste silk:		
Plain	$25,167,200	$27,541,100
Fancy and brocaded	5,886,500	7,237,500
Fabrics of silk or waste silk mixed with gold or silver for the Levant and the East Indies	2,316,000	1,930,000
Fabrics of mixed silk or waste silk:		
Plain	10,267,600	11,811,600
Fancy or brocaded	1,582,600	1,775,600
Velvets and plushes:		
Pure silk	1,436,100	2,045,800
Mixed silk	5,553,400	5,770,700
Muslins, gauzes and crêpes	16,694,500	19,879,000
Fabrics of coarse silk for upholstery	212,300	212,300
Total of fabrics of pure and mixed silk of all kinds	$69,171,200	$78,203,600
Fabrics of artificial silk	386,000	772,000
Veilings and laces	4,554,800	5,597,000
Metal trimmings, laces, etc	4,439,000	4,439,000
Textile trimmings	386,000	289,500
Miscellaneous fabrics not specified elsewhere, containing textiles other than silk	579,000	965,000
Grand totals	$79,516,000	$90,266,100

The aggregate value of silk goods (exclusive of postal parcels) exported from France during 1913 was $72,311,503. The fact that the value of the silk fabrics produced in Lyon during the same period exceeds the total value of the exports from all France by $17,954,597 is significant as showing the importance of Lyon as a silk-manufacturing center. This excess is consumed in France. During the year 1913, the value of the imports of silks into France amounted to $9,349,885. This sum added to the amount of the excess of silk goods produced in Lyon over the amount of the exports from France during the year, or a total of $27,304,482, represents, it is said at the Chamber of Commerce, approximately the amount consumed in the Republic.

* * *

Suez Canal Traffic.—The Egyptian Government has published the official figures for 1913 of the shipping which passed through the Suez Canal. Statistics concerning the commerce of the chief competing countries in the Suez Canal traffic follow, the increase or decrease on the corresponding figures for 1912 having been calculated in each case:

Flag.	No. of Vessels. Total.	Increase (+) or Decrease (—).	Canal Tonnage— Total.	Increase (+) or Decrease (—).	Pass'gers Carr'd. Total.	Increase (+) or Decrease (—).
British	2,951	—387	12,172,817	—963,486	139,512	— 6,763
German	778	+ 82	3,364,585	+334,774	31,791	+ 507
Dutch	342	- 1	1,290,736	+ 52,799	18,362	+ 2,781
French	256	+ 35	931,128	+129,385	36,923	+ 8,177
Austro-Hungarian	246	— 1	849,168	+ 35,530	7,491	+ 1,764
Russia	110	— 16	341,941	— 24,746	12,098	— 5,954
Totals, including all other flags	5,085	—287	20,214,856	—320,570	289,631	+29,020

In number of vessels and canal tonnage the various nationalities held in 1913 the same relative positions as in 1912, save that in the earlier year Austria-Hungary outranked France in both particulars. As to passengers, the order in 1913 was, as the above figures show, United Kingdom, France, Germany, Netherlands, Russia, and Austria-Hungary. In 1912 the order was United Kingdom, Germany, France, Russia, Netherlands, and Austria-Hungary.

* * *

The Trade of Chile.—Imports into Chile in 1913 were valued at $120,296,510 as against $122,075,994 in 1912. Exports in 1913 were valued at $144,653,312 as against $137,643,153. In computing the total foreign trade, therefore, a decline of $1,779,484 in imports is more than offset by an increase of $7,010,159 in exports. Of the imports in 1912, the United Kingdom furnished to the value of $36,028,311; Germany, $29,579,180; the United States, $20,090,266, and France, $6,623,252. As compared with the previous year, the United States gained $3,283,925; Germany lost $3,609,890; the United Kingdom lost $2,570,972, and France lost, $637,809. Exports from Chile to the United States in 1913, as invoiced at the American consulates and agencies in Chile, were valued at $38,386,959, an increase of $7,530,578 as compared with 1912, and $26,612,390 as compared with 1911.

* * *

Bavaria's Exports to the United States.—Exports from Bavaria to the United States have increased in the last three years by about half a million dollars annually. Articles invoiced for export to the United States, at the United States consulate general in Munich, were valued at $2,568,851 in 1913, as compared with $2,187,072 in 1912. These figures include returned American goods valued at $11,908 in 1912, and $3,992 in 1913, and exports to the Philippines of $5,303 in 1912, and $1,665 in 1913, and to Hawaii of $300 in 1913. There were no other exports in these years to the island possessions of the United States.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

MR. EDSON S. LOTT, President of the United States Casualty Company, is an impetuous man; he is perhaps over-fond of emphasis and at times he fails to make his contentions prevail, in spite of being right in them, because his statement of them lacks the authority of sobriety. None the less he has the refreshing quality of not being afraid to speak his mind and of valuing the politic less than the straight utterance of his thought. It is now rather generally held among the managers of liability insurance in New York that expediency demands that no sharp criticism should be passed upon the sayings and doings of the new Workmen's Compensation Commission. To irritate them and their partisans, it is urged, might lead to a remodeling of the New York Workmen's Compensation Statute in such wise as to exclude private insurance carriers altogether, and leave the Commission, with its State Fund, in sole possession of the field. Mr. Lott is evidently not of a mind to submit meekly to those dictates of calculating prudence, but is ready to take the responsibility of assuming that even the president of a liability insurance company, in these days when it is fashionable to class liability insurance companies with the predatory corporations, may call to account such public officials as the Workmen's Compensation Commissioners, when they are guilty of unjustifiable actions or utterances. During the past week, Mr. Lott has sharply and, in our opinion, very justly chidden the Workmen's Compensation Commission for having adopted and disseminated among employers a resolution which is the veriest nonsense from a legal point of view, but which is calculated to mislead employers into thinking that insurance taken by them with the State Fund embraces matters which it does not at all embrace. The obscurity and slovenliness of workmanship of the New York Compensation Act have more than once been mentioned in the pages of this paper; and one of the consequences of this obscurity and this slovenliness is that in a multitude of cases it is impossible, in advance of interpretation of the statute by the courts, for the employer to know whether all or certain of his employes are embraced within the compensation system. The State Fund has the power, under the statute, to cover only the liability of the employer as regards such employes as are in the final determination found to be within the "hazardous" classes of the law. In respect of all other employes, the policy of insurance issued by the State Fund is a mere piece of paper, with no legal worth at all. It does not protect the insured against common law suits, in case of accident to these non-included employes; and any premium the employer may have paid on this account is merely so much money thrown away. But the Workmen's Compensation Commission, fearing that the State Fund may lose applicants for insurance because of this uncertainty,—employers preferring to take out policies with stock liability companies, which cover in either case,—has passed a resolution, utterly *ultra vires*, to the effect that the insurance of employes with the State Fund, even though all or some of these employes be found subsequently not to be included within the "hazardous" industries of the Compensation Act, none the less relieves the employer of the danger of a suit at common law, in case of an accident to such an employe. Against this contention of the Commission Mr. Lott has directed his righteous wrath, and with perfect legal propriety. All that he said cannot be quoted here, but a single paragraph, excellent for its direct force and legal soundness, contains the meat of it. This is the paragraph:

"By what authority, pray, was the Workmen's Compensation Commission constituted a court of final jurisdiction in the State of New York? What is there in the compensation law which deprives an employe of his common law right to sue for damages in case he does not do work included in any of the forty-two 'hazardous' employments? Evidently, the Commission thinks that—unlike other administrative bodies—it has been given both judicial and legislative functions. The crucial question is the kind of work done by the employe. That determines the employe's rights. The Commission cannot 'resolve' such rights away. The State Insurance Fund's policy cannot deny such rights. The employer is not protected against such rights either by the State Fund's insurance contract or by the State Workmen's Compensation Commission's resolution. The courts have the final say. And, until the courts have spoken, the employer who insures against compensation liability in the State Fund is not released from common law liability to such of his employes as do not come within the compensation law."

APART from the severe losses incurred by most of the fire insurance companies in the recent conflagration at Salem, Mass., one of the most interesting features of that calamity, from a fire insurance point of view, has been the subjecting of the so-called factory mutual fire insurance associations to the consequences of a disaster not embraced within their normal average, as commonly calculated, at least by those factory owners who are attracted to them by the alluring cheapness of the fire insurance they afford. The great Naumkeag cotton mills, situated in Salem and insured in some eleven of the factory mutuals, proved as little able to resist the conflagration as the more carelessly protected buildings in the town. They were consumed, and the aggregate loss was no less than $3,328,547 for the eleven associations. As the aggregate surplus of these associations, built up through years of business, was but $7,428,282, it is evident that the real cost of insurance with them must take a sudden jump and remain for some time to come several times as high as it has been. It appears, then, that there is an unsuspected offset to the remarkable results apparently attained by the factory mutuals through their selection of risks distinguished by superiority of construction, fire prevention provisions, etc. The moral is that in fire insurance severe selection is only part of the problem. It must be associated with a wide average, unless great discomforts and disillusionments on the part of the insured are to be experienced from time to time.

Workmen's Accident Experience in Austria

IN the issue of THE MARKET WORLD AND CHRONICLE for May 9, 1914, there was published a study of the latest statistics of workmen's compensation in Austria, including the financial results of the year 1912. Reference was also made, in an editorial in the same issue, to the statistical results of the Austrian accident experience for the years 1897 to 1901, which the State Insurance Department of New York had unhappily just taken as one of the bases of its calculation of the minimum premium cost required by the new Workmen's Compensation Act of New York. Official statistics of the accident experience in Austria for the year 1911 have just been issued by the Government of that country, and, as was to be expected, prove to depart widely, and in the direction of a large increase of compensated accidents, from the earlier statistics. The figures have appeared in the Austrian "Official Reports (Amtliche Nachrichten)," and are summarized in a recent issue of the Vienna insurance journal, "Der National-Oekonom." The following is a translation of what the latter publication has to say upon the subject:

* * *

At the end of the year 1911, the seven workmen's accident insurance institutions in Austria had a deficit of 66,770,544 kronen [krone=20.3 cents]. At the end of 1912 there had been brought about a reduction of this deficit to 62,021,330 kronen. The unfavorable experience of earlier years had been the result of too low premium rates, or, perhaps better, of the over-numerous and excessive claims upon the insurance on the part of injured workers.

The "Official Reports (Amtliche Nachrichten)" now publish the statistics of the accidents with which the accident insurance institutions had to deal in 1911; and these statistics illustrate clearly how the deficit came about through the continuous increase in the number of cases of slight disability. The following table shows the number of the insured workers in 1911, their aggregate wages for the year and their average annual wage:

Character of Enterprises.	No. of Enterprises.	No. of Workers.	Equivalent No. of of Full-time Workers.	Aggregate Wages Earned (Kronen).	Av'ge Wage Per Worker (Kronen).
Industrial and commercial	132.878	2.436.250	2,086,860	2.182.316,443	1.046
Agricultural	482.837	1.580,631	46.263	21,048.966	458

The number of the insured workers increased by 114,290 in 1911 as compared with 1910; and there was an increase for the year in aggregate wages earned of about 160,000,000 kronen. The number of accidents reported, on the other hand, increased only slightly. In 1911, the accidents reported for every 10,000 full-time workers were 636.6, as compared with 634.5 in 1910; with 662.8 in 1909; and with 631.9 in 1908. The following table shows the proportion between the number of reported accidents and the number of those compensated by the several insurance institutions in 1911, as well as the number of reported accidents per 10,000 full-time workers in 1910, 1909, 1900 and 1890:

ACCIDENTS REPORTED AND ACCIDENTS COMPENSATED IN AUSTRIA, PER 10,000 FULL-TIME WORKERS.

Insurance Institution.	Accidents in 1911 Per 10,000 Full-time Workers Resulting in Death.	Disability.	Number of Reported Accidents Per 10,000 Full-time Workers 1911.	1910.	1909.	1900.	1890.
Vienna	3.9	184.8	825.9	862.9	890.2	994.8	331.6
Salzburg	8.3	151.0	409.5	396.3	376.7	382.3	185 3
Prague	4.4	140.1	367.7	372 3	372.0	322.4	131.1
Brünn	5.3	172.2	594.8	554.1	594.9	504.8	158.1
Gratz	8.7	235.9	896.6	942.8	983.8	671.8	352.1
Trieste	5.8	175.6	640.5	663.5	820.4	6.7.3	252.1
Lemberg	9.4	88.6	271.3	347.3	339.0	302.3	99.0
Railroads	9.1	184.8	1,148.8	1,072.8	1,112.2	519.4	488.5
Average for 1911	5.9	164.0	636.6	634.5	662.8	550.7	194.9
Average for 1910	5.9	166.0					
Av'ge for 1901-1910	6.4	168.4					
Av'ge for 1891-1901	6.9	127.4					
Average for 1890	6.7	75.2					

The fact that stands out particularly in the above table is the important general increase that has taken place in the number of the reported accidents. Briefly, this increase and the accompanying increase in the number of compensated accidents are shown to have been as follows:

	1890.	1900.	1910.	1911.
Reported accidents per 10,000 full-time workers	194.9	550.7	634.5	636.6
Compensated accidents per 10,000 full-time workers	81.9	157.5	171.9	169.9
Per cent of compensated to reported accidents	42%	29%	27.1%	26.7%

Although the year 1911 shows more than twice the number of workers (i.e., per 10,000 full-time workers) receiving compensation than did the year 1890, even this increase fell numerically far behind that of the reported accidents. Especially does the Vienna accident insurance institution show most unfortunate results in this latter regard. There every sixteenth worker reported an accident in 1911, and compensation was awarded to 1.7 per cent of all workers.* Particularly striking is the very large number of industrial disabilities shown by the Vienna institution, though it is important to note that the disability for which compensation is awarded is for less than one-third of the worker's earning ability in 84.9 per cent of the cases, while total disability is found in only 1.3 per cent of the cases. The proportion of the different degrees of disability for each of the accident insurance institutions in 1911 is shown in the following table:

PERCENTAGE OF DEGREES OF DISABILITY TO TOTAL DISABILITY CASES.

Institution.	0 to 1-6	1-6 to 1-3	1-3 to 1-2	1-2 to 2-3	2-3 to 5-6	5-6 to Total.
Vienna	61.1	23.8	6.3	3.0	4.5	1.8
Salzburg	36.5	32.6	10.0	6.6	10.2	4.1
Prague	40.7	32.5	11.8	5.0	6.5	3.1
Brünn	47.2	30.2	9.0	5.3	6.8	1.5
Gratz	40.3	35.3	11.9	3.1	7.3	2.1
Trieste	43.8	24.8	13.2	7.7	6.0	4.5
Lemberg	22.7	36.6	20.5	8.1	11.1	1.0
Railroads	12.7	29.3	18.1	11.0	16.1	12.8
All institutions, 1911	41.8	29.7	11.4	5.6	7.7	3.8
All institutions, 1910	41.3	30.4	11.2	4.8	7.9	4.4
All institutions, 1905-1909	41.3	29.3	11.3	5.6	8.0	4.5
All institutions, 1904	68.2		11.7	6.7	8.9	4.5

In 1911, the Vienna accident insurance institution expended 82.2 per cent of its entire income for compensation payments and costs and for amounts transferred to reserves. The Prague institution expended but 65 per cent of its total income for these purposes. Naturally the costs of administration are in addition to these expenditures. The highest cost of administration in 1911 was found at the Lemberg and at the Vienna institution. Per

*[It must be borne in mind that in Austria the Sickness Insurance Funds must care for the treatment and compensation of injured workers for the first four weeks after the accident. Hence compensation proper is paid only in cases where the injury is severe enough to persist more than four weeks.—Editor.]

insured worker in a gainful occupation, the cost of administration in 1911 was as follows for the several institutions: Vienna, 2.78 kronen; Salzburg, 1.50 kronen; Prague, 2.02 kronen; Brünn, 1.81 kronen; Gratz, 2.29 kronen; Trieste, 2.38 kronen; Lemberg, 3.71 kronen; Railroads, 3.64 kronen. It is extremely interesting to observe the shift that has taken place in the proportion of compensation payments and of payments into reserves, as well as the creeping-up of the administration costs, in Austrian workmen's accident insurance, since the earlier years of the insurance. The following brief table will illustrate these points:

PERCENTAGES OF COMPENSATION PAYMENTS AND PAYMENTS INTO RESERVES TO TOTAL INSURANCE ASSESSMENTS.

	1911.	1910.	1905.	1900.	1895.	1891.
Compensation payments	59.4	60.3	66.6	50.2	32.7	15.3
Payments into reserves.....	29.0	32.2	67.5	63.8	77.8	79.8

GENERAL COSTS OF ADMINISTRATION.

Per capital of insured workers in gainful occupations (kronen)	2.45	2.37	1.84	1.45	1.08	0.90

These figures show plainly that the premiums assessed, despite their sharp increase, are insufficient to meet the real cost of the insurance, although the pensions awarded by the insurance institutions to the injured workers or their beneficiaries are of the scantiest kind. During 1911, the territorial insurance institutions paid on the average but 154.2 kronen as a pension to a permanently disabled worker, but 177.6 kronen to a widow and but 123.2 kronen to an orphaned child. If, in spite of this, such great sums of money were expended in the aggregate, the cause is to be sought in the pensions paid after accidents which result in a lessening of earning power of less than one-third. Not less than 71.7 per cent of all cases of disability fall in this category.

The following table exhibits the distribution of the disability pensions paid in 1911 (both on new and on old awards), according to the degrees of disability of those receiving them; also the pensions paid to widows, dependent children and ascendants:

DISTRIBUTION OF DISABILITY PENSIONS, WIDOWS' AND ORPHANS' PENSIONS.

	Seven Territorial Institutions.			Railways —Accident Association—		
Degree of Disability.	Persons.	Aggregate Pensions, kronen.	Av'ge Per Capita Pension, kronen.	Persons.	Aggregate Pensions, kronen.	Av'ge Per Capita Pension, kronen.
0—1-6.....	36,232	2,467,293	68	825	98,974	120
1-6—1-3.....	23,116	3,592,907	138	2,303	646,634	281
1-3—1-2.....	9,806	2,180,836	222	1,720	920,364	535
1-2—2-3.....	4,746	1,426,424	301	1,096	767,483	700
2-3—5-6.....	6,809	2,401,085	353	1,908	1,730,505	907
5-6—total.....	2,644	1,246,772	472	1,906	2,527,500	1,326
Totals	86,353	13,315,317	154	9,758	6,691,460	686
Widows' pensions	8,100	1,438,954	178	3,370	1,357,227	403
Orphans' pensions	9,156	1,127,763	123	4,240	1,069,543	252
Ascendants' pensions	706	98,727	140	257	64,408	251
Grand total ..	104,315	15,980,761	153	17,625	9,182,638	206

In the above table we have purposely given the figures for the Railways Accident Association separately, for the reason that the workers insured with this association make up their minds to leave their places only when they absolutely must do so. A result of this is the small amount of the payments for disabilities under one-third the earning capacity,—these amounting to only 11.1 per cent of the total pension payments to victims of disability, as compared with 45.5 per cent for the territorial institutions. These figures show where the reform must begin in Austrian workingmen's accident insurance. Let the compensation for trifling partial disability be done away with, and, on the other hand, let the pensions be increased for disability to the extent of more than two-thirds the earning capacity. Should this be done, it would be possible to add materially to the pensions in cases of invalidity amounting to from two-thirds to total earning capacity, and at the same time to make very considerable savings in the cost of the workmen's accident insurance.

THE DEVELOPMENT OF VITAL STATISTICS

[Reprinted from the "Post Magazine and Insurance Monitor" of London]

AT the Liverpool University, on the 29th of April, and 6th and 13th of May, a course of three Lectures on Vital Statistics was given by Mr. Joseph Burn, F.I.A., Actuary of the Prudential Assurance Company, under the auspices of the Chadwick Trust. The subjects dealt with on the respective occasions were: (1) The Census as an index to the development of National Life, with a criticism of the methods adopted in its collection and tabulation. (2) The annual reports of the Registrar-General, with special reference to the number and causes of deaths. Indications of the progress of sanitary reform. (3) The preparation of Mortality Tables: (a) National, (b) Municipal, (c) Occupational. Practical uses of mortality tables by medical officers and others.

The following passage from the final lecture may be said to give the key-note to the whole. Said Mr. Burn:

"I commenced this series of lectures by pointing out that I felt that the honour which had been conferred upon me in being asked to deliver them was greatly enhanced by the fact that we have now started on a new era, in which we are able to obtain readily the practical details of the census returns. I am well aware that to the ordinary person this does not seem to be any matter of great importance, and one object of my lectures has been to explain how vital a matter it is to all those who are endeavoring to improve the public health of this great nation. Am I too sanguine in hoping that, now we have all the necessary statistics, there may be at least one person in each important centre who will periodically construct tables of mortality for his own district on some such lines as those which I have described, showing the analysed mortality rates referring to the various principal diseases? If this is done, I am confident that it must have beneficial results. The progress which is being made will be clearly denoted. There will no longer be any excuse for acting in ignorance, since the table will show exactly what is happening, so that all conscientious workers for Sanitary Reform will be able to discover, at once, the direction in which it is most desirable to concentrate attention."

The value of the new system of collection and tabulation of the national statistics was clearly shown by comparing it with those previously in use. The first lecture dealt with the evolution of the census, a brief account of the imperfections of the earliest British censuses and the paucity of the data collected serving to demonstrate the wonderful advance that has since been made, while the result of the twelfth census was aptly described as a monument of foresight and enterprise.

Not the least interesting of the diagrams by which the lectures were throughout illustrated was that representing the populations of the United Kingdom, Germany, France, and England and Wales, at each of the decennial censuses from 1801 down to 1911. The graphs might well be described as National Life Lines. Thus in the case of the United Kingdom it was shown that, although the population had increased with considerable regularity, there was a sudden halt in progress between 1841 and 1851. Here, students of history would at once recognize the results of the disastrous Irish potato famine of 1846. Similarly, the loss of Alsace-Lorraine was recorded on the French graph between 1861 and 1871.

The graph of the German Empire was the most startling of the four. Commencing well below that of France, the populations of

the two countries were about equal between 1861 and 1871, and at the present time that of Germany was shown to be more than 50 per cent higher than that of France. The year 1921, added the lecturer, was likely to see the population of the German Empire nearly equal to that of England and Wales and France combined.

The relative age constitutions of England and Wales, Germany and France were illustrated by ogive curves. For instance, it was was clearly shown that the three millions by which the population of France exceeds that of England and Wales must consist solely of persons aged fifty-three and upwards. A consideration of the median and quartile points led to the conclusion that, so far as youth and strength are concerned, the order of merit is Germany, England, France.

In the second lecture, concerned with the Annual Reports of the Registrar General, an interesting analysis was given of the marriage and birth rates, the lecturer pointing out that the most important question to be considered when dealing with the period of infancy was not how many children were born, but what proportion of children born survived the perils of infancy. In this connection attention was called to the progression during the decennial periods from 1841 to 1911 of the death rate per 1000 living under the age of five years. For 1841-1850 the rate was 66.0 per thousand, rising to 68.6 during the period 1861-1870; since 1870 it had been considerably reduced, the rate for 1911 being only 43.7 per thousand—undoubtedly one of the clearest indications of the triumph of sanitary reform.

Diagrams were submitted showing that scarlet fever had been nearly subjugated, but that strenuous efforts were still required in the warfare against other infantile diseases. Smallpox and enteric fever were also shown to have been practically extirpated since the passing of the Public Health Act in 1875.

A simple explanation was given of crude and standardized death rates, and, in order to emphasize the importance of understanding the distinction between these two terms, Mr. Burn referred to the case of Liverpool, with a crude death rate of 20.2 and a standardized death rate of 20.9, as compared with Clitheroe Rural District, which, although having a crude death rate of 19.8, had a standardized death rate of only 14.3. From a consideration of the crude death rates alone, one might be led to imagine that the rural district of Clitheroe was little healthier than the City of Liverpool; the standardized death rates, however, revealed that whereas the Liverpool death rate was high, Clitheroe on the other hand experienced a rate practically the same as that of the whole of England and Wales. It was, therefore, easy to see that Clitheroe must contain a larger proportion of people who should normally be subject to higher death rates—that is, a larger proportion of very old people or very young people.

This statement of the method of instituting a comparison between the death rates of various localities leads naturally to a consideration of the third and final lecture, on the Preparation of Mortality Tables. The lecturer stated that his object had been to assist all those who were striving for sanitary reform and the improvement of the public health. He believed that the Registrar General, by means of his greatly improved form of statistical returns, had placed in their hands a very powerful instrument which they could not afford to neglect.

A method of constructing mortality tables was described which whilst giving sufficiently correct results, had been made as simple as possible, so as to be readily used by anyone of average knowledge and ability. By this method, mortality tables for Liverpool and England and Wales were constructed for the year 1911, and the resulting rates of mortality, analysed into their component parts, were exhibited in diagrams. Thus, instead of Liverpool having to remain in ignorance of the causes leading to its high standardized death rate, it was in possession of an instrument showing exactly where the excess rate of mortality was situated and the nature of the diseases to which it was due. Year by year they would be able to trace the extent to which the rates of mortality due to various causes were fluctuating, and, not content with partial success, they would progress continuously towards that ideal which should ever be borne in mind, namely, the complete elimination of all preventable disease.

LIFE INSURANCE COMPANIES AND FARM CREDIT

DURING the recent discussions of the subject of farm credit in this country it has been rather noticeable that the attention of the propagandists has been chiefly directed to what is done in foreign countries and very little to what is actually being done in the United States in the way of providing farmers with loaned capital. This is even true of the extensive report of the Rural Credit Commission, which has exhaustively surveyed the provision of land banks and other credit institutions for farmers in Germany, France and other countries abroad, but has made no attempt to obtain complete and exact information about the sources of credit already open to the American farmer. It is probable that most people having any acquaintance with the facts have vaguely known that American life insurance companies have very large amounts of capital loaned out to farmers, but until very recently no attempt has been made to obtain even approximate statistics of such loans.

The Agricultural Commission of the American Bankers' Association, through its chairman, Mr. B. F. Harris, not long since set about getting at least preliminary facts of a trustworthy character in this field. Accordingly, the request was made of twenty-five of the most important life insurance companies in the country that they supply information with regard to the sums they have loaned on farm mortgages. The results of the enquiry have just been published in the "Banker-Farmer," the official organ of the commission. Of the twenty-five companies to which the request for information was directed, seven were found not to loan upon farm mortgages at all, and one company failed to give its figures. Accordingly, the statistics collected are from only seventeen of the nearly 275 life insurance companies doing business in the United States. The farm mortgage figures for these seventeen companies, however, are almost startling, as they show no less than $519,243,588 loaned out by the companies on this form of security. As a great number of the remaining companies are known to loan considerable portions of their resources on farm mortgages, it is probably safe enough to assume that at the present moment over $600,000,000 of American life insurance money is invested in this way.

The "Banker-Farmer" publishes, first, a list of the seventeen companies whose farm mortgage figures it obtained, and, second, a table showing the distribution of the loans made by these companies in forty-two States and in Porto Rico. The aggregate amounts loaned, by companies, are as follows:

FARM MORTGAGE LOANS OF SEVENTEEN LIFE INSURANCE COMPANIES.

Name of Co.	Aggregate Am't Loaned.	Name of Co.	Aggregate Am't Loaned.
Northwestern Mut. Life	$95,723,431	Penn Mutual	$9,534,616
Union Central	73,743,611	Pacific Mutual	7,013,558
Mutual Benefit	71,303,303	Provident Life	4,787,998
Prudential	64,578,840	Fidelity Mutual	2,935,826
Aetna Life	56,838,802	New York Life	2,661,183
John Hancock	38,253,492	Equitable Life	2,398,740
Connecticut Mutual	30,452,925	Manhattan Life	23,100
National Life	26,689,934		
Phoenix Mutual	19,997,040		
Travelers	12,101,289	Total	$519,143,588

Significant from various points of view is the distribution of this great aggregate sum of loans through the various sections of the country. The following table shows the amount loaned in each of forty-two States and in Porto Rico:

State.	Amount.	State.	Amount.
Iowa	$100,119,913	Louisiana	$954,461
Kansas	53,668,695	Alabama	856,404
Missouri	53,667,415	Arkansas	818,129
Nebraska	53,165,368	North Carolina	794,830
Illinois	43,131,733	Oregon	639,451
Indiana	40,686,288	Michigan	508,174
Minnesota	33,078,638	Utah	474,582
Oklahoma	22,536,862	Montana	445,435
Texas	20,325,095	Arizona	411,973
South Dakota	18,934,368	Virginia	181,130
North Dakota	14,629,783	Pennsylvania	102,950
Ohio	14,034,375	New York	90,000
Georgia	10,505,560	New Jersey	62,465
Tennessee	8,428,243	Wyoming	43,200
California	5,861,978	Florida	16,000
Kentucky	5,606,844	Maine	3,500
Mississippi	2,038,879	West Virginia	2,820
Colorado	2,017,028	Vermont	2,475
Idaho	1,696,272		
South Carolina	1,587,222		
Wisconsin	1,398,241	Total for States	$518,938,106
Washington	1,347,287	Porto Rico	145,482
Connecticut	1,220,476		
New Mexico	1,111,994	Grand total	$519,143,588

A glance at the figures in this second table brings out at once the extraordinary disparities in the distribution of this great mass of farm credit. To begin with, New England and the Northeastern States have received virtually none of the fructifying stream, in spite of the fact that they far exceed all other States in the amount of life insurance premiums paid by their citizens. Perhaps the accessibility of savings banks, accustomed to loan on farm mortgages, has had something to do with this, but more potent still has undoubtedly been the long continued depression in the value of Eastern farm lands, making the security less inviting than that afforded by Western States whose farm lands have been continually enhancing in value. None the less, it must be regarded as a genuine hardship to Eastern farmers that even their own premium moneys should be sent West for investment, thus strengthening the hands of the competing farmers whose natural advantages make them most to be feared. It is the group of central prairie States that has been most enriched by the easy accessibility of life insurance money. No doubt, the steady rise in the price of land in those States is largely attributable to this fact. But the Southern States, too, are beginning to get an amount of money for mortgage loans out of all proportion to the relative amounts of life insurance premiums they pay. Here also the security is undoubtedly made attractive by the comparatively low prices of farm lands, and by the marked tendency of these prices to rise,—to say nothing of the prevailing high rate of interest. The investing life insurance companies are better protected with each succeeding year.

The situation as a whole, however, cannot be regarded as satisfactory from the point of view of a uniformly available rural credit until there are evidences that the life insurance companies are making efforts to find safe farm mortgages in the States from which they draw the largest part of their premiums and which most need developing agriculturally, because of the proximity of great cities and numerous manufacturing centres whose population requires an abundant supply of farm products for its subsistence. It is to be hoped that, now that these partial statistics have been obtained, they will be gathered on an even more inclusive scale from year to year, and that they will gradually show an increased flow of life insurance money to the farmers of the New England and Northeastern States.

A PERPLEXED OBSERVER OF MR. DARWIN P. KINGSLEY'S CAMPAIGN TO MAKE INSURANCE COMMERCE

To the Editor of the Market World and Chronicle:

SIR: I have been a deeply interested observer of the campaign so strenuously conducted by Mr. Darwin P. Kingsley, President of the New York Life Insurance Company, to have insurance declared to be, in a legal and constitutional sense, commerce. As I remember, he has for a long time held to the opinion that this ought to be done, but his efforts seem to have been redoubled of late. First there was, a few months ago, his unsuccessful test case carried up to the Supreme Court from Montana (New York Life Insurance Company vs. Deer Lodge County, Montana); then came his proposed amendment to the Constitution of the United States, through which he hopes to remove insurance from the jurisdiction of the States to that of the United States; more recently, he has suggested making the question the chief theme of discussion at the World's Insurance Congress to be held in connection with the Panama Exposition in San Francisco.

As I understand the matter, Mr. Kingsley is using every means within his power to overthrow, or at least to circumvent, the time-honored decision of the United States Supreme Court in the case of Paul vs. Virginia, wherein, as hardly now needs to be said, the court decided once, and apparently irrevocably, that a contract of insurance is not commerce, hence cannot under any circumstances be interstate commerce, and so fails to come within any of the enumerated powers of the Federal Government, even though a particular insurance transaction may be interstate in character, in respect of the domiciles of the insurer and of the insured. Mr. Kingsley appears to contend that by the rule of reason, if not of law, insurance is commerce, and to insist that the inherent nature of the business is such that it should be brought under the control of the National Government rather than left to the States. His evident objection is to gain for insurance, instead of forty-eight different masters, each with a different set of regulations, one master and one code.

As I think has been said in your pages, one cannot but sympathize with Mr. Kingsley, both in his desire for uniformity in the regulation and in the taxation of insurance, and also in his persistence in what seems to him a worthy cause. Yet in my capacity as an observer I find myself asking myself the perplexing question: What would be the precise status of insurance (and, consequently, of insurance carriers), were Mr. Kingsley to be successful in his efforts? Should he bring about what he is attempting, what would he have accomplished? Would he not merely have increased the number of masters by one, instead of decreasing it by forty-seven? He would have conferred upon the Federal Government the power to regulate, but would he have abrogated the power of the States to regulate, except in so far as their regulations might conflict with those of the Federal Government? In other words, inasmuch as only a portion of the insurance contracts made are interstate, even as respects the domicile of the insurer and of the insured, would not the perplexing situation arise that some contracts would be entirely subject to the regulation of the States and others (no doubt the larger portion) to that of the Federal Government? And would the case with regard to taxation be materially different from what it is now? I understand that the States have the right to tax railroads and other property used in interstate commerce. Could they not do the same with insurance, if it were included in interstate commerce?

Leaving aside the advisability of bringing insurance within the

scope of the Federal power, why does Mr. Kingsley adopt the circuitous and uncertain route to his end. of having insurance first declared to be commerce and then interstate commerce, and so within the constitutional grant to the Federal Government of power over interstate commerce? Why not go straight to the goal and, if a Constitutional amendment is practicable, have the power to regulate insurance, in and for itself, conferred upon the Federal Government? This would avoid the repugnant procedure which you have recently called "trying to change the nature of a thing by changing its name." It is to be presumed that the numerous declarations of the Supreme Court to the effect that insurance is not commerce rest upon something more than the maintenance of a precedent which originated with a whim. They must rest upon the tradition of the law and the general judgment of mankind. A vote of Congress, or of three-fourths of the State legislatures or indeed, of the people of this single country of the United States cannot alter this judgment. Why, then, does Mr. Kingsley undertake to have an artificial definition of insurance adopted for our peculiar use? And particularly why does he do this, when the way is open to him to have insurance *per se*, brought within the Federal power? Has Mr Kingsley forgotten his geometrical axiom that a straight line is the shortest distance between two points?

Yours truly,

SCRUTATOR RERUM.

New York, July 7, 1914.

[As we remember, Mr. Kingsley has publicly denied that his was the inspiration of the bill introduced in the United States Senate by Senator Weeks, of Massachusetts, providing for an amendment to the Constitution which should confer the power of regulating insurance upon the Federal Government. Our correspondent is quite correct, however, in thinking that Mr. Kingsley has repeatedly urged that in some way it should be brought about that insurance should be included in the definition of commerce. We have ourselves thought that, even from Mr. Kingsley's point of view, this is a disadvantageous method of procedure. It is undoubtedly true that if insurance were to-morrow to be declared commerce, only that part of it which is transacted from State to State could be regulated by the Federal Government. Business of insurance companies in their home States would continue to be subject to the regulation of the authorities of those States, except in so far as the principle of the recent Supreme Court decision in the Shreveport Rate Case might come into play. In the matter of taxation, the States could no longer exact license fees, either of companies or of agents soliciting business (see the case of Robbins vs. Shelby Taxing District, 120 U. S., 489, where it was held that drummers soliciting business for concerns without the State of Tennessee could not be compelled to pay license fees). On the other hand, various other forms of taxation of insurance companies would be open to the States, if they chose to avail themselves of them. They could tax their gross premium receipts, as a measure of the taxable property held by them on account of business done within the several States (United States Express Company vs. Minnesota, 223 U. S., 335). They could probably tax the reserves held by them against policies issued to the citizens of the States. Still other forms of valid taxation may easily be devised. Hence neither uniformity of regulation nor avoidance of State taxation would necessarily be secured by having insurance defined as commerce. On the other hand, we are not sure that any better result would be obtained by following the course suggested by our correspondent, of having the power of regulation of insurance *per se* conferred upon the Federal Government. The line is straight enough, to be sure; but could it be driven? Certainly we have nothing now in our Federal system quite like the, as we understand it, proposed exclusive control and regulation of insurance by the central Government. We have, under our present system, various services which are wholly in the hands of the central Government, such as the mails, the maintenance of harbors and navigable streams, the forest reservations, etc. But with these everything is the Government's; while insurance would be a business conducted by private individuals, citizens of States, involving immense property values also belonging to private citizens, and yet the States in which the business is conducted and the property situated would have no control over either. This seems to us so anomalous as to be necessarily impermanent, if it should be tried. National insurance, like the National mail service, would appear to us to be the logical outcome.—Editor]

FIRE COMPANIES WIN POINT IN KANSAS RATE CUT FIGHT

The Supreme Court of Kansas has upheld the contention of fire insurance companies that reductions in rates ordered in 1909 and 1910 by Insurance Superintendent Barnes were excessive and were not made according to law. "While the companies won," says a special despatch to the "Journal of Commerce" of New York, "they will not be able to increase rates until Fall, as a temporary injunction was issued in the Leavenworth case restraining them from advancing rates, and no action can be taken in this matter until courts reconvene in the Fall.

"When it became known last year that the fire insurance companies intended to file a petition in the court at Topeka, asking for an increase in rates, Attorney General Dawson went to Leavenworth and began proceedings to prevent the companies from increasing rates. This action was taken the day before the companies' bill was filed. Attorney General Dawson then moved to dismiss the bill filed by the companies at Topeka on the ground that the same issues were covered in the Leavenworth case, but he was overruled. He then demurred to the petition of the companies and was again overruled and appealed from these decisions to the Supreme Court.

"In the meantime he stipulated in writing that the judgment might be entered as asked by the companies if the Supreme Court sustained the demurrers. As the demurrers conceded the facts set up by the companies that the rates were inadequate, this waived any formal proof of their claims to that effect. In spite of this stipulation, Attorney General Dawson, under the law, has twenty days within which to ask for a rehearing. Should he ask this the Supreme Court could not pass upon it until it reconvenes in October. Mr. Dawson also claims that the preliminary restraining order issued in the Leavenworth case has never been dissolved and that this precludes the companies from increasing rates. Although it is conceded that this decision of the Supreme Court practically disposes of the Leavenworth case, it cannot formally be disposed of until about the middle of November.

"The opinion of the Supreme Court reviewed the facts as set up in the petition of the companies showing that the rates were inadequate and that the notice required by law had not been given. The State had claimed that the law provided that any company dissatisfied with the rates made by the insurance commissioner could file a petition within thirty days to have them set aside, and that having failed to do so within thirty days the companies had lost their rights. The Supreme Court held that this thirty days' clause was not limitation. The Supreme Court also held that the Leavenworth case was a different action and did not control the issues involved, and therefore overruled the demurrer of the Attorney General and remanded the case for further proceedings."

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Fire Losses in June.—The losses by fire in the United States and Canada during the month of June, as compiled by the "Journal of Commerce" of New York, aggregate $29,348,000, an increase of $4,405,300 over the figures for June last year, which was largely due to the losses by the Salem conflagration. The losses for the first half of 1914 reach the total of $133,018,250, as compared with $118,245,650 for the first six months of 1913. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
April	16,349,400	16,738,250	17,700,800
May	21,013,950	17,225,850	15,507,800
June	16,103,450	24,942,700	29,348,000
Total, six months	$134,372,450	$118,245,650	$133,018,250

The loss at Salem is placed by the "Journal of Commerce" at $13,000,000. Other estimates place that loss as high as $25,000,000, with insurance aggregating about $13,000,000.

* * *

To Study Social Insurance Abroad.—The National Civic Federation will conduct an investigation abroad this Summer, into the general subject of social insurance. An announcement of the plan says:

"The Social Insurance Department of the National Civic Federation is to conduct an investigation abroad into foreign methods of social and industrial insurance. George W. Perkins, chairman of the department, has appointed a committee consisting of J. W. Sullivan of the Typographical Union, representing wage earners; Arthur Williams, President of the Association of Edison Illuminating Companies, representing employers, and P. Tecumseh Sherman, attorney and social insurance specialist. This committee will hold sessions in London and Paris in July.

"The department of the Civic Federation has now under consideration the question: Should there be a systematic scheme of compulsory sickness insurance advocated for State legislation in the United States? The foreign investigation now undertaken is a preliminary to a more comprehensive consideration to be given the subject next Spring, when there will be made an attempt to bring together all available information regarding existing institutions, methods, or plans which would serve social insurance purposes in the United States.

"Especial attention will be given by the foreign committee at the outset to the operation of the comparatively new National Insurance Act of Great Britain. Some attention will also be given to methods employed in Germany. The purpose is to obtain as much information as possible indicating the prevalent feeling in Europe, particularly toward State systems of insurance. Particular attention will be given to the attitude of both employers and wage earners toward the laws now in force and to the desire of either side for changes in the laws."

* * *

Accident Insurance Without Death Benefit.—"A plan for writing accident and health insurance without a death benefit is said to be in process of evolution by a well known casualty company, believed to be the Continental Casualty," says the "Western Underwriter" of Chicago. "According to the report the company proposes to sell a pure accident and health indemnity contract for $50 annually on a basis of $25 a week indemnity, and the idea is to have such a contract handled principally by life insurance salesmen as a complement to their life insurance contracts. The originator of the plan is of the opinion that death benefits belong properly in the field of life insurance, and that disability insurance should be kept strictly such. The proposed new policy eliminates expensive frills entirely and is based on service to the policyholder. It is proposed that if the application is made within thirty days of the date of an examination for life insurance issued by any old line company, so as to give the company the benefit of the medical selection, the rate will be reduced 20 per cent, so that a policy for $25 weekly indemnity will then cost but $40. The contract also is devoid of some of the restrictions contained in the prevailing forms, and is planned with the expectation of making it the most popular form on the market for real service. The other accident policies already issued by this company will be allowed to take their own chances with the new form in the open market, and if they are displaced by it, well and good."

* * *

Compensation Rulings.—The Workmen's Compensation Bureau of the New York State Insurance Department has issued the following general rulings:

"Clerical Office Force.—Inquiries have been made as to rating for clerical office force employed by a manufacturer whose office force is located in an office building at a different location from that at which the plant is operated. The committee rules that such office force is properly classified at the compensation rate of .05 for clerical office employes.

"Medical Aid Discount.—Where a discount is applied for the elimination of statutory medical aid this discount should be applied to the net rate after the discount for merit rating has been applied.

"Outside Salesmen on Commission Basis.—The entire compensation in the form of commission or other remunerations must be included in the payroll upon which premium is based. It is permissible to exclude any outside salesmen who are continuously employed outside the State of New York.

"Specific Contracts.—It is permissible for an insurance carrier to issue a policy upon a specific contract at a defined location. In such case the policy form to be used is the Standard Special Form limited as to employes covered."

* * *

Motor Underwriters' Plans Changed.—Mr. Harrison Law, manager of the Fire Brokers' Association of the City of New York, announces that at a special meeting of the Executive Committee of the Fire Brokers' Association, called for the purpose, the following report of the committee on the Manufacturers and Dealers Motor Underwriters, Inc., was received and unanimously approved:

"Referring to the Manufacturers and Dealers Motor Underwriters, Inc., and to the Fire Brokers' Resolution of May 12, 1914, your committee are pleased to report the change into an Automobile Service Bureau, of this enterprise which so seriously threatened the interests of all legitimate insurance brokers and agents. Your committee wishes to express its full appreciation of the action of the Continental and Fidelity-Phenix Insurance Companies of New York, and to express their thanks to Manager E. H. Greenwood and Mr. W. B. Joyce, Chairman of the Executive Committee of the Manufacturers and Dealers Motor Underwriters, Inc., and trusts that the members of our association will show their appreciation of the action of all these parties in a practical manner whenever opportunity offers."

The following resolution was then offered and also approved:

"Resolved—That the announcement in the July 6th morning paper of the re-adjustment of the present organization of the Manufacturers and Dealers Motor Underwriters into an Automo-

bile Service Bureau, heartily commends itself to the directors of the Fire Brokers' Association, as they believe that such a bureau would yield good results, not only to the companies, but to the insuring public. It should give general satisfaction in reducing the expense of automobile repairs, removing controversies between companies and loss claimants as well as in reducing the number of cars stolen, all of which should in time enable the companies to reduce the cost of insurance to our patrons."

* * *

Health and Accident Policy Conditions.—The insurance department of West Virginia makes the following comment on the subject of health and accident policy conditions: "A large percentage of the health and accident policies submitted for the approval of this department provide for indemnity when the insured is 'unable to perform the duties of any business or occupation,' and we find that some of the companies desire to interpret this provision literally. As health and accident insurance is intended to take the place of wages during the insured's incapacity for work and as a man in many cases might be physically able to perform the duties of some occupation which he is not professionally qualified to fill, although physically unable to perform the duties of any occupation for which he is fitted, including of course his regular occupation, the hazard of which establishes his premium charge; we hold that the word 'any' in the provision above referred to should mean HIS, and that policies should be so worded in order to prevent any misunderstanding. We note that some companies require the insured to make, in his application, very comprehensive warranties in regard to his physical condition. If such warranties are required they should not be too strictly construed, where the element of fraud is not present. For example, we do not approve of the refusal of a claim for disability caused by skin disease on the ground of false warranty because it appeared that the insured had organic heart trouble although he was not aware of this condition when the application was signed. If these warranties were generally construed as strictly as in this instance, the payment of a great many deserving claims could be avoided."

* * *

Insurance Conditions in the Piraeus.—In a British Consular report on the Piraeus it is stated that about twenty-five years ago three Greek insurance companies commenced operations in Greece. Owing, however, to bad management two of these suspended payment. The Greek Government then passed a Bill for the protection of persons insured. Its provisions proved so stringent that several British companies withdrew, but it is hoped that, as peace and order have been restored, those companies will return. Foreign insurance companies intend to open up general agencies in Greece. Fire insurance is said to have good prospects of succeeding, owing to the solid structure of the buildings and the creation of modern fire brigades.

* * *

Murderous Attack an Accident Under Workmen's Compensation.—Although by a divided opinion the British House of Lords has upheld the contention that a murderous attack, although in pursuance of a preconcerted plan, is an accident under the British Workmen's Compensation Act of 1906. A schoolmaster, Kelly, was killed by his pupils, and the County Court Judge of Meath made an award of compensation which was affirmed by the Court of Appeal in Ireland. The case came before the House of Lords on appeal. The majority finding is thus stated by the "Post Magazine and Insurance Monitor," of London:

"The question for decision was whether a schoolmaster, who, while performing his duties, was assaulted by his pupils in pursuance of a preconcerted plan of attack, and was so severely injured that he died on the same day, met his death by accident arising out of and in the course of his employment. The County Court Judge held that he did, and made an award in favour of the present respondent, the mother of the deceased.

"The Lord Chancellor, after referring to the facts and the findings of the County Court Judge, said that 'accident' was a word the meaning of which might vary according as the context varied. In criminal jurisprudence crime and accident were sharply divided by the presence or absence of *mens rea*. But in contracts such as those of marine insurance and of carriage by sea that was not so. He referred to what was laid down by Lords Herschell and Bramwell in 'Wilson v. Owners of the Xanthe,' when over-ruling the notion that a peril or an accident in such cases was what must happen without the fault of anybody. It was therefore necessary, in endeavoring to arrive at what was meant by 'accident' to consider the context in which the word was introduced. If he had to consider the principle of the statute as *res integra*, he would be of opinion that the principle was one more akin to insurance at the expense of the employer, against accidents arising out of and in the course of the workman's employment, than to the imposition on the employer of liability for anything for which he might reasonably be made answerable on the ground that he ought to have foreseen and prevented it. He thought the fundamental conception was that of insurance in the true sense. If so, it followed that in giving a meaning to 'accident' in its context in such a scheme one would look naturally to the *proxima causa*, the kind of event which was unlooked for and sudden, and caused personal injury, and was limited only by this—that it must arise out of and in the course of the employment. But it was argued for the appellants that the definition of accident under this Act was determined differently by the judgments in the House in 'Fenton v. Thorley' (1903). But the House was not there considering an injury unexpected by the workman, but caused by the intentional act of another person. Nor did he think that the expressions used in those judgments excluded such a case from the definition actually given of accident. When Lord Macnaghten defined 'accident' as used in the Act 'in the popular and ordinary sense of the word as denoting an unlooked for mishap or an untoward event which was not expected or designed,' he (the Lord Chancellor) thought that the context showed that in using the word 'designed' he meant designed by the sufferer. If the object of this statute were as wide as he gathered from the study of its language, its construction must be that accident included any injury which was not expected or designed by the workman himself. If so, the Court of Appeal in England was right in its decision in 'Nisbet v. Rayne' (1910) that the definition extended to a case of death by murder, and the Court of Appeal in Ireland was right in 'Anderson v. Balfour' (1910) and in the present case in taking a similar view. In the present case the facts left little doubt on his mind that, from one point of view at all events, Kelly met with what might properly be described as an accident, and it was not the less an accident in an ordinary and popular sense in which the word was often used merely for the reason that it was caused by deliberate violence. For the rest, he had no doubt that there was evidence on which the arbitrator could find, as he did, that the accident so de-

THE MARKET WORLD AND CHRONICLE in the course of a year gives its readers authoritative signed contributions upon every large question in the insurance world, and is a thorough commentary on finance, commodity markets and international trade

fined arose out of, and in the course of, the employment. The appeal, therefore, should be dismissed with costs."

INSURANCE NEWS IN THE WEST

Underwriters' Agencies Go to Court.—The fight between Superintendent Rufus M. Potts of Illinois, and the underwriters' agencies is now in the courts. Judge Potts was expected to start legal steps within a few days, but the companies started them themselves. Forty-seven companies maintaining underwriters' agencies on Monday applied to the United States District Court at Springfield, Ill., for an injunction to restrain the superintendent from interfering with their business. A. & J. H. Stoddart of New York, brought a separate action to restrain Judge Potts from interfering with the copyrighted name of the New York Underwriters' Agency. On Tuesday a stipulation was entered into between the parties to the suit, under which Judge Potts agreed to take no action against the underwriters' agencies pending decision on the application for the injunction. Judge Potts was given until July 13 to decide whether he will move to dismiss the application for injunction. If he does so move, the issue will be brought before the court on that motion. If he does not, it is agreed that the case will be argued on its merits on July 27. Considerable of the companies' petition was devoted to setting up facts necessary to bring the case within the jurisdiction of a Federal court, the companies averring that if the superintendent should undertake to stop their conducting underwriters' agencies they would be injured to the extent of $3,000 or more.

* * *

Quits Merchants National Fire.—L. S. MacEnaney has resigned as managing underwriter of the Merchants National Fire of Chicago. He has had an unhappy experience with the company. It is only in the promotion stage and has not progressed very rapidly. It is stated on pretty good authority that the promoters have actually collected about $127,000 and that the expenses up to this time have been about $47,000. Presumably the trustees have on hand a large amount in installment notes, the full amount realized out of which will go to the company, as it is customary for the promotors to take their pay out of the first cash collected.

There have been dissensions between Mr. McEnaney and certain trustees on the one side and George H. Bresee, the chief promoter on the other. Oliver Fitch, one of Mr. MacEnaney's friends among the trustees, together with certain associates, had arranged to buy Mr. Bresee's interest, but after the associates looked the proposition over they decided not to invest, so the control remained with the Bresee party. Then Mr. MacEnaney decided it was time for him to get out. He has devoted considerable of his time to the Merchants National agency, pending the completion of organization of the company. The agency represents the Peoples National and the Central Union of Kansas City. Representatives of these companies have been checking up the agency within the past few days.

Part of Mr. MacEnaney's troubles consisted in trying to keep the stock salesmen from getting the company into entangling agency alliances before it was actually going. Some of them were ready to make agency contracts with persons to whom they sought to sell stock, regardless of whether these persons represented Union or Bureau companies or were otherwise fit.

* * *

Surety Companies Balk at Bank Failure Losses.—The Southern Surety and the American Fidelity, each of which had a $75,000 depository bond on the failed La Salle Street Trust and Savings Bank, have refused to pay the amounts of their bonds, and the Southern Surety already has started suit. Secretary Piatt of the American Fidelity came to Chicago with the company's check for $75,000, but after arriving and finding out something of the true condition he refused to turn it over to the city treasurer. The action of these companies arises out of the action of the city treasurer before the bank failed. Mayor Harrison heard reports of the bank's condition and notified City Treasurer Flynn. Instead of withdrawing the city funds, he demanded collateral from the bank and secured $283,000 in various securities. The depository bonds covering the bank's allotment of city funds amounted to $650,000. The two companies which have refused to pay the city's claim contend that if this collateral is good and the city is in rightful possession of it, the city's total claim is reduced by that amount, and its claim against each surety should be reduced accordingly. The Southern Surety is seeking to get a judicial decision of the questions involved. The opinion is expressed in some quarters that the surety companies that paid up so promptly were hasty. There are several angles of the situation that have not been cleared up yet by any means. The facts have shown clearly enough that nearly all the general surety companies operating in Illinois got into a very bad mess in executing bonds for this institution and its associates. No comfort is to be found in the fact that after the city treasurer was warned that the main bank was in a bad way he failed to protect the sureties by withdrawing city funds, but merely accepted collateral for less than half the amount of the city deposits—this collateral being regarded by some as of doubtful quality.

* * *

Insurance and Politics in Ohio.—The Ohio Industrial Commission is playing good politics, whether or not it is administering the State compensation fund well. It reduced rates on July 1, and it got the fact thoroughly advertised throughout the State, for it has an efficient press bureau and the administration papers naturally are glad to help along a cause which means so much to the administration. The Governor and several of his official associates are seeking re-election this Fall. The present workmen's compensation law has been one of the Governor's pet measures and he has striven for popularity largely by his bitter attacks on the liability companies. The State Industrial Commission is gaining a reputation for liberality in compensating injured workmen, which of course is popular with a very large class of voters. A rate reduction, retroactive to the time the subscriber to the State fund paid his first premium, is naturally acceptable to those who are paying the premiums. A comparison of the Ohio State fund rates with the Wisconsin stock company manual rates satisfies the unthinking that the State fund plan is much cheaper than the stock company plan. Such comparisons have been circulated widely. Whether the Industrial Commission will "get away with it" permanently is another question. If the stock liability people's opinions are good for anything, the Ohio rates are inadequate and it will be only a question of time until advances and assessments will be necessary. Then the employers would view the subject differently. However, that time, if it come at all, is not likely to come until after the present administration has made the most of the popular features of State-conducted insurance.

* * *

Burial Benefit Not Accident Insurance.—The Massachusetts Bonding, which recently reinsured the accident and health business of the Philadelphia Life, has been notified by the Ohio department that it cannot assume liability under the "burial benefit" provision of the Philadelphia Life policies, under which the company promised to pay a small sum in event of death from natural causes. The Philadelphia Life, being licensed in Ohio as a life company, could write such policies, but the Massachusetts Bonding is licensed

as a casualty company to do accident and health business. The department rules that these funeral benefits constitute life insurance.

* * *

Midland Casualty Extends Lines.—The Midland Casualty of Chicago, whose business up to this time has been accident and health insurance, is about to enter the burglary and plate glass insurance field. The company was chartered to write accident and health and liability insurance. It is amending its charter, eliminating the liability feature, which it has never used, and substituting plate glass and burglary insurance. It also is reducing its capital from $250,000 to $200,000 in order to create surplus.

Chicago, July 10, 1914.

LA SALLE.

ITEMS OF INSURANCE NEWS

The amount of the new life insurance issued in Canada by the Canadian companies last year was $131,493,582 as compared with $141,267,596 in 1912, a decrease of $9,774,014. The new policies of the British companies amounted to $6,950,695, as against $7,319,952 the previous year, a decrease of $369,257. The new policies of the United States companies amounted to $93,164,269, as compared with $70,617,555 in 1912, an increase of $22,546,714. Canadian companies had $750,637,512 of insurance in force at the end of 1913, as compared with $706,656,117 at the end of 1912, a gain of $43,981,395. The United States companies had $359,775,330, as compared with $309,114,827, a gain of $50,660,503.

Insurance Congress Commissioner Hathaway has written a letter in answer to Darwin Kingsley's open letter. Mr. Hathaway says it is hardly the province of the Congress Commission to adopt and advocate any particular object other than the broader task of effecting for the first time a harmonious co-operation of the tremendous segregated influences of insurance for the accomplishment of such purposes as they may decide to be mutually advantageous. Mr. Kingsley wants the Congress to specifically and largely work for a constitutional amendment making insurance commerce and subject to National supervision.

The Three Trades Fire Insurance Company, which is being organized in Louisville to write whisky, coal and tobacco risks, is putting out some interesting statistics on whisky business, based on reports from leading trade journals in that line. According to these figures the loss by fire on spirits in distillery warehouses in the United States for the last ten years was 2.78 per cent. An interesting thing, indicating great concentration of values, is the wide variation in the figures, the loss in 1904 being 1,582,824 gallons, while in 1905 it was but 5,732 gallons. In 1912 it was 1,316,283 gallons and in 1913 but 24,981 gallons.

The managers of several of the accident and health companies writing industrial insurance at that point have organized the District Managers' Co-operative Association of Terre Haute, Ind. Officers were elected as follows: President, J. D. Hunt, secretary and manager, Industrial Sick and Accident; vice-president, Otis French, division manager, Security Casualty; secretary, V. P. Lewis, district manager, Hoosier Casualty; treasurer, G. W. Thompson, district manager, Continental Casualty.

The United States Life and Annuity Insurance Company, of Chicago, has acquired title to the sixteen-story building at 18-20 East Jackson Boulevard, which is 119 feet from the Michigan Avenue Boulevard, on which the McCormick Building, the present home office of the company stands. The building, formerly known as the Gibbons Building, will now be called the United States Life and Annuity Building. The company will later occupy one or more floors as its home office.

The following officers for the Session of 1914-1915 of the Insurance Institute of Toronto were elected at the annual meeting on May 28: Honorary president, Alfred Wright, manager London and Lancashire Fire Insurance Company; president, W. H. Hall, The Canadian Surety Company; vice-president, G. B. Woods, Continental Life; secretary, A. W. Goddard, Canadian Fire Underwriters' Association; treasurer, C. Elvin, Imperial Life; curator, V. R. Smith, Confederation Life.

In order that the State Fire Prevention Association of Indiana may benefit by the experiences of outside fire prevention officials, a system of exchanging speakers with other States has been adopted. At the annual meeting of the Indiana Association in LaFayette Walter H. Bennett, State Fire Marshal of Illinois, delivered an address. Next year a member of the Indiana Fire Marshal Department will speak before a similar meeting held in Illinois.

One living in Belgrade (Servia), says a consular report, is impressed with the infrequency of fire. The losses therefrom are small. There are few wooden structures, the buildings are not high, and are largely detached or semi-detached. Buildings are usually heated with big built-in stoves in the individual rooms. In this city of 100,000 the average annual losses from fires during the decade 1899-1908 were only $11,700.

A review based upon an examination by the London "Times" of the accounts of twenty-one leading British fire insurance companies showed a total premium income of £27,245,583, in 1913, which is an increase of £696,916 or over 2.6 per cent, as compared with 1912. The total surplus of premiums over claims and expenses was 11 per cent as against 11.86 per cent in 1912.

The following committees have been appointed by President C. J. Holman, of the Insurance Society of New York: Finance, Henry W. Lowe, chairman; adjustment of losses and lectures, Allen E. Clough, chairman; William N. Bament, Everard B. Hopwood; accountancy meetings, L. H. Eckhardt, chairman; T. D. Richardson, C. F. Voorhis; auditor, J. C. Maneely.

Dr. Frederic W. Loughran has been appointed chief medical advisor of the State Insurance Fund Department of the New York Workmen's Compensation Commission. Dr. Loughran has been medical examiner of the Equitable Assurance Society for the past fifteen years. He served about twelve years as a medical and sanitary inspector in the Health Department of the City of New York.

The Fidelity and Deposit of Baltimore has decided to establish a branch office in South America and has effected an alliance with the Commercial Surety (Caucion Comercial)—the only corporate surety company of Argentina. The Fidelity and Deposit is now operating abroad in England, Russia, Germany, France, Austria, Netherlands and Cuba.

The Mississippi Life Underwriters' Association at their annual meeting held at Jackson, Miss., on June 22, elected officers as follows:. President, A. C. Crowder, who succeeds E. L. Ragland; vice-president, I. E. Gunter, who succeeds A. C. Crowder in that position; secretary, Warren Pullen, who succeeds his father, W. H. Pullen, Sr.

With an authorized capital of $250,000, of which $103,960 has been paid in, the Interstate Casualty and Guaranty of Albuquerque, N. M., has been licensed to do business in its home State. For the present, the company will write only accident and health business. James A. Blaney is secretary and general manager.

Since the maternity allowances have been in force, Australian mothers to the number of 172,455 have drawn the £5 ($24.33) allowance. Bonus claims totaling 4,080 have been rejected for some reason or other, while 1,321 cases are under consideration.

In the twelve months ended April 30, 1914, the Equitable Life paid over $20,690,000 domestic death claims and endowments and it is stated that over $3,290,000 had to be deducted from that amount to liquidate outstanding policy loans.

The Farmers National Life Insurance Company of America, Chicago, Ill., is offering a trip to the Panama Exposition at San Francisco to all of its agents who write before July 1, 1915, $100,000 of bona fide accepted and paid-for business.

Adolph Harbers, for some years manager of the Providentia of Frankfort, Germany, has been appointed general manager of the Aachen and Munich at its home office in Germany, succeeding the late Fritz Schroeder.

The Insurance Society of Cleveland has elected officers as follows: Carroll L. Dewitt, president; L. A. Welbor, vice-president; Ford A. Drake, secretary; George C. Simpson, treasurer, and Bernard T. Duffey, librarian.

The Sun Life Assurance Company of Canada, after nearly two years of negotiations in an effort to comply with the new insurance law of Japan, has received its license to continue doing business in the Empire.

Fire losses in Chicago during the first five months of the present year exceeded those of a similar period of 1913 by nearly $100,000. The total to June 1 of 1914 was $2,895,549 and of a year ago $2,799,332.

J. E. Phelps, of Los Angeles, has been appointed Insurance Commissioner of California, succeeding E. C. Cooper, who resigned to become president of the Great Republic Life of Los Angeles.

Archduke Ferdinand, the Austro-Hungarian prince who recently was assassinated, is reported to have carried about $12,000,000 of life insurance and his wife $6,000,000, in Dutch companies.

The International Life of St. Louis, Mo., has completed negotiations for taking over the American Home Life of Fort Worth, Texas. About $7,000,000 of insurance is involved.

The semi-annual meeting of the Western Insurance Bureau will be held at White Sulphur Springs, W. Va., Tuesday and Wednesday, October 20 and 21.

All the business of the North American Accident Association of Saginaw, Mich., has been reinsured in the North American Accident of Chicago.

The National Surety has reinsured the fidelity and surety business of the Citizens' Trust and Guaranty Company of Parkersburg, W. Va.

The International Congress of Actuaries will be held in St. Petersburg, Russia, from May 31 to June 5, 1915.

The total premium receipts of the Liverpool and London and Globe, in 1913, exceeded $25,000,000.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

WASHINGTON became a storm centre of financial and business attention in the past week, not that the eyes of the business world have at any time been turned far away from Washington for months past. No matter what one thinks of the absolute importance of the political factor in economic affairs, it cannot be disputed that politics has been a large influence in trade, industry and the security markets, an influence for restraint on recovering tendencies if not a substantial cause of much depression. In the last few days, however, the political plot seemed to thicken with indications that a situation was being reached at the National Capitol which promised developments that must make sentimentally for business betterment or the contrary.

At the present moment of writing there is no way of telling how the Warburg episode is going to turn out, but whether Mr. Warburg is or is not a member of the Federal Reserve Board the country will have learned a valuable lesson from the exhibition of political consequences which it has witnessed. The people have been confronted with a signal demonstration of the inevitable conclusion to which the kind of politics we have been having for years has tended, which is that the chances of enlisting men of conspicuous ability in the public service were anything but bright. We have been living in a French revolutionary atmosphere of suspicion, denunciation and proscription levelled against men of large affairs as though the ethics of big business was after all anything worse than the general morality of the time.

We have no doubt that big business has acquired valuable experience and a profitable knowledge of the error of its ways in recent years as a result of the tremendous social discontent which has been demogogically fomented and politically expressed in administrative and legislative action against large scale corporations and the centres of financial and corporate endeavor. We are more doubtful that the public as a whole has learned to know itself in the same way, but the Warburg affair has been attended with some hopeful features.

It has revealed the country as unwilling to subscribe to the notion that men of character and capacity must be excluded from public office unless they will consent to lend themselves to political inquisitions designed to promote the interests of legislative candidacies in constituencies where radical appeals to ignorance and prejudice have offered the greatest certainty of election. It has also been revealed that the country was as though stunned by the suggestion that Mr. Warburg's refusal to become an excuse for an attack on Wall Street must cost the Nation the aid which he could render in establishing the new banking experiment to which the American people are committed.

For such a task it was the verdict of informed judgment that Mr. Warburg could bring to the Federal Reserve Board more useful knowledge and trained intelligence than any other one man in the United States. President Wilson had gladly sought and had with difficulty obtained from Mr. Warburg a reluctant but patriotic consent to accept appointment to the board. More than any other one man he had been responsible for guiding the movement for banking reform since 1907, along those lines which made it possible to enact currency legislation last year involving a recognition of sound banking and currency principles. The country's wide desire to have the benefit of Mr. Warburg's practical cooperation in the new banking undertaking and his own record in promoting it clearly constituted a call of duty to which he yielded, although it meant tremendous personal sacrifice of more than a material sort. His private associations were wholly congenial to his tastes as public office could not be, but with loyalty to his profession and his adopted country he agreed to tear himself away from his surroundings and occupations and devote himself to a work of vast difficulty which would be all the greater because so much would be expected from his particular share.

What happened last week was a curious and very discouraging illustration of the imbecility which has come to characterize our political life. Mr. Warburg was not a candidate for office, but the Senate Banking and Currency Committee proceeded to treat him as though he was an eager aspirant for powerful place, supported by the mythical money devil which, according to political fiction, haunts the precincts and purlieus of Wall Street, that constitute Mr. Warburg's environment. Having passed with perfunctory scrutiny the names of three little known appointees to the Federal Reserve Board the committee gave a malign twist to its consideration of the rest of the Presidential slate by singling out Mr. Thomas D. Jones, of Chicago, and Mr. Paul M. Warburg, of New York, for a special inquisition because of their affiliations or contact with large scale enterprise. Mr. Jones allowed the committee to examine him on his business relations and in the course of the hearing made an interesting contradiction of President Wilson's endorsement of him as a corporation reformer.

Mr. Warburg took the position that the line of inquiry which the committee proposed to address to him, as indicated by a letter which he had received, was improper and not pertinent to his qualifications for Federal Reserve Board membership. The Senate Committee's attitude became such that he felt obliged to suggest to the President the advisability of withdrawing his name from consideration, but as the week approached a close, the matter fell into a state of uncertainty.

From all over the country there came a great protest against the political stupidity which would prevent Mr. Warburg from serving in an office where his services would probably be of priceless advantage for the general welfare. He was praised also for manifesting a self respect which would not brook the humiliation that the Senate Committee intended for him in the plan to put him on the rack of interrogation as to his views respecting financial subjects wholly outside Federal Reserve Board jurisdiction. On the other hand there was evidence that popular favor would be divided between Mr. Warburg and the Senate if the banker's refusal to undergo examination took the form of denying the committee's right to ask him any questions at all.

The whole affair, whatever its other implications may be, showed clearly the condition into which our politics had fallen and the danger which threatened, that men of conspicuous ability would decline perforce to make the necessary surrenders to enter public life if all the petty qualities of democracy were to be in the ascendant. A very useful purpose was nevertheless served by the Warburg episode in that it drew from President Wilson a statement of optimistic import for the banking and business community.

A note new for the Wilson Administration was struck by the President's declaration that the Democratic party knew "that the business of the country has been chiefly promoted in recent years by enterprises organized on a great scale and that the vast majority

of the men connected with what we have come to call big business are honest, incorruptible and patriotic. It is the obvious business of statesmanship," the President went on to say, "at this turning point in our development to recognize ability and character, wherever it has been displayed, and unite every force for the uplifting of legitimate business along the new lines which are now clearly indicated for the future."

Following the White House reception of Mr. Morgan the audience accorded by the President to a delegation of Chicago business men seemed to imply precisely such recognition of business character and ability, but a recognition which had been almost totally denied by the Administration until very recently. The Chicago merchants went to Washington to tell the President that he ought to drop his further programme of business legislation except the Federal Trades Commission bill, and it would not be surprising if the Administration should suddenly discover the wisdom of reducing fresh enactment to that particular feature.

It is the general voice of the country that the various pending measures elaborating the anti-trust law aim to accomplish too much. It is plain that the country is ready to accept general business regulation already established in the transportation industry and in banking, but it is not ready to go farther. An inference that the President is ready to modify his programme is permissible from the way in which he has lately altered his demeanor towards men of affairs. In all probability the President and his Cabinet are, as the party leaders in Congress have long been, vastly concerned over the depth and extent of hard times, and it is not at all unlikely that the hard times argument is compelling political inclination to concede a business respite from agitation.

In the meantime July has brought some symptoms of a disposition of trade and industry to recover a bit in response to the prospect of the crops. The July report was a most encouraging exhibit, its features of greatest brilliance being the extraordinary yield of 655,000,000 bushels indicated for Winter wheat, as large an outturn as the average of Winter and Spring wheat combined over a long term of years. Foreign conditions have looked a little more hopeful as the French loan was enormously over-subscribed, but it remains to be seen if the subscription by the public was large enough to provide the long awaited stimulus to financial activity at Paris.

BROAD STREET.

[QUOTED PRICES OF BONDS AND STOCKS ON THE NEW YORK STOCK EXCHANGE WILL BE FOUND ON PAGES 59-63.]

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week June 27, 1914— Banks.	Trust Cos.	Both.	Week July 4, 1914— Banks.	Trust Cos.	Both.
Loans	1,183.4	631.8	2,118.2	1,182.6	630.5	2,122.2
Deposits (net)	1,561.7	1,126	2,023.3	1,519.0	1824	2,022.8
Cash reserves	122.5	74.3	196.8	161.9	73.7	175.1
Reserve ratio (%)	27.0	8.6	21.4	26.1	15.2	23.5

Actual Status.

	Week June 27, 1914— Banks.	Trust Cos.	Both.	Week July 4, 1914— Banks.	Trust Cos.	Both.
Loans	1,181.1	636.9	2,118.3	1,171.9	631.5	2,116.5
Deposits (net)	1,552.3	471.0	2,026.3	1,521.6	483.4	2,001.7
Cash reserves	126.0	74.3	190.5	390.3	73.0	193.1
Reserve ratio (%)	24.7	15.7	21.2	25.5	15.1	23.1

Actual Status Non-Member Institutions.

	1914— June 13.	June 20.	June 27	July 4.
Loans	564.1	565.3	574.9	572.9
Deposits (net)	579.9	575.8	575.6	575.6
Cash reserves	53.3	52.8	53.2	52.9
Other reserves	104.9	101.3	105.8	101.0
Reserve ratio (%)	27.6	29.1	29.2	28.6

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914— June 13.	June 20.	June 27	July 4.
Loans	2,682.6	2,685.2	2,685.2	2,676.1
Deposits (net)	2,579.7	2,572.1	2,602.9	2,580.3
Cash reserves	544.7	544.7	544.7	546.2

PHILADELPHIA BANKS STATEMENT.

	1914— June 15.	June 22.	June 29.	July 5.
Loans	399.7	398.4	398.2	398.0
Deposits	457.0	459.7	453.1	459.2
Cash reserves	103.5	106.6	102.6	97.2

BOSTON BANKS STATEMENT.

	1914— June 13.	June 20.	June 27.	July 3.
Loans	238.6	239.7	239.2	242.6
Deposits (net)	221.7	224.0	221.6	230.4
Cash reserves	35.6	36.5	35.3	32.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913— June 4-5.	Aug. 9-11.	Oct. 21-22.	1914. Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913— Aug. 9.	Oct. 21.	1914 Jan 13.	Mar. 4.
Loans	6,163.5	6,260.8	6,175.4	6,357.5
Deposits (individual)	5,761.3	6,051.6	6,072.0	6,111.3
Cash reserves	899.1	889.6	981.9	968.0
Other reserves	571.3	586.8	588.8	572.5
Reserve ratio (%)	29.75	20.54	21.74	20.62

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week of	1913 New York.	Outside.	Total.	1914 New York.	Outside.	Total.
July 4	1,891	1,380	3,271	1,996	.....	.....
June 27	1,634	1,311	2,918	1,657	1,328	2,985
June 20	1,792	1,393	3,185	1,689	1,419	3,108

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week of—	1913 Call money.	60-day loans.	Merc. paper.	1914 Call money.	60-day loans.	Merc. paper.
July 1	2	2¾	5½	2½	2½	4
June 27	2½	3½	5½	2	2½	3¾
June 20	2½	3½	5½	2	2	3¾

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
July 1	717,714	9,449
June 27	1,546,971	15,677
June 20	575,640	11,255

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914— June 18.	June 25.	July 2.	July 9.
Deposits	59,256	62,989	71,621	55,368
Circulation	28,417	28,703	29,784	29,531
Gold	38,684	39,928	40,082	39,599
Securities	38,758	51,040	60,697	45,837
Reserve ratio (%)	48.21	47.10	40.13	50.58
Discount rate (%)	3	3	3	3

BANK OF FRANCE (In Thousands of Francs).

	1914— June 18.	June 25.	July 2.	July 9.
Deposits	1,178.5	1,144.7	1,332.3	3,019.2
Circulation	5,927.3	5,852.2	6,051.1	6,039.9
Gold	3,875.3	3,975.6	4,057.6	4,092.6
Silver	641.6	638.3	638.8	637.4
Discounts, etc.	1,599.2	1,579.3	1,790.8	3,079.3
Coin to notes (%)	76.1	78.8	77.6	78.3
Discount rate (%)	3½	3½	3½	3½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914— June 17.	June 25.	July 2.	July 9.
Gold and silver	1,702.1	1,722.2	1,586.8	1,596.4
Loans and discounts	843.6	840.3	1,284.3	1,026.0
Circulation	1,831.4	1,814.5	2,407.1	2,192.0
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914— February.	March.	April.	May.
Loans on call	212.4	214.3	208.4	197.1
Loans, other	901.4	912.3	924.4	927.5
Deposits, demand	337.5	345.5	350.5	340.7
Deposits, other	760.1	760.6	767.0	759.3
Circulation	97.5	96.8	93.0	97.7
Cash reserves	112.6	112.7	113.2	133.3

THE COUNTRY'S COMMERCE

	April— 1913.	1914.	May 1913.	1914.
Merchandise.				
Imports	$146,194,461	$172,640,724	$133,723,713	$163,637,386
Exports	199,813,438	162,368,852	194,607,422	161,650,263
Specie				
Gold Imports	1,013,537	3,462,174	4,561,260	1,972,411
Exports	3,010,369	447,385	12,467,492	16,835,902
Silver Imports	2,807,655	2,213,509	3,093,063	1,755,062
Exports	5,972,387	4,542,909	5,329,354	4,844,241

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	56¼	56⅜	56¼	56⅛	55¾
London	....	25⅞	25 15-16	25⅞	25 13-16	25 11-16

COTTON

July 11, 1914.

NOT much of real interest has occurred in the cotton futures markets during the past week. Trading has been in very small volume and net price changes have been hardly more than nominal, though the new crop positions in New York all closed somewhat higher yesterday (Friday) than they had closed on the previous Friday. The general temper of the trade has been almost overwhelmingly bearish, few indeed being willing to make any commitments for the rise. The news cabled from abroad to New York was almost exclusively of a bearish tenor. First came the announcement that the governing committee of the International Federation of Master Cotton Spinners' and Manufacturers' Associations had adopted a resolution recommending that the members of the Association curtail manufacturing operations for a total of 150 hours during the coming three months. In order to be effective this resolution must be adopted by a mail vote of the spinners and manufacturers themselves. This vote will be taken on July 17, but it is suggested that the Continental spinners, whose business has decidedly improved of late, may be unwilling to curtail at this time, when their English competitors are temporarily out of the running. Another piece of bearish information received this week from abroad was the June report of the British Board of Trade on the months' exports of cotton yarns and cloths. The exports of yarns showed up very well, being about the same as for June last year, when British trade was very active. The exports of cloths, however, showed a falling off from those of June last year to the extent of no less than 116,000.000 yards, or nearly 20 per cent. The trade could draw no other deduction from such figures than that the cotton manufacturing business in Great Britain is really passing through a period of very great depression, marked by a dearth of spot transactions and of new contracts for goods. though relieved for some part of the mills by the orders booked for India and the Far East during February and March. The private advices from Liverpool and Manchester are virtually all of the most pessimistic nature, no hope of better things apparently being entertained by anybody in spite of the excellent monsoon which India is enjoying. Even threatening labor troubles are mentioned as capping the climax of misfortune. Of course, much lower prices for cotton in the near future are confidently predicted, although it is observable that the Liverpool market exhibits a steadiness and a reluctance to decline more marked than do the American markets. And both English and Continental spinners, despite their pessimism, are steadily buying the cotton which business conservatism requires them to make sure of before the new season actually begins. This buying, again, meets little selling except straight-out short selling. The existing visible supply of American cotton, though larger than last year's at the beginning of July, consists so largely of very low grade and untenderable cottons that its owners dare not sell future contracts as hedges against it. It fails, therefore, to serve the usual function of the visible supply at the end of the year, i. e. to serve as the basis of future contracts which are needed to hedge commitments later on in the season. Such is the quality of the present visible supply of American cotton that those who need to buy hedge contracts for the next three months must look entirely to the speculators operating for the decline. It is unnecessary to say that this is a very frail staff on which to lean, particularly if any indication of crop deterioration should make the speculators buyers instead of sellers. On the American side of the water, there is at the moment one important reason why traders in cotton should hesitate to make commitments on either side, of other than the most trifling character. This is the absolute uncertainty and confusion of opinion, even among the best minds in the trade, as to the effect that will be produced upon the price of cotton in the markets of the United States by the enactment of the Lever Bill for the restrictive regulation of cotton exchanges, which is now in the hands of a conference committee of the Senate and the House of Representatives. Even the form which this measure will be given in the conference committee is completely in doubt, and the trade simply knows that some regulative measure will very probably be enacted into law. Assuming that the final draught of the measure is substantially the same as the Lever Bill, what effect upon the price of cotton in the United States will result from the provision that any person within the United States who sends an order to Liverpool, Bremen or Havre, for the sale of contracts as hedges against cotton he has just bought here, must pay a tax of $5.00 per bale? What will be the result, in terms of price, of the provision that any person tendering or receiving cotton upon contracts made on the New York and New Orleans Exchanges can dispute the grade or length of staple given to the cotton and appeal the matter to the Secretary of Agriculture, tying up the cotton until a decision is rendered? Nobody knows the answers to these questions, and, consequently, there can be no free trading in the American markets until, first, the regulatory law is actually passed by Congress and can be studied in its final form; and, second, until the trade can arrive at a reasonable consensus of opinion as to the true meaning and effect of the law. In the meantime, the chief interest of American traders consists, so to speak, in sitting on the fence and watching the crop. At the moment, a majority of these city farmers are very favorably impressed with the progress the crop is making. Local showers are commented on with satisfaction, and are perhaps exaggerated in respect of their importance as the news is passed along the line. The truth seems to be that the past two weeks have been far from good for the cotton crop as a whole. High temperatures over practically the entire Cotton Belt, relieved only here and there by adequate showers, have resulted in a relative deterioration of the crop, although, of course, in the absolute sense there has been growth and a measure of the development which the time of year calls for.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	.....	12.54	12.44	12.40	12.40	12.28
Low	.....	12.43	12.35	12.39	12.29	12.25
Close	.....	12.52	12.40	12.39	12.29	12.31
August—						
High	.....	12.52	12.48	12.32	12.35	12.28
Low	.....	12.39	12.26	12.21	12.20	12.15
Close	.....	12.18	12.36	12.32	12.20	12.27
September—						
High	.....	.....	12.22	12.16	12.18	12.16
Low	.....	.....	12.22	12.15	12.18	12.14
Close	.....	12.29	12.21	12.16	12.13	12.18
October—						
High	.....	12.34	12.28	12.17	12.23	12.21
Low	.....	12.11	12.12	12.08	12.12	12.06
Close	.....	12.29	12.20	12.16	12.13	12.20
November—						
High	.....	12.10	.....	.....	.....	12.04
Low	.....	12.10	.....	.....	.....	12.03
Close	.....	12.25	12.16	12.12	12.11	12.20
December—						
High	.....	12.43	12.39	12.28	12.35	12.39
Low	.....	12.23	12.23	12.18	12.25	12.20
Close	.....	12.10	12.31	12.27	12.26	12.38
January—						
High	.....	12.31	12.30	12.21	12.31	12.31
Low	.....	12.15	12.14	12.10	12.21	12.16
Close	.....	12.31	12.21	12.20	12.23	12.30
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
March—						
High	.....	12.38	12.35	12.26	12.35	12.36
Low	.....	12.20	12.19	12.17	12.25	12.20
Close	.....	12.36	12.26	12.24	12.28	12.35
April—						
High	.....	12.52	12.52	12.39	.....	12.51
Low	.....	12.36	12.40	12.39	.....	12.52
Close	.....	12.52	12.43	12.41	12.41	12.51
May—						
High	.....	12.57	12.57	12.45	12.55	12.50
Low	.....	12.38	12.40	12.37	12.47	12.40
Close	.....	12.55	12.45	12.44	12.47	12.48

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	.....	.....	12.91	12.75	12.79	12.70
Low	.....	.....	12.84	12.70	12.72	12.69
Close	.....	12.91	12.84	12.77	12.72	12.77
August—						
High	.....	12.96	12.99	12.71	12.74	12.60
Low	.....	12.77	12.74	12.65	12.58	12.54
Close	.....	12.91	12.78	12.67	12.59	12.68
September—						
High	.....	12.60	12.49	12.46	.....	12.54
Low	.....	12.43	12.49	12.46	.....	12.38
Close	.....	12.75	12.48	12.47	12.43	12.53
October—						
High	.....	12.42	12.38	12.28	12.36	12.35
Low	.....	12.28	12.22	12.19	12.22	12.16
Close	.....	12.38	12.30	12.27	12.24	12.33
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	12.38	12.30	12.37	12.25	12.33
December—						
High	.....	12.42	12.37	12.29	12.37	12.37
Low	.....	12.29	12.23	12.20	12.23	12.18
Close	.....	12.38	12.30	12.28	12.36	12.35
January—						
High	.....	12.45	12.36	12.32	12.41	12.41
Low	.....	12.29	12.26	12.24	12.28	12.24
Close	.....	12.41	12.33	12.31	12.31	12.39
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
March—						
High	.....	12.54	12.44	12.41	12.49	12.51
Low	.....	12.48	12.36	12.33	12.40	12.34
Close	.....	12.51	12.43	12.40	12.1	12.50

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
April—						
High	....	....	.....	.....	.....	.....
Low	....	....	.....	.....	.....	.....
Close	....	....	.....	.....	.....	.....
May—						
High			12.55	12.13	12.51	.....
Low			12.10	12.39	12.41	.....
Close		12.36	12.46	12.13	12.41	12.51
June—						
High	....	....	.....	.....	.....	.....
Low	....	....	.....	.....	.....	.....
Close	....	....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, each day in the week, in pence and hundredths of a penny per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
Opening	7.11½	....	....	7.08	7.08	....
12.30 p. m.	....	7.10½	....	7.09½	7.08	7.05
Close	7.13½	7.14	7.09½	7.04	7.09½	7.06
July-Aug.—						
Opening	7.12	7.12	7.17	7.08	7.07½	7.06
12.30 p. m.	....	7.10½	7.17	7.07	7.08½	7.04
Close	7.13½	7.14	7.09½	7.04	7.09½	7.03
Aug.-Sept.—						
Opening	6.95	6.95	6.99	6.90½	6.88	6.86
12.30 p. m.	....	6.93½	6.99	6.88½	6.88	6.81
Close	6.96½	6.96	6.91½	6.81½	6.85½	6.85
Sept.-Oct.—						
Opening	6.70½	6.71	6.77½	6.68	6.69½	6.69½
12.30 p. m.	....	6.69½	6.77	6.67½	6.70	6.67
Close	6.72½	6.71½	6.70	6.67	6.72½	6.68
Oct.-Nov.—						
Opening	6.63½	6.64	6.70½	6.62½	6.64½	6.63½
12.30 p. m.	....	6.62½	6.70	6.61	6.65	6.62
Close	6.65½	6.67½	6.63	6.61	6.63½	6.62½
Nov.-Dec.—						
Opening	6.55	6.56	....	....	6.57	6.56½
12.30 p. m.	....	6.55½	....	....	6.58	6.55
Close	6.58	6.60	6.56	6.61	6.61	6.56
Dec.-Jan.—						
Opening	6.51½	6.51	....	....	....	6.55½
12.30 p. m.	....	6.54½	....	....	....	6.54
Close	6.57	6.59	6.55	6.53	6.59	6.55½
Jan.-Feb.—						
Opening	6.55	6.55½	6.63	6.51	6.57	6.56
12.30 p. m.	....	6.55	6.62	6.51	6.58	6.51½
Close	6.57½	6.59½	6.55½	6.53½	6.59½	6.56
Feb.-Mar.—						
Opening	6.56	6.57	....	....	6.58	....
12.30 p. m.	....	6.56	....	....	6.59	6.56½
Close	6.58½	6.60½	6.58½	6.54½	6.60	6.57
Mar.-Apr.—						
Opening	6.57½	6.57½	6.65	6.54½	6.59	6.58
12.30 p. m.	....	6.57	6.61	6.56	6.59	6.55
Close	6.59½	6.61½	6.57½	6.56	6.62	6.58½
April-May—						
Opening	....	....	....	....	....	6.58½
12.30 p. m.	....	6.57½	....	....	....	6.58
Close	6.60	6.62	6.58	6.53½	6.62½	6.59
May-June—						
Opening	6.58	6.59	6.66	6.57½	6.61	6.58½
12.30 p. m.	....	6.58	6.65	6.58	6.61½	6.58
Close	6.60½	6.62½	6.58½	6.57	6.63	6.59½

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs	Fri.
July	86⅞	87¼	87⅜	84½	87⅜	87⅛
August	85⅜	86	86⅛	86⅛	86	87½
September	84⅛	84½	84⅜	84⅜	84¼	84⅜
October	82½	82⅞	83	82¾	82⅝	82
November	81¾	82⅛	81⅞	81⅝	81⅝	81
December	81¼	81½	81¼	81⅛	81	80⅝
January	80¾	81	80⅞	80¾	80⅜	80½

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues	Wed.	Thurs	Fri
New York	....	13.25	13.25	13.25	13.25	13.25
New Orleans	....	13.5-16	13.5-16	13.5-16	13.5-16	13.5-16
Galveston	....	13½	13½	13⅝	13½	13⅜
Mobile	....	13¼	13¼	13¼	13¼	13¼
Savannah	....	13⅜	13⅜	13⅜	13⅜	13⅜
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	....	13½	13½	13½	13½	13½
Baltimore	....	13⅜	13⅜	13⅜	13⅜	13⅜
Augusta	....	11⅜	11⅜	11⅜	11⅜	11⅜
Memphis	....	13⅜	13⅜	13⅜	13⅜	13⅜
St. Louis	....	13⅜	13⅜	13⅜	13⅜	13⅜
Houston	....	13⅜	13½	13½	13.5-16	13.5-16
Little Rock	....	13¼	13¼	13¼	13⅛	13⅛

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	8.46	8.41	8.47	8.35	8.36	8.33
Good middling	8.00	7.93	7.99	7.87	7.88	7.85
Middling	7.48	7.41	7.47	7.35	7.36	7.33
Low middling	7.00	6.93	6.99	6.87	6.88	6.85
Good ordinary	6.04	5.97	6.03	5.91	5.92	5.89
Estimated spot sales	4,000	5,000	5,000	4,000	4,000	6,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on each day of the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	94½	94½	94½	94¾	94⅝	94½
Fully middling	91¼	91¼	91¼	91½	91⅜	91¼
Low middling	84	84	84	84¼	84⅛	84

The MOVEMENT OF THE AMERICAN CROP.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	1,191	13,092	22,430	24,359
Overland to mills and Canada	3,128	4,666	7,301	4,137
So. mill takings, est., exclusive of takings from Southern ports.	15,000	25,000	25,000	10,000
Loss of stocks at interior towns	9,867	7,513	16,011	13,950
Brought into sight for week	12,455	35,245	38,720	24,546
Total Movement—				
Port receipts	8,520,909	11,844,960	9,786,942	10,357,163
Overland to mills and Canada	955,704	1,252,056	1,072,283	1,141,557
Southern mill takings	2,165,000	2,630,000	2,710,000	2,830,000
Stocks at interior towns in excess of Sept. 1	52,891	35,000	91,763	36,944
Brought into sight thus far this season	11,694,501	15,762,016	13,660,988	14,365,641

The total crop movement is respectively for 317 days, 316 days, 314 days and 313 days.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks
Galveston	7,601	3,783,758	43,489	9,930	3,313,139	87,211
New Orleans	4,641	1,421,441	36,103	4,718	1,858,507	70,009
Mobile	1,264	226,304	5,481	4	433,871	6,970
Savannah	3,165	1,273,351	25,060	4,398	1,810,898	14,365
Charleston	405	306,718	5,208	98	422,558	1,672
Wilmington	110	342,470	10,130	4	398,652	10,719
Norfolk	3,199	586,805	30,180	3,044	577,164	19,697
Baltimore	158	76,638	5,071	50	91,749	3,458
New York	73	14,947	43,376	.....	6,603	112,318
Boston	99	45,534	6,818	309	20,460	7,361
Philadelphia	.....	8,262	556	.....	3,629	2,007
Newport News	1,398	111,741	.....	1,764	131,720	.....
Brunswick	15	234,334	722	11	289,816	.....
Pensacola	.....	124,899	.....	.....	163,999	.....
Port Arthur	.....	138,642	.....	.....	46,238	.....
Pacific ports	275	470,595	.....	.....	256,433	.....
Texas City, etc.	.....	705,116	2,500	.....	502,640	2,557
Jacksonville, Ga.	25	15,367	485	29	29,192	145
Georgetown	.....	110	.....	.....	.....	.....
Totals	22,130	9,786,942	213,904	21,359	10,357,163	338,489

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks
Fremham	45	17,792	138	372	5	17,775	30	477
Dallas	179	133,111	177	3,730	2	100,519	.....	810
Shreveport	31	140,962	50	3,291	2	194,964	469	4,447
Little Rock	15	181,213	2,027	13,734	378	189,598	3,511	12,672
Helena	.....	11,643	39	136	5	65,633	511	1,793
Vicksburg	.....	29,337	.....	778	.....	.....	.....	.....
Columbus, Miss.	.....	27,617	491	220	1	34,322	198	694
Natchez	.....	18,131	.....	525	.....	19,706	.....	1,271
Memphis	2,278	811,831	5,271	26,340	4,485	1,122,328	5,836	29,348
Nashville	.....	7,807	.....	422	.....	10,984	.....	126
Selma	177	118,194	288	771	26	129,332	74	665
Montgomery	922	156,093	997	5,975	19	156,161	1	2,927
Eufaula	1	21,111	185	1,189	28	22,459	.....	720
Columbus, Ga.	25	75,131	650	8,716	21	81,161	850	3,218
Macon	6	36,795	434	5,111	7	41,563	.....	65
Athens	.....	29,961	.....	707	.....	27,418	.....	999
Atlanta	194	162,277	671	1,666	290	232,322	1,023	3,173
Rome	83	51,126	300	4,381	91	58,135	225	3,710
Augusta	147	356,620	2,033	18,755	455	373,883	1,412	14,050
Columbia	2,282	98,531	2,282	.....	1,204	82,740	1,204	.....
Newberry	251	18,223	251	.....	187	23,288	187	.....
Charlotte	121	11,772	121	.....	28	14,775	28	.....
Raleigh	17	11,082	50	80	51	14,881	50	63
St. Louis	3,728	583,581	1,965	19,018	3,108	569,186	3,851	16,746
Houston	2,555	3,105,797	5,232	40,340	5,231	2,757,988	10,512	39,405
Meridian	111	58,245	261	3,700	100	33,834	190	2,209
Cincinnati	1,626	224,113	992	22,599	1,571	248,390	1,074	14,011
Yazoo City	.....	92,176	.....	2,761	130	40,786	.....	1,569
Totals	11,733	6,531,051	28,121	185,380	17,378	6,705,243	31,275	146,436

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	6,453	15,116	12,128
France	2,225	1,359	.....
Continent	24,077	15,185	8,798
Mexico	150	.....	.....
Japan	12	375	.....
Totals	32,917	32,065	20,926
Since September 1.			
Great Britain	4,170,495	3,523,488	3,370,571
France	1,159,599	972,920	1,056,183
Continent	4,431,978	3,474,145	3,940,788
Mexico	14,689	20,888	27,447
Japan	514,623	385,955	345,975
Totals	10,291,384	8,377,396	8,740,963

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14
This week	3,000	1,500	5,000
Since September 1	7,255,697	7,453,851	7,606,265

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	.....	198,605	3,000	202,750	2,800	203,893
To Manchester	5,000	227,936	2,750	203,182	.....	217,415
To Continent	7,250	374,412	6,750	392,921	12,800	429,215
To America	.....	111,291	1,000	122,365	2,500	84,503
Total exports	12,250	912,244	13,500	921,218	18,100	935,026

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	27,000	2,655,000	32,000	3,672,000
Exports ot Great Britain	.....	18,000	1,000	70,000
Exports to Continent	19,000	434,000	38,000	1,178,000
Ekp. to Japan and China	16,000	920,000	55,000	1,193,000
Afloat in harbor	6,000	.....	3,000	.....
	Exchange, 1s. 4 3-16.		Exchange, 1s. 4⅛.	

Receipts exclusive of —— American this week, and 2,000 this season; —— this week last season, 27,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	896,000	706,000	915,000	689,000
London	4,000	.....	5,000	.....
Manchester, in wareh'ses	51,000	36,000	69,000	49,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	4,000	30,000	5,000
Bremen	274,000	271,000	356,000	348,000
Havre	172,000	163,000	271,000	240,000
Other ports—Continent	48,000	38,000	89,000	45,000
Alexandria	101,000	.....	124,000	.....
Bombay	657,000	.....	569,000	.....
U. S. interior towns	185,380	185,380	146,436	116,436
U. S. ports	213,904	213,904	388,489	388,489
Afloat for—				
Liverpool	60,000	38,000	82,000	45,000
London	.....	.....	.....	.....
Continent	197,000	88,000	313,000	99,000
Afloat in Bombay harbor	60,000	.....	3,000	.....
Coastwise to New York	5,000	5,000	4,000	4,000
Exports to-day	.....	.....	1,000	1,000
Totals	2,885,284	1,784,284	3,345,925	2,009,925

Decrease in general visible supply for the week, 143,007, against decrease last year, 166,373. Decrease in American visible supply for the week, 124,007, against decrease last year, 136,373.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	1,057,598
Crop in sight to date	13,660,988	14,365,644
Total supply	15,019,958	15,423,242
Less visible supply, American, to-day	1,748,292	2,021,390
World's takings, American, to-day	13,271,666	13,401,852
American Takings.		
Stocks at United States ports August 31	296,353	231,106
Returned from foreign countries	166	3,124
Receipts at United States ports to date	9,786,942	10,357,163
Total supply at ports	10,083,461	10,591,393
Deduct.		
Stocks at ports to-day	213,904	338,489
*Exports to date	8,382,396	8,744,963
Southern mill takings from ports	81,470	136,535
Burnt at ports	8	11,465
Totals	8,677,778	9,231,452
To Northern mills from ports	1,405,683	1,359,941
Overland to Northern mills	1,072,283	1,141,537
Total Northern mill takings	2,477,966	2,501,478
Southern mill takings	1,791,470	2,966,535
Total American mill takings, including Canada	5,269,436	5,468,013

*Includes 4,000 in transit between Southern ports and New York, against 5,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season	Week.	Season
America	44,992	5,269,436	22,627	5,468,013
Great Britain	44,116	3,122,322	53,128	2,883,568
Continent	85,580	1,173,065	72,798	1,676,849
Mexico	.....	20,888	.....	27,447
Japan and China	375	385,955	.....	345,975
Totals	175,093	13,271,666	148,553	13,401,852

LIVERPOOL WEEKLY.

	1912.	1913.	Last Week.	This Week
Sales, all kinds	64,000	32,000	30,000	29,000
Sales, American	54,000	30,000	25,000	20,000
Sales, speculation	9,000	2,000	1,000	1,000
Sales, exports	2,000	1,000	1,000	.....
Forwarded	71,000	44,000	71,000	55,000
Imports, all kinds	25,000	9,000	51,000	36,000
Imports, American	12,000	4,000	41,000	14,000
Actual exports, all kinds	3,000	4,000	7,000	2,000
Stock, all kinds	951,000	896,000	935,000	915,000
Stock, American	819,000	706,000	723,000	689,000
Afloat for Great Britain, all kinds	54,000	60,000	86,000	82,000
Afloat for Great Britain, American	26,000	38,000	45,000	45,000

* * *

BRITISH BOARD OF TRADE OFFICIAL EXPORT FIGURES

The preliminary figures for the June exports of cotton yarns and cloths from Great Britain have been received by cable by the New York Cotton Exchange. We give them below, with the completed figures of the months since September 1, 1913:

	Yarns, Pounds.		Cloth, Yards.	
	Month.	Since Jan. 1.	Month.	Since Jan. 1
1913.				
1913—September	15,734,400	154,761,700	548,972,500	5,350,278,900
1912—September	18,999,500	185,099,300	569,622,300	5,123,124,900
1913—October	19,959,100	174,720,800	630,937,100	5,981,216,300
1912—October	22,515,500	207,614,800	666,185,300	5,789,310,200
1913—November	18,247,000	192,968,400	563,650,100	6,544,866,100
1912—November	18,025,000	225,640,000	568,945,600	6,358,255,800
1913—December	17,207,100	210,175,500	530,692,300	7,075,558,400
1912—December	18,314,300	243,954,300	554,370,000	6,912,625,800
1914.				
1914—January	19,056,000	19,056,000	688,105,100	688,105,100
1913—January	19,093,300	19,093,300	648,912,700	648,912,700
1914—February	18,074,100	37,130,100	583,451,600	1,271,556,700
1913—February	16,761,100	35,854,400	563,606,400	1,212,519,100
1914—March	19,824,300	56,954,400	590,375,000	1,861,931,700
1913—March	17,212,600	53,067,000	560,905,000	1,773,424,100
1914—April	18,992,500	75,946,900	531,908,600	2,393,840,300
1913—April	18,578,600	71,645,600	587,552,800	2,360,976,900
1914—May	20,234,300	96,181,200	572,913,100	2,966,753,400
1913—May	17,776,700	89,422,300	606,254,300	2,967,231,200
1914—June	17,000,000	113,181,200	499,000,000	3,465,753,400
1913—June	16,986,700	106,409,000	615,557,600	3,582,788,800

* * *

Cotton Production of Adana Province, Asiatic Turkey.—A report from United States Consul Edward P. Nathan, Mersina, Turkey, speaks of last year's production of cotton and this year's expected production of cotton in the Province of Adana, Asiatic Turkey, as follows: "All indications point to a large cotton crop in the Province of Adana, Turkey, this year. Last year's crop of 115,000 bales will doubtless be exceeded if present prospects are realized. Sowings this year are in excess of last year and the plentiful rains have caused most of the seed to sprout. The cotton is, however, mostly short fibre and will not in any way affect the demand for American cotton."

* * *

Rainfall in the Cotton Belt.—The precipitation of rain in the various sections of the Cotton Belt from March 1 to June 29, as compared with the normal rainfall for the same period, is illustrated by "Pearsall's Market Bulletins," by means of a table showing the

amount of rainfall above or below normal shown by the Weather Bureau for selected localities in all the important cotton-producing States. The table (somewhat rearranged) is as follows, the figures for the period from March 1 to June 8 being given in parallel column, so that the reader may see at a glance the changes between June 8 and June 29. Excesses of rainfall above normal are indicated by the sign (+) and deficiencies below normal by the sign (—):

RAINFALL MARCH 1 TO JUNE 29 AT SELECTED POINTS IN THE COTTON BELT.

(In Inches Above or Below Normal).

Atlantic States.	June 8.	June 29.	Mississippi Valley.	June 8.	June 29.
Norfolk, Va.	— 5.3	— 4.8	Little Rock, Ark.	— 3.5	— 6.4
Raleigh, N. C.	— 5.9	— 6.4	Fort Smith, Ark.	— 3.9	— 6.2
Charlotte, N. C.	— 7.6	— 8.8	Meridian, Miss.	— 8.2	—10.8
Wilmington, N. C.	— 3.0	— 6.4	Vicksburg, Miss.	+ 0.8	— 1.0
Columbia, S. C.	— 4.4	— 2.6	New Orleans, La.	— 4.3	— 6.6
Charleston, S. C.	— 3.7	— 4.4	Shreveport, La.	Normal	Normal
Augusta, Ga.	— 8.5	—10.0	Western States.		
Macon, Ga.	— 8.5	— 9.2	Galveston, Tex.	+10.3	+ 7.0
Atlanta, Ga.	— 6.0	— 7.1	Palestine, Tex.	+ 2.8	Normal
Thomasville, Ga.	— 7.5	— 9.4	Corpus Christi, Tex.	+ 3.0	— 7.6
Savannah, Ga.	— 4.5	— 6.7	San Antonio, Tex.	+ 3.1	+ 1.1
Pensacola, Fla.	— 6.2	— 6.7	Taylor, Tex.	+ 3.3	+ 1.0
Montgomery, Ala.	— 7.5	— 9.6	Ft. Worth, Tex.	+10.4	+11.1
Mobile, Ala.	—12.2	—10.8	Abilene, Tex.	+ 5.5	+ 4.2
Anniston, Ala.	— 3.2	— 4.6	Amarillo, Tex.	+ 1.3	— 2.5
Birmingham, Ala.	— 0.8	— 0.2	Del Rio, Tex.	+ 3.5	+ 4.8
			Oklahoma City, Okl.	— 2.9	— 4.7

* * *

Cotton Production in Nigeria in 1913-1914.—A recent consular report speaks of the progress of cotton cultivation in Nigeria, and of the results obtained from the 1914 crop as follows: "The growing conditions for cotton were not so good in Northern Nigeria as in Southern Nigeria during the past year, due to the lack of rain. In the Kano district in Northern Nigeria the natives are said to consume about 50,000 bales of cotton annually in the manufacture of goods on their hand looms. The exports of cotton for the past season were estimated at 20,000 bales of 400 pounds each. It was reported that the British Cotton Growing Association during the early part of the present year decided to send out to Nigeria cotton gins and stores costing about $100,000, to be on hand in time for the 1915 crop. It was planned to install an electric plant at one of the principal points to enable the operators to work nights if necessary. It is also stated that the Association has decided to allow a minimum price of 1⅛ pence (2¼ cents) per pound for all seed cotton delivered during the present year at the Association's agencies."

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Friday of last week and on Wednesday of the present week:

Cloths.	Friday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3¾	3¾
Gray goods, 38 in., standard	5 3/16-5¼	5 3/16-5¼
Brown sheetings, Southern standard	8	8
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13½	13½
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	25-25½	25-25½
Southern 2-ply skeins, 60s	45	45
Southern single skeins, 20s	22-22½	22-22½
Southern single chain warps, 20s	22½	22½
Southern 2-ply chain warps, 20s	22½-23	22½
Southern frame cones, 20s	22¾	22¾
Southern frame cones, 30s	26	25½-26
Eastern carded cops, 20s	24	24
Eastern carded cops, 30s	28	28
Eastern carded peeler warps, 30s	31	30
Eastern carded peeler warps, 50s	48	47

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	July High.	July Low.	September High.	September Low.	December High.	December Low.
July 4	....	....	....	....	....	....
July 6	79¾	78¼	79¼	77⅞	82⅛	80⅝
July 7	80¼	79	79 11-16	78½	82½	81 7-16
July 8	80¼	79⅝	79¼	78 13-16	82¼	81½
July 9	79⅞	78⅞	78⅞	78⅛	81⅝	80⅞
July 10	79⅝	78 9-16	79⅛	78	81 11-16	80⅞

CORN (New Contract).

	July High.	July Low.	September High.	September Low.	December High.	December Low.
July 4	....	....	....	....	....	....
July 6	67⅜	66 3-16	64½	63⅜	54	53 7-16
July 7	68	66½	64⅝	63¾	54⅞	53¾
July 8	69	68	65 9-16	64¾	55⅜	54¾
July 9	68⅞	68⅛	66⅝	65⅝	57¼	55 9-16
July 10	69½	68⅞	67 11-16	66 11-16	57⅝	56¾

OATS.

	July High.	July Low.	September High.	September Low.	December High.	December Low.
July 4	....	....	....	....	....	....
July 6	36½	36	35¼	34¾	36⅝	36⅛
July 7	36⅞	36 5-16	35¾	35⅛	37 3-16	36½
July 8	37⅜	36⅞	35 13-16	35½	37¼	37
July 9	37⅝	37	36	35¼	37½	36⅝
July 10	38⅛	37 9-16	36⅜	35⅞	37⅞	37⅜

LARD.

	July High.	July Low.	September High.	September Low.	October High.	October Low.
July 4	.....	.....	.....	.....	.....	.....
July 6	.....	.....	10.30	10.22	.....	.....
July 7	10.12	10.05	10.25	10.20	10.30	10.27
July 8	10.10	10.07	10.22	10.20	10.30	10.27
July 9	10.12	10.10	10.27	10.22	10.32	10.30
July 10	.....	.....	10.30	10.25	10.37	10.32

RIBS.

	July High.	July Low.	September High.	September Low.	October High.	October Low.
July 4	.....	.....	.....	.....	.....	.....
July 6	11.90	11.87	11.85	11.80	.....	.....
July 7	11.85	11.82	11.85	11.77	11.45	11.40
July 8	.....	.....	11.85	11.80	.....	.....
July 9	11.95	11.92	11.90	11.87	11.55	11.50
July 10	12.00	11.95	11.95	11.90	11.60	11.55

PORK.

	July High.	July Low.	September High.	September Low.	October High.	October Low.
July 4	.....	.....	.....	.....	.....	.....
July 6	21.70	21.55	20.30	20.17	.....	.....
July 7	21.75	21.65	20.30	20.15	.....	.....
July 8	21.87	21.87	20.40	20.30	.....	.....
July 9	22.50	22.00	20.60	20.40	.....	.....
July 10	22.75	22.60	20.75	20.60	.....	.....

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	....	7.30	7.23	7.20	7.20	7.20
July	....	7.26	7.24	7.21	7.21	7.23
August	....	7.44	7.36	7.30	7.28	7.31
September	....	7.55	7.41	7.37	7.33	7.36
October	....	7.31	7.25	7.19	7.15	7.17
November	....	6.95	6.85	6.82	6.79	6.80
December	....	6.86	6.76	6.71	6.68	6.72
January	....	6.85	6.76	6.71	6.68	6.70
February	....	6.86	6.77	6.73	6.68	6.71

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	....	8.45	8.40	8.33	8.37	8.33
August	....	8.55	8.46	8.42	8.47	8.41
September	....	8.65	8.56	8.52	8.57	8.51
October	....	8.75	8.66	8.62	8.67	8.61
November	....	8.85	8.75	8.71	8.76	8.70
December	....	8.95	8.85	8.81	8.86	8.80
January	....	8.97	8.88	8.84	8.89	8.83
February	....	8.99	8.90	8.87	8.92	8.88
March	....	9.01	8.92	8.90	8.95	8.93
April	....	9.03	8.95	8.92	8.97	8.95
May	....	9.06	8.98	8.95	9.01	8.97
Spot Rio 7's	....	8⅞	8⅞	8⅞	8⅞	8¾

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.		Bonds.	Maturity.	Interest Payable.	Saturday. July 4. High.	Saturday. July 4. Low.	Monday. July 6. High.	Monday. July 6. Low.	Tuesday. July 7. High.	Tuesday. July 7. Low.	Wednesday. July 8. High.	Wednesday. July 8. Low.	Thursday. July 9. High.	Thursday. July 9. Low.	Friday. July 10. High.	Friday. July 10. Low.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S						79½	79				
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O			86⅞	86¾						86⅞	86⅞
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*											
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O			100½	100½	100½	100¼			100⅝	100⅝	
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb									99	99	
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*						103	103				
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O			89	89							
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S											
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*									98½	98½	
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-O*			122½	122½							
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan											
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D			92¾	92¾	92⅞	92¾			92¾	92¾	
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*			96	95¾	96	95⅞	96	95¾	95⅝	95⅝	95⅝
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov			87⅞	87⅞			87¼	87¼	87½	87	
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D			101⅛	101⅛					101¼	101⅛	101¼
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D			96	96			99½	99½			
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S			93⅝	93⅝	93⅝	93⅝	94	94	93⅝	93⅝	93⅝
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N					89⅜	89⅜	92½	92½	92⅛	92⅛	
91¾	Jan	13	88	June	11	Balt & Ohio prior 3½s	1925	J-J*			92⅛	92⅛	92	92	91⅞	91⅞	91¾	91¾	
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O			93¾	93½	93⅞	93¾	94⅛	93⅞	94	93⅞	94 - 93¾
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*											
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J							90¾	90¾	90¾	90¾	91¼ - 91
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J					99½	99½	99⅜	99⅜	99¼	99	99¼ - 99¼
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*									87½	87½	
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*											
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A					102⅝	102⅝				103	-103
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N									106	-106	
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S											
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*											
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O			99⅝	99⅝	99¾	99⅝	99¾	99¾	99⅝	99⅝	99½ - 99¼
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*			117¼	117	116⅞	116⅞	117	117			
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J											
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*			94	94			94	93⅞	93¾	93¾	93¾ - 93¾
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N							106⅞	106⅞			
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S			94¼	94¼	94	94	94⅜	94			94½ - 94
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A			81	80¾	81	80⅞	81	80½	80	78½	78½ - 77½
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*			60¼	60¼	60¼	60⅛					
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*					40½	40½			40½	40	40 - 40
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S			93¼	93¼	93½	93⅜	93½	93¼	93¼	93	93¼ - 93
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J			97⅜	97¼	97¼	97¼	97⅜	97½	97⅜	97¼	97¼ - 97¼
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*			85¼	85¼			85¼	85¼			
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A			95⅜	95⅜					95½	95½	95½ - 95½
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N											
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N											
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*			74	73¾			74	74	74	74	74 - 74
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*			95½	95½	95¾	95¾	95¾	95¾	95¾	95	
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*											
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*			91⅞	91¾	91⅝	91⅝	92	91¾	91¾	91¾	92 - 92
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J									104⅜	104⅜	
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*									83¼	83¼	83 - 83
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	96	- 96	96	- 96							96 - 96
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*									87¾	86⅞	86¾ - 86¾
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	28¾	- 28½	28½	- 28⅜	28½	28¼	28⅛	27¼	27⅜	26⅛	
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	77¾	- 77½	77½	- 77¼	77⅝	77⅜	77½	77⅜	77¼	77¼	
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D											
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	76¼	- 76¼	76¼	- 76¼							
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*											
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*					73	- 72¾					
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*											
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A									90½	90½	90⅝ - 90⅛
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N											
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A											
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D					99¼	99¼	99¼	99¼	99¼	99¼	
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N					97½	97					97⅜ - 97
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J											79¼ - 79¼
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	55⅛	- 55	55	- 54½	54	- 52	50⅛	- 50	50	- 50	
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	58½	- 58½	59	- 58½	59½	- 59⅜	59¼	- 59¼	59¼	- 59¼	
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*											
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*											
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J	84¼	- 84¼									
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	73½	- 73½	73½	- 73¼	73⅝	- 73½			73⅜	- 73⅛	
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	73	- 72¾									
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O			71¾	- 71¾			71½	- 71½	71½	- 71¼	
90	Jan	20	85⅜	July	23	Erie (Pa) col 4s	1951	*F-A	89	- 89					89	- 89			
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-O											
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*											
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*											
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	105½	- 105½	106	- 106	106	- 106	105⅞	- 105⅞			
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	11	- 11	11	- 11							
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	100	-100	100¼	-100¼			100	-100			
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O											
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O											
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*											
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*					92½	92	92½	92½			
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	52¾	- 52⅛	52¼	- 52⅛							
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	77⅝	- 77⅜	77⅝	- 77½	77⅝	- 77¼	77½	- 77⅜	77½	- 77⅜	
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	99	- 99	99	- 98⅞	99	- 98⅞	99	- 98⅞	99	- 98⅞	
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A							100¼	-100⅛			
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J											
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S			49	- 44½	48	- 48	49	- 49	49	- 47¾	
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D											
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S							48⅛	48⅛			
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	75	- 75	75½	- 75	75¼	- 74	72¾	- 72¾	73½	- 73½	
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O			69¾	- 69¾							
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J			95¾	- 95⅝							
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O			91⅜	- 91⅜					91¼	- 91¼	91¼ - 91¼
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F			101½	-101½	101¾	-101¾					
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J			102	-101							
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*											
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D											
93½	Sept	3	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*			94⅜	- 94¼	94⅜	- 94⅜			94⅜	- 94⅜	94¼ - 94

—Range for 1913— High.			Low.			Bonds.	Ma- turity.	Interest Payable.	Saturday. July 4. High.	Low.	Monday. July 6. High.	Low.	Tuesday. July 7. High.	Low.	Wednesday. July 8. High.	Low.	Thursday. July 9. High.	Low.	Friday. July 10. High.	Low.
92⅝	Feb	3	88	Dec	20	Lake Shore deb g 4s	1931	*M-N			93½	93½	93½	93½	93⅜	93⅜	93½	93½	93½	9.
89⅛	Feb	19	84	Aug	9	Long Island unified 4s	1949	*M-S												
94	Jan	4	86	July	17	Long Island gen 4s	1938	*J-D												
96	Apr	23	89½	Aug	22	Long Island ref 4s	1949	*M-S												
99½	Jan	13	91½	June	11	Louis & Nash unified 4s	1940	J-J*			96¼	96¼	96¼	96¼	96⅜	96¼	96¼	95⅞		
95	Jan	14	86½	July	1	Manhattan con 4s	1990	*A-O									92	92	92⅝	92⅝
95½	Jan	22	87¾	June	19	Man Ry 4s stpd tax exempt														
95¼	Jan	8	86½	Oct	22	M K & T 1st 4s	1990	*J-D					87½	87¼			86½	86½		
81¾	Jan	8	71	Nov	21	M K & T 2d 4s	June	1990 F-A			69¾	69¾								
99¾	Sept	11	95½	Nov	12	M K & T ext g 5s	1944	M-N*												
77½	Feb	3	67¼	June	23	M K & T ref 4s	2004	M-S*							64¾	64¾				
87	Jan	2	79½	July	7	M K & T gen 4½s	1936	*J-J			76	76	74	74						
100¼	Jan	17	97	Aug	26	M K & T of Tex 5s	1942	M-S*							90	90				
100	Feb	18	95	Dec	1	Mo Pac col tr 5s	Jan	1917 M-S							94	94	92	92	93	93
99⅜	Jan	13	91	July	14	Mo Pac col tr 5s	1920	F-A*									89	89		
70⅜	Jan	9	62	Dec	29	Mo Pac 4s	1945	*M-S			53⅞	53⅞	51	48⅞	48	42½	45½	42	44	42¼
85⅞	Jan	14	79⅝	Dec	16	Mobile & Ohio gen 4s	1938	M-S*												
78	Jan	7	73	Dec	9	Nassau Electric 4s	1951	*J-J											78⅛	78⅛
88½	Jan	4	52	Dec	17	Nat Rys of M per lien 4½s	1957	J-J*												
78	Jan	9	76¼	Dec	28	Nat Rys of M con 4s	1977	A-O*												
108½	Feb	11	104½	Nov	8	Nash Chatt & St L col 5s	1928	*A-O												
103	Jan	6	96½	Dec	17	N Y Air Brake con 6s	1928	*M-N									98½	98½		
87¼	Jan	30	80	Dec	10	N Y Central ref 3½s	1997	J-J*	82⅞	82⅞	82⅝	82⅝			82¾	82¾	82⅞	82½		
91½	Jan	9	83	Dec	29	N Y Central deb 4s	1934	*M-N							89¼	89¼	89¾	89½		
83	May	14	76½	Dec	23	N Y Central L S 3½s	1997	J-J*											78	78
80	May	22	71	Dec	5	N Y Central M C col 3½s	1998	*F-A												
99½	Jan	2	93½	July	18	N Y C & St L 1st 4s	1937	A-C*	94⅞	94½										
85½	Jan	10	80	Nov	5	N Y G E L H & P 4s	1949	*F-A											87¾	87¾
103⅝	Sept	29	100⅝	Jan	14	N Y G E L H & P col tr 5s	1948	J-D*	105	105							105⅛	105	105¼	105¼
126	Jan	3	102¾	Dec	17	N Y N H & H con deb 6s	1948	*J-J	109	109					109	109	108¾	108¾	108¾	104¼
87	Jan	23	68	Nov	12	N Y N H & H deb 3½s	1956	*J-J											69⅝	69½
92¼	Jan	20	84	Dec	23	N Y Ont & W 1st ref 4s	June	1992 M-S												
79	Jan	10	72½	June	10	N Y Rys ref 4s	1942	J-D	76	75½	76	76	76¼	76¼	76⅜	76⅜				
61	Dec	30	51⅞	June	10	N Y Rys adj 5s	1942	J-D	53⅝	53⅛	54	53⅝	54	53⅞	54	53⅞				
99	Jan	31	88	June	11	N & W con 4s	1996	A-O*	95¾	95⅜	95⅜	95⅜	95¾	95¾	95¾	95¾				
92¾	Jan	14	87	Dec	20	N & W div 1st lien 4s	1944	J-J*									90⅞	90⅞		
104⅞	May	26	102¼	Nov	5	N & W conv 4s	1932	*J-D												
92	Jan	13	83	June	23	N & W P C & C joint 4s	1941	J-D*											88¾	88¾
98⅝	Jan	10	91½	July	7	North Pac prior 4s	Jan	1997 Q-J	95⅜	95¼	95⅜	95¼	95¾	95¾	95¼	95⅛	95⅜	95⅜		
68⅝	Sept	20	63½	June	5	North Pac gen 3s	Jan	2 47 Q-F	67⅛	67					67	67	67⅛	67	67	67
94	Feb	25	86	Nov	6	Oregon Ry & Nav 4s	1946	*J-D					93	93						
112⅛	Jan	14	108½	July	17	Oregon Short Line 1st 6s	1922	*F-A	110¼	110⅛										
109	Jan	16	103½	June	19	Oregon Short Line cons 5s	1946	J-J*												
93⅛	Jan	7	86½	June	13	Oregon Short Line ref 4s	1929	J-D*	92⅝	92⅝			92	91⅞	91¾	91¼				
101½	Feb	3	98	July	16	Pacific Coast 1st 5s	1946	*J-D												
101	Jan	11	95	June	11	Pacific Tel & Tel 5s	1922	*J-J	96⅞	96⅞	96⅞	96⅞							97	97
102¾	Feb	5	98	Nov	29	Penn con 4s	1948	M-N*	101	101					100⅞	100⅞			100¾	100½
97½	Jan	7	95⅞	July	18	Penn con 3½s	Oct	1 1915 J-D	99⅛	99⅛	99⅛	99⅛	99⅛	99⅛	99⅛	99⅛	99¼	99⅛		
89	Jan	2	79	June	27	Peoria & E 1st 4s	1940	*A-O												
49¾	Feb	20	35	June	4	Peoria & E income 4s	Apr	1990 Ann.												
97½	Jan	25	94⅜	Dec	19	Reading gen 4s	1997	*J-J	95¼	95⅛	95⅛	95⅛	95¼	95¼	95¼	95¼	95¼	95¼		
96¾	Mar	12	91½	June	16	Reading Jersey Cent col 4s	1951	*A-O												
103	Oct	11	102	Sept	30	Rep Iron & Steel col 5s	1934	A-O*												
85¼	Jan	13	78	Oct	15	Rio Grande W 1st 4s	1939	J-J*	79⅞	79⅞										
81	Jan	23	67½	Dec	17	Rio Grande W col tr 4s	1949	*A-O												
84	Jan	31	75¼	Dec	19	St J & G I 1st 4s	1947	*J-J												
106	Jan	10	100	June	26	St L & I M gen 5s	1931	*A-O	102¼	102¼							102	101¾	101¾	101⅞
82⅝	Jan	31	74	Dec	22	St L & I M ref 4s	1929	J-J*			73⅜	73⅜								
83½	Jan	3	76½	Dec	9	St L & I M Riv & G Div 4s	1933	*M-N									72	72	72	71
76¾	Jan	8	65	May	29	St L & S F R R ref 4s	1951	J-J*	70⅜	70	70	70			70⅛	70	70¼	70	70⅛	70
82¼	Jan	7	50½	July	18	St L & S F R R gen 5s	1927	*M-N												
90	Jan	6	83¼	Dec	22	St L S W 1st 4s	1989	M-N*	84	83⅜	84	84	84	83½			83	83		
80	Jan	3	78	Feb	17	St L S W 2d income 4s	Nov	1989 J-J												
81	Jan	7	75	Nov	26	St L S W consol 4s	1932	*J-D			69	69	69	69	68¾	68¾				
104½	Jan	13	100¼	July	16	St P M & M con 4½s	1933	J-J*	103¼	103¼	103¼	103¼					103½	103¼		
96¼	Apr	4	92	July	21	St P M & M Mont ext 4s	1937	*J-D												
85¾	Jan	2	75	Nov	19	San Antonio & A P 4s	1943	*J-J	80⅝	80⅜	80¾	80¾	81	81						
79	Jan	13	72½	Oct	15	Seaboard A L ref 4s	1950	A-O*					74⅛	74⅛	74⅛	73⅝				
86	Jan	23	79½	July	7	Seaboard A L stamped 4s	1950	A-O*												
77¼	Jan	20	66½	June	12	Seaboard A L adj 5s	1949	F-A*	76⅜	76¾	77⅜	76¾	77½	77⅜	77⅝	77⅝	77⅝	77½		
94⅛	Feb	4	87	June	12	So Pac ref 4s	1955	*J-J	92¼	92¼	92¼	92¼	92⅜	92¼	92¼	92¼	92¼	92¼		
98	Feb	7	87⅞	June	27	So Pac col 4s	Aug	1949 J-D	90⅛	90⅛	90	90					90	90		
93⅝	Feb	1	84	June	10	So Pac conv 4s	June	1929 M-S	86⅜	86	86⅛	86	86⅜	86⅛	86¼	86⅛	86⅛	86		
107⅛	Jan	10	101	June	24	So Ry 5s	1944	J-J*					105	104⅞	105⅜	105				
78½	Jan	2	72¼	Dec	1	So Ry col tr 4s	1956	*A-O	73⅛	73	73⅛	73	73½	73¼	73⅜	73⅜	73⅛	73⅛		
86½	Jan	21	78½	June	20	So Ry M & O Div 4s	1938	M-S*	81	81										
88½	Jan	8	79⅛	Aug	12	So Ry St L Div 4s	1951	*J-J												
103	Jan	11	96	Dec	18	Tenn Coal & Iron gen 5s	1951	*J-J			102⅝	102⅝								
89¾	May	10	88	Oct	16	Term Ass'n St L ref 4s	1953	*J-J												
107¼	Jan	3	99	Nov	24	Texas Pac 1st 5s	2000	*J-D			100¼	100¼					100¼	100⅛	100⅛	100⅛
82⅝	Jan	10	77½	June	10	Third Av ref 4s T R etfs std	2000	*J-J	84	83⅞	83½	83½			83¾	83⅝	83¾	83⅝		
81½	Dec	31	80	Dec	18	Tol St L & W 3½s	1925	J-J*											80¾	80¾
66	Aug	29	47¼	June	9	Tol St L & W 1st 4s	1950	*A-O												
96	Sept	26	92½	May	13	Underground London 4s	1947	J-J*												
99⅜	Jan	14	94	Dec	2	Union Pacific 1st 4s	1933	*J-J	97¾	97⅝	97¾	97¾	98	97¾	98¼	98	98¼	98¼		
97	Jan	2	86⅜	June	12	Union Pacific conv 4s	1927	J-J*	91¼	91					91¼	91¼				
95½	Jan	7	87⅞	June	19	Union Pacific ref 4s	June	2008 M-S	94	94	94⅜	94⅜	95	94⅞	94¾	94¾				
67	Jan	3	50½	Nov	24	United Rys San Fran 4s	1927	*A-C									53⅝	53⅝	53⅝	53⅝
89	Jan	10	79	Nov	29	U S Realty & Imp 5s	1924	J-J*												
27	May	8	25	Jan	2	U S Reduc & Ref 6s	1931	J-J*												
103¾	Feb	8	100	Mar	13	U S Rubber 6s	1936	*M-N	102⅜	102⅝	102⅜	102⅝	102⅝	102⅝	102¾	102⅝	102⅝	102⅝		
102	Jan	7	96⅝	June	10	U S Steel 5s	1939	*F-A	102⅞	102¾	102⅞	102¾	102⅞	102¾	102⅞	102¾	102⅞	102¾		
98	Jan	13	90¼	July	1	Va-Car Chemical 1st 5s	1918	J-D*			97	97					97¼	97	97½	97½
106½	Jan	9	101	June	5	Wabash 1st 5s	Apr	1936 M-N			103⅜	103⅜	103⅛	103⅛	103⅛	103	103	102¾	102¾	102¾
99½	Jan	14	92½	Dec	2	Wabash 2d 5s	1923	J-D*	96⅜	96⅜										
61⅞	Jan	2	46½	June	12	Wabash ref & ext 4s	1956	J-J*			51	50¾	50⅜	50¾	50½	50	50	50		
27½	Jan	2	10	Dec	19	Wab-Pitts T 1st Cen tr c	1954	*J-D	77⅜	77⅜							8	7⅞		
2	Aug	18	½	June	13	Wabash-Pitts T 2d tr c	1954	*J-D												
83⅞	Feb	6	75	June	11	West Maryland 4s	1952	A-O*	62½	62¼							62¼	62¼	62½	62½
107¼	Feb	11	103	Sept	8	West N Y & P 1st 5s	1937	*J-J					104	104						
102½	Feb	4	95	Nov	22	West Union col tr 5s	1938	*J-J												
96½	Jan	15	87½	Dec	4	West Union R E 4½s	1950	*M-N					91½	91½						
98¼	Jan	13	91	Nov	22	West Shore 4s	2361	*J-J					93	93						
91	Jan	7	87	Dec	18	Westinghouse E & M 5s	1931	*J-J	96¼	95⅜	96	95⅜	95⅜	95⅜	96	95¾	96	95¾		
80⅝	Jan	29	70	July	17	Wheeling & L E con 4s	1949	M-S*	74½	74½										
91⅝	Jan	11	84	June	25	Wisconsin Central 4s	1949	J-J*							88⅛	88⅛			88⅛	88⅛

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 4. High. Low.	Monday. July 6. High. Low.	Tuesday. July 7. High. Low.	Wednesday. July 8. High. Low.	Thursday. July 9. High. Low.	Friday. July 10. High. Low.
150	Jan 29	110	Dec 6	Adams Express	6	Q Mar	....	....	....	....	....	97 - 95
24¾	Oct 2	18	Nov 22	Alaska Gold Mines	..	.....	....	28 - 27¾	27⅞ - 27⅞	27¾ - 27⅝	27¾ - 27⅝	....
9	Dec 26	7⅝	Dec 16	Allis-Chalmers	..	.....	....	....	....	....	....	....
43	Dec 26	40	Nov 14	Allis-Chalmers pfd	..	.....	....	....	....	....	....	....
80½	Sept 16	61⅝	June 10	Amalgamated Copper	6	Q May	....	71⅜ - 70¾	71½ - 70½	71½ - 70¾	71 - 70¼	70⅝ - 69½
57	Jan 3	41¼	Sept 5	Am Agr Chemical	4	Q May	....	....	....	....	54 - 54	54⅞ - 54⅞
99	Jan 2	90	Nov 5	Am Agr Chemical pfd	6	Apr-Oct	....	94 - 94	....	....	....	94¾ - 94¾
50½	Jan 2	19¾	June 10	Am Beet Sugar	..	.....	....	26 - 26	25⅞ - 25¾	....	25½ - 25½	....
86	Mar 6	65	Oct 31	Am Beet Sugar pfd	6	Q Jan	....	....	....	....	....	....
96¼	Jan 4	89½	Oct 27	Am Brake Shoe & Fdry	7	Q Jan	....	....	....	....	....	....
136⅝	Jan 6	127¾	Nov 25	Am Brake Shoe & Fdry pfd	8	Q Jan	....	....	....	....	....	....
46⅞	Jan 31	21	June 11	Am Can	..	.....	....	27½ - 27	28⅝ - 26½	28½ - 28	28⅝ - 27¾	28⅛ - 27¼
129½	Jan 30	80½	June 10	Am Can pfd	7	Q Jan	....	....	91¾ - 91⅜	92 - 91¾	91½ - 91⅛	91¼ - 91¼
56⅜	Jan 2	36½	June 10	Am Car & Fdry	2	Q Jan	....	50⅞ - 50⅞	51¼ - 50¾	52 - 51⅛	52⅜ - 52	52⅛ - 51½
117	Mar 5	108	June 10	Am Car & Fdry pfd	7	Q Jan	....	....	....	....	....	....
48¾	Jan 6	33¼	July 2	American Cities	..	.....	....	....	....	....	....	....
78½	Jan 2	60¼	June 28	American Cities pfd	6	Jan-July	....	....	....	62 - 62	....	62½ - 62½
57⅜	Jan 2	33½	June 12	Am Cotton Oil	..	.....	....	....	....	39 - 39	....	39 - 39
98	May 6	92½	Sept 2	Am Cotton Oil pfd	6	June-Dec	....	....	....	....	....	....
166	Feb 6	95	Dec 18	Am Express	6	Q Jan	....	....	....	....	....	103 -103
5⅛	Jan 3	3½	July 9	Am Hide & Leather	..	.....	....	....	....	....	....	....
28¼	Feb 10	15⅛	June 10	Am Hide & Leather pfd	..	.....	....	22 - 22	....	....	....	....
27¾	Apr 4	17	June 10	Am Ice Securities	..	.....	....	30 - 30	30¼ - 30¼	....	....	....
12⅛	Nov 7	6⅞	June 10	Am Linseed	..	.....	....	....	....	....	9¼ - 9	....
33⅜	Nov 7	20	Oct 17	Am Linseed pfd	..	.....	....	....	....	....	....	....
44½	Jan 6	27	June 10	Am Locomotive	..	.....	....	32 - 32	32 - 32	32 - 32	31½ - 31	30 - 30
106¾	Jan 2	94	Oct 10	Am Locomotive pfd	7	Q Jan	....	....	....	....	....	....
13	Jan 3	5¼	Oct 17	Am Malt	..	.....	....	....	....	5 - 5	....	....
61½	Jan 3	41⅞	Oct 24	Am Malt pfd	4	May-Nov	....	....	....	....	....	40⅝ - 40⅝
86	Jan 9	79½	June 12	Am Smelting pfd B	5	Q Mar	....	....	....	....	....	....
74¾	Jan 30	58½	June 10	Am Smelting & Refin	4	Q Jan	....	64⅜ - 64	64⅞ - 64	66¾ - 65	66¼ - 65½	66¼ - 65½
107	Feb 7	97	June 6	Am Smelting & Ref pfd	7	Q Jan	....	102⅞-102⅞	....	103 -103	105¼-103	103¾-103¼
193	Jan 22	150	July 9	Am Snuff	12	Q Jan	....	....	....	....	163¾-163	....
105	Jan 21	100	June 6	Am Snuff pfd	6	Q Jan	....	....	....	....	....	....
40½	Feb 3	25	June 9	Am Steel Foundries	2	Q Mar	....	31⅛ - 31	....	....	31 - 31	....
118	Jan 31	99⅞	Dec 9	Am Sugar Ref	7	Q Jan	....	....	....	....	107 -107	106½-106½
116⅝	Jan 28	110⅛	June 12	Am Sugar Ref pfd	7	Q Jan	....	....	....	....	....	....
66⅛	Jan 30	59	Mar 26	Am Tel & Cable	5	Q Mar	....	....	....	....	....	....
140	Jan 3	110	Dec 15	Am Tel & Tel	8	Q Jan	....	120⅝-120½	120⅞-120½	120¾-120⅝	121 -120⅝	120¾-120
294¾	Jan 10	200	June 6	Am Tobacco Co	20	Q Dec	....	....	232 -228½	232 -232	....	....
106	Apr 26	98	July 18	Am Tobacco pfd new	6	Q Jan	....	107¾-107¾	....	107¾-107¾	....	107½-107½
23½	Sept 27	15	Dec 1	Am Woolen	..	.....	....	....	....	....	....	....
82	Sept 19	74	May 7	Am Woolen pfd	7	Q Jan	....	....	74⅛ - 74⅛	76 - 76	74½ - 74½	....
32¼	Jan 2	11⅞	Nov 14	Am Writing Paper pfd	..	.....	....	....	....	10¼ - 10¼	....	....
41½	Jan 2	30⅞	June 10	Anaconda Copper	2	Q Jan	....	31¼ - 31¼	31½ - 31¼	31⅝ - 31½	31¼ - 31¼	31⅛ - 30¾
120	Jan 7	22	Dec 23	Assets Realization Co	..	.....	....	....	....	....	....	....
43¼	Feb 19	42¼	Jan 30	Associated Oil	6	Q Jan	....	....	....	....	....	....
106¾	Jan 6	90¼	Nov 10	Atch Top & Santa Fe	6	Q Mar	....	99½ - 99⅛	99⅞ - 99⅛	99⅞ - 99¼	99¾ - 99¼	99 - 98¾
102¼	Jan 29	96	July 9	Atch Top & Santa Fe pfd	5	Feb-Aug	....	....	....	....	99⅝ - 99⅝	....
133¾	Jan 9	112	June 11	Atlantic Coast Line	7	Jan-July	....	....	120½-120⅛	....	120½-120½	120⅛-120⅛
52½	Jan 8	36½	Dec 13	Baldwin Locomotive Co	2	Jan-July	....	....	46⅞ - 46⅞	....	....	48½ - 48½
105½	June 6	100¼	June 25	Baldwin Locomotive Co pfd	7	Jan-July	....	107½-107½	....	107 -107	....	....
106⅜	Jan 22	90⅝	June 10	Baltimore & Ohio	6	Mar-Sept	....	91⅝ - 91	92½ - 90⅞	92¼ - 91¾	92½ - 91	91⅝ - 90¼
88	Jan 10	77¼	June 18	Baltimore & Ohio pfd	4	Mar-Sept	....	....	....	....	....	....
41½	Jan 9	25	June 10	Bethlehem Steel	..	.....	....	....	42¾ - 42	42½ - 42½	42⅛ - 42¼	....
74	Aug 12	62¼	June 10	Bethlehem Steel pfd	5	Q Mar	....	....	....	....	85⅜ - 85⅜	....
92¾	May 26	83¾	June 10	Brooklyn Rapid Transit	6	Q Jan	....	92 - 91¾	91⅞ - 91½	92 - 91⅝	91⅞ - 91½	91⅞ - 91¼
137⅞	Jan 27	120	Oct 17	Brooklyn Union Gas	6	Q Jan	....	....	124 -123	123¾-123¾	....	123 -123
116	Jan 30	100½	June 9	Buffalo Roch & Pitts	6	Feb-Aug	....	....	....	....	....	....
31	Feb 8	25	June 27	Butterick Co	3	Q Mar	....	....	....	....	....	....
56½	Feb 3	16	Oct 22	California Petroleum	..	.....	....	....	19 - 19	....	19 - 19	18½ - 18½
86	Jan 30	45	July 23	California Petroleum pfd	7	Q Jan	....	....	....	56 - 56	....	....
63	Feb 13	58½	May 13	Canada Southern	3	Feb-Aug	....	....	....	....	....	....
266¾	Jan 9	204	Dec 29	Canadian Pacific	10	Q Jan	....	194½-194	194½-193½	194⅜-193⅜	193½-193	191⅝-189⅝
110	Apr 17	100	Dec 8	Central & So Am Tel	6	Q Jan	....	....	....	....	....	....
30⅛	Feb 5	17	June 10	Central Leather	2	Jan	....	36⅛ - 36	36⅝ - 35⅞	38⅜ - 36⅜	36½ - 36⅛	38¼ - 37⅞
97¼	Mar 3	88	June 10	Central Leather pfd	7	Q Jan	....	....	103 -102½	102½-102½	....	102½-102½
382	Jan 13	275	June 11	Central R. R. of N. J	8	Q Feb	....	....	....	....	....	....
80	Jan 2	51⅛	July 11	Chesapeake & Ohio	4	Q Mar	....	53 - 52	52¼ - 51¼	51¾ - 50⅛	50 - 47½	47½ - 45⅞
18	Jan 2	7½	June 12	Chicago & Alton	..	.....	....	....	....	....	9 - 9	....
25¾	Feb 25	17¼	Aug 21	Chicago & Alton pfd	..	.....	....	....	....	....	....	....
177⅞	Jan 9	104⅞	June 4	Chicago Great Western	..	.....	....	14¼ - 14¼	14¼ - 13⅞	....	14 - 14	....
35	Jan 9	23	June 10	Chicago Great Western pfd	..	.....	....	....	37¾ - 37⅛	37¾ - 37⅝	37¼ - 37¼	37¼ - 37
116¼	Jan 9	96¾	Nov 10	Chicago Mil & St Paul	5	Mar-Sept	....	100 -100	100¾ - 99½	100¼-100	99¾ - 99¾	99⅞ - 98½
145	Jan 30	131½	Nov 10	Chicago Mil & St Paul pfd	7	Mar-Sept	....	....	134 -134	134¾-134	....	133 -133
138	Jan 6	123	Dec 1	Chicago & N W	7	Q Jan	....	131⅛-131⅛	131½-131½	....	131½-131	....
188	Mar 3	171⅛	Nov 19	Chicago & N W pfd	8	Q Jan	....	....	....	....	....	....
125	Mar 8	119½	Aug 25	Chicago St P M & O	7	Feb-Aug	....	....	....	....	....	....
150½	Jan 21	130¼	Oct 17	Chicago St P M & O pfd	7	Feb-Aug	....	....	....	....	....	....
47⅝	Jan 2	30⅜	June 10	Chino Con Copper	$3	Q Jan	....	41½ - 41	41¼ - 41	41⅜ - 40⅛	40⅞ - 40⅛	40⅜ - 40⅜
54	Jan 21	34⅞	Aug 26	C C C & St L	..	.....	....	....	....	....	....	29⅞ - 29⅞
94¾	Jan 16	60	Oct 16	C C C & St L pfd	..	.....	....	....	....	....	....	....
41½	Feb 3	24½	June 10	Colorado Fuel & Iron	..	.....	....	....	....	....	....	25½ - 25½
155	Feb 1	150	Jan 23	Colorado Fuel & Iron pfd	8	Jan-July	....	....	....	....	....	....
33	Jan 3	23¾	June 12	Colorado Southern	..	.....	....	....	....	....	....	23 - 23
69	Mar 4	60	Dec 29	Colorado Southern 1st pfd	..	.....	....	....	....	41¼ - 41¼	....	....
65¼	Apr 1	55	July 1	Colorado Southern 2d pfd	..	.....	....	....	....	....	....	....
102¼	Feb 25	102¼	Feb 25	Consolidation Coal	6	O Jan	....	....	....	....	....	....
142¾	Jan 9	125¼	June 10	Consolidated Gas	6	Q Mar	....	129 -128¼	129¼-129¼	129 -129	130 -129½	129⅝-129⅝
17¼	Jan 31	7⅜	June 10	Corn Products Ref Co	..	.....	....	8⅞ - 8⅞	9⅛ - 9	9⅛ - 9	....	8⅞ - 8⅞
79¼	Jan 31	61½	June 10	Corn Products Ref Co pfd	5	Q Jan	....	....	....	....	....	....
100⅛	Jan 16	91½	Dec 27	Deere & Co pfd	7	Q Dec	....	94 - 94	....	....	94 - 94	....
167	Jan 8	147½	June 11	Delaware & Hudson	9	Q Mar	....	148 -147⅞	148 -148	....	149 -149	147 -146½
445	Jan 13	380	Dec 26	Delaware Lack & West	10	Q Jan	....	....	....	....	....	....
23⅛	Jan 9	13⅜	June 11	Denver & Rio Grande	..	.....	....	....	11 - 9¼	9⅜ - 9	8⅜ - 7⅜	6⅞ - 6⅝
41	Jan 10	23	June 11	Denver & Rio Grande pfd	..	.....	....	18½ - 18	17½ - 16¾	16¾ - 14⅜	14 - 12½	12⅜ - 11
20¾	Feb 4	6⅞	June 3	Detroit United Railway	6	Q Mar	....	....	....	....	....	....
21¼	Jan 2	9¾	June 10	Distillers' Securities	..	.....	....	....	....	11⅜ - 11⅜	11⅜ - 14⅜	....

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 4. High.	Saturday. July 4. Low.	Monday. July 6. High.	Monday. July 6. Low.	Tuesday. July 7. High.	Tuesday. July 7. Low.	Wednesday. July 8. High.	Wednesday. July 8. Low.	Thursday. July 9. High.	Thursday. July 9. Low.	Friday. July 10. High.	Friday. July 10. Low.
8½	Jan	2	4	Dec	19	Duluth S S & Atl	..													
16¼	Jan	2	10	July	11	Duluth S S & Atl pfd	..													
32½	Jan	6	20¼	June	10	Erie	..				29 - 28⅝		29⅜ - 28¾		29⅜ - 28¾		29 - 28⅝		28¾ - 28¼	
49½	Jan	30	33½	June	10	Erie 1st pfd	..				43¾ - 43¾		44½ - 43¾		44½ - 43¾		43⅞ - 43⅝		43½ - 43¾	
41	Jan	30	28¼	June	10	Erie 2d pfd	..													
18	Jan	22	11	Dec	17	Federal Min & Smelt	..												10 - 10	
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd	6	Q Mar												
185⅛	Apr	23	175	Jan	14	General Chemical	6	Q Mar												
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan												
187	Jan	2	129¾	June	10	General Electric	8	Q Jan			149¼-149		149½-149½		148⅝-148⅝		149⅜-149		149 -149	
40	Aug	18	25	May	15	General Motors	..				92½ - 91⅞				92¾ - 92¾		92½ - 92¼		92 - 92	
81¾	Sept	30	70	May	8	General Motors pfd	7	May-Nov					93¼ - 92⅞		93 - 93		92¾ - 92¾			
180	Jan	11	150	May	19	Geo W Helme Co	..													
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co	..				25½ - 24⅜		25⅞ - 25¼		25½ - 25⅛		25⅞ - 25⅝		27 - 26	
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd	7	Q Jan			88½ - 88½						88½ - 88½			
132⅝	Jan	9	115½	June	10	Great Northern pfd	7	Q Feb			124⅝-124½		124⅞-124½		125 -124⅝		125 -124⅝		c122¾	c122⅛
41¼	Jan	3	25½	June	10	Great Northern Ore subs	$1.50	Ap-Se-De			31⅜ - 31¼		32⅛ - 32⅛		31½ - 31½					
52¾	Jan	7	40¾	July	11	Guggenheim Exploration	14	Q Jan			55¼ - 55		55⅝ - 55⅛		56 - 55⅜		55½ - 55¼		54⅝ - 54¼	
87	Feb	6	80	Oct	17	Havana Electric Ry	5	Q Dec												
96	Jan	8	90	Nov	5	Havana Electric Ry pfd	6	Q Feb												
125	June	4	125	June	4	Hocking Valley	6	Q Mar												
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly												
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept							113½-113½				113¾-112½	
39	Jan	11	5	June	6	Inter Agricultural Corp	..								8 - 8				10 - 9	
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..								22 - 19⅞				25 - 23	
195⅝	Jan	30	123⅜	June	4	Interborough-Met	..						14½ - 14⅜				14½ - 14⅜		14⅜ - 14¼	
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..				63¾ - 62½		63⅜ - 62¾		63 - 63				63⅜ - 63	
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan			104 -104				104 -104				104 -104	
114¾	Sept	19	111	May	12	International Harv pfd	7	Q Mar												
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..								3 - 3		3 - 3			
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd	..				10¾ - 10¼				10⅛ - 10⅛		10 - 9⅞			
125⅝	Jan	30	6½	Oct	9	International Paper	..												8 - 8	
48½	Jan	30	32⅛	Oct	15	International Paper pfd	2	Q Jan							33½ - 33½		34 - 33½		34 - 34	
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..													
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd	..													
10⅛	Jan	30	7½	July	22	Iowa Central	..													
23	Jan	2	13	June	6	Iowa Central pfd	..												13 - 13	
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd	4	Q Jan												
110	Jan	2	106½	Oct	10	Kansas City Southern	..				28¼ - 28		28¼ - 27⅝		28¼ - 28		28¼ - 28		28 - 27½	
78	Jan	7	53½	Sept	9	Kan City Southern pfd	4	Q Jan											60¾ - 60¾	
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co	6	Q Nov												
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd	7	Q May												
83	Sept	15	58	June	9	Kresge (S S) Co	3	Jan												
102	Jan	4	97	June	10	Kresge (S S) Co pfd	7	Q April												
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	1	Jan												
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar							93 - 93		92⅞ - 92⅞			
11½	Feb	5	7	May	2	Lake Erie & Western	..													
35	Jan	6	16	Nov	10	Lake Erie & Western pfd	..													
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July			136⅞-136½		138 -135¾		138¼-137½		139¼-137¼		137¾-136¾	
235	Mar	6	195	June	6	Liggett & Myers	12	Q Jan												
116½	Jan	23	106½	July	22	Liggett & Myers pfd	7	Q April					117 -117		118½-118½					
43⅛	Jan	6	30	June	10	Long Island	..													
200	Jan	28	150	June	13	Lorillard (P) Co	10	Q April												
116½	Jan	22	103	June	10	Lorillard (P) Co pfd	7	Q April							117⅞-116⅝		116⅜-116⅜			
142¼	Jan	10	126¼	June	11	Louisville & Nashville	3	Feb-Aug					138 -138				139 -139			
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan			80½ - 80½									
69	Apr	7	62	Dec	17	Mackay Companies pfd	4	Q Jan												
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan											130¼-130¼	
76⅞	Jan	2	65	Oct	14	May Department Stores	5	Q June			60¼ - 60				60½ - 60½					
105½	Jan	2	97½	June	10	May Dept Stores pfd	7	Q Jan												
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..						62⅝ - 60¼		62½ - 62		61⅜ - 61		61½ - 61½	
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd	..													
26½	Jan	4	20⅜	June	10	Miami Con Copper	$2	Q May			22 - 22		22 - 22		22¼ - 22¼		22¼ - 22¼		22½ - 22¼	
23¼	Jan	2	12	June	11	Minn & St. Louis	..													
47	Jan	29	30	Dec	4	Minn & St. Louis pfd	..													
142¼	Jan	9	115¼	June	11	M St P & S S M	7	Apr-Oct			124¾-124¾		124¾-124¾		124¾-124		123½-123		122 -122	
145	Apr	8	131	Nov	12	M St P & S S M pfd	7	Apr-Oct					131 -131		132¾-132¾				132 -132	
83½	Mar	5	81½	Dec	10	M St P & S S M I'd line	4	Apr-Oct												
29⅛	Jan	7	18⅛	June	10	Missouri Kan & Tex	..				18⅛ - 17½		17½ - 17⅜		17½ - 15¾		16⅝ - 15¾		16 - 15¼	
64½	Apr	11	52	June	10	Missouri Kan & Tex pfd	..						38 - 38		36 - 35		35⅛ - 35⅛		34½ - 32	
43⅝	Jan	9	21¼	Dec	23	Missouri Pacific	..				17⅞ - 17⅝		17½ - 15¾		16⅜ - 12⅝		12¾ - 11		11½ - 9⅝	
						Montana Power	2	Q Apr					49½ - 49⅜				49¾ - 49¾			
						Montana Power pfd	7	Q Apr									101¾-101¾			
170	Jan	14	132½	June	9	Nashville Chatt & St L	7	Feb-Aug												
130	Sept	13	104	June	11	National Biscuit Co	7	Q Jan											132 -132	
124⅞	Jan	8	116	June	4	National Biscuit Co pfd	7	Q Feb			128 -128									
19¼	Jan	30	9	June	5	National Enameling	..												11 - 11	
92¼	Jan	30	74¼	Oct	21	National Enameling pfd	7	Q April												
56¼	Jan	2	43	Oct	20	National Lead Co	3	Q Mar												
107¾	Oct	4	102	Oct	31	National Lead Co pfd	7	Q Mar												
59	Mar	3	31	Dec	8	Nat Rys of Mex 1st pfd	..													
27½	Jan	2	8¾	Dec	26	Nat Rys of Mex 2d pfd	..													
20	Jan	2	13	June	10	Nevada Con Copper	$1.50	Q Mar			14 - 14		13⅞ - 13⅞		13⅞ - 13⅞		13⅞ - 13⅞		13⅞ - 13¾	
82¼	Jan	8	56	July	16	New York Air Brake	6	Q Jan												
109¾	Jan	30	90⅜	Dec	15	New York Central	5	Q Jan			89⅞ - 89½		90¾ - 89¾		90¾ - 90		91½ - 89½		90¾ - 89	
63¼	Jan	15	47	Dec	31	N Y Chicago & St L	4	Mar												
10	Oct	14	8	Nov	10	New York Dock	..													
129⅞	Jan	10	65⅝	Dec	12	N Y N H & Hartford	..				65¼ - 65		65¼ - 64		64 - 63⅜		63½ - 61⅞		61⅝ - 58⅞	
33⅞	Jan	11	25⅛	June	11	N Y Ontario & West	2	Aug			24 - 24		23½ - 23				23½ - 22⅞		21⅝ - 21	
47½	Apr	5	39	Dec	19	Norfolk & Southern	..													
112½	Jan	3	98	June	10	Norfolk & Western	6	Q Mar			105⅞-105⅞		105¾-105⅝						105 -104⅞	
87	Feb	13	80¼	Aug	16	Norfolk & Western pfd	4	Q Feb												
81½	Jan	9	60	June	9	North American	5	Q Jan											75⅛ - 75⅛	
75¾	Jan	15	54	Dec	27	Northern O Tr & Light	5	Q Mar												
122⅝	Jan	6	101¾	June	10	Northern Pacific	7	Q Feb			112 -111⅜		112½-111¾		112⅛-111¾		c111⅛	c110	111¾-110¼	
31½	Jan	10	16	June	10	Pacific Mail	..						23¼ - 23¼		23¼ - 23¼					
46	Jan	4	22	Nov	18	Pacific Tel & Tel	..													
96	Feb	19	82	Dec	4	Pacific Tel & Tel pfd	6	Q Jan												
123¾	Jan	7	106	Dec	13	Pennsylvania Railroad	6	Q Feb			112 -111½		113⅛-111⅝		113 -112¼		113 -112½		112¾-112	

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Saturday, July 4. High.	Saturday, July 4. Low.	Monday, July 6. High.	Monday, July 6. Low.	Tuesday, July 7. High.	Tuesday, July 7. Low.	Wednesday, July 8. High.	Wednesday, July 8. Low.	Thursday, July 9. High.	Thursday, July 9. Low.	Friday, July 10. High.	Friday, July 10. Low.
129¾	Sept 23	104	June 10	Peoples' Gas & Coke	8	Q Feb	.....	.....	121½	121½	121¼	121¼	121¼	121	121	121	120½	120½
99⅞	Jan 29	85	Sept 12	Philadelphia Co	7	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104	June 11	77⅛	Dec 11	P C C & St Louis	..	.....	.....	.....	72	72	72⅝	72½	72	72	71¼	71¼	.....	.....
100	June 25	100	June 25	P C C & St Louis pfd	2	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
24⅜	Jan 2	14½	June 11	Pittsburgh Coal	..	.....	.....	.....	21⅛	20¾	20⅞	20¾	.....	.....	.....	.....	.....	.....
95	Jan 9	73	June 11	Pittsburgh Coal pfd	5	Q Jan	.....	.....	91½	90¼	90¾	90¾	.....	.....	90	90	90	90
100	Jan 6	90	Nov 12	Pittsburgh Steel pfd	7	Q Jan	.....	.....	87	87	.....	.....	.....	.....	.....	.....	.....	.....
36	Jan 7	18½	June 10	Pressed Steel Car	3	Q Mar	.....	.....	42½	42½	43⅜	42⅞	43¾	43	43¾	43⅜	43¼	43
101⅛	Jan 7	88½	June 10	Pressed Steel Car pfd	7	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	103	103	102¾	102¾
118	Jan 21	105	Dec 12	Public Service Corp N J	6	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
165	Jan 2	149	Sept 5	Pullman Co	8	Q Feb	.....	.....	.....	.....	.....	.....	155	155	156	156	154½	154½
4⅜	May 16	1	Dec 11	Quicksilver Co	..	.....	.....	.....	.....	.....	1	1	.....	.....	.....	.....	.....	.....
8	May 17	2	Dec 11	Quicksilver Co pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
35	Jan 9	22¼	June 11	Railway Steel Spring	..	.....	.....	.....	27½	27½	27½	27½	27¾	27¾	.....	.....	.....	.....
100	Jan 13	90¼	June 10	Railway Steel Spring pfd	7	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
22	Jan 2	15	June 10	Ray Consol Copper	$1.50	Q June	.....	.....	21½	21⅛	21⅝	21¼	21⅝	21⅜	21½	21⅛	21¼	21⅛
171¾	Dec 26	151⅜	June 10	Reading	8	Q Feb	.....	.....	164⅜	164	165⅛	163½	165	164	165	163⅞	164¼	163¾
92½	Apr 10	82½	Oct 14	Reading 1st pfd	4	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95	Apr 10	84	June 10	Reading 2d pfd	4	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28¾	Jan 31	17	June 10	Republic Iron & Steel	..	.....	.....	.....	.....	.....	.....	.....	23	22¾	22½	22½	22⅝	22⅜
92¼	Sept 13	72	June 11	Republic Iron & Steel pfd	7	Q Jan	.....	.....	.....	.....	85½	85½	86	86	.....	.....	.....	.....
24⅞	Feb 4	11⅝	Oct 17	Rock Island	..	.....	.....	.....	1½	1½	1¼	1¼	1½	1¼	1⅜	1⅜	.....	.....
44¾	Jan 2	17½	Oct 17	Rock Island pfd	..	.....	.....	.....	2⅞	2⅞	2⅝	2½	2⅞	2⅝	2⅝	2⅝	.....	.....
92¼	Jan 7	14	Nov 24	Rumely (M) Co	..	.....	.....	.....	.....	.....	.....	.....	10⅛	10⅛	.....	.....	.....	.....
99¾	Jan 4	33	Dec 18	Rumely (M) Co pfd	..	.....	.....	.....	28½	28½	.....	.....	28½	28½	.....	.....	.....	.....
20¾	Apr 1	14½	June 10	Seaboard Air Line	..	.....	.....	.....	19⅛	19	19	19	19	19	.....	.....	18½	18
49⅜	Sept 23	38	June 12	Seaboard Air Line pfd	4	Q Nov	.....	.....	54⅛	54	54½	54	54⅜	54½	54¼	54	54¼	53⅝
19¾	Jan 11	2¾	June 17	St L & San Fran	..	.....	.....	.....	.....	.....	2⅝	2⅝	.....	.....	2⅞	2⅞	.....	.....
59	Feb 11	13	June 28	St L & San Fran 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
29	Jan 11	5½	June 17	St L & San Fran 2d pfd	..	.....	.....	.....	.....	.....	4½	4½	.....	.....	.....	.....	4¼	4¼
96½	May 15	96½	May 15	St L & S F C & E I pf ctf	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
35½	Jan 13	20	Dec 19	St Louis S W	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
75	Jan 9	56¼	Dec 20	St Louis S W pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	40	40	41	41
213½	Jan 2	154¾	June 12	Sears-Roebuck	7	Q Feb	.....	.....	195	195	195	192	.....	.....	193¾	193¾	.....	.....
124½	Jan 2	116	June 19	Sears-Roebuck pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
45½	Jan 28	23	July 8	Sloss-Sheff St & I Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93¼	Feb 8	88	Apr 30	Sloss-Sheff St & I Co pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
110	Jan 30	83	Nov 10	Southern Pacific	6	Q Jan	.....	.....	97½	97⅛	97¾	96⅞	98⅛	97¼	98	97	97⅝	96⅝
28⅝	Jan 2	19⅛	June 12	Southern Railway	..	.....	.....	.....	24⅝	24½	24⅞	24⅝	25	24¾	24½	24¼	24¼	24
81½	Mar 26	72	June 10	Southern Railway pfd	5	Apr-Oct	.....	.....	80	80	.....	.....	.....	.....	.....	.....	79⅛	79⅛
40½	Jan 31	31	Dec 9	Standard Milling	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	36⅞	36⅞	.....	.....
66¾	Feb 4	52½	May 1	Standard Milling pfd	5	Apr-Oct	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36	Feb 6	15¾	Dec 1	Studebaker	..	.....	.....	.....	30	29	32	30¼	32¼	31⅝	32¼	32¼	32⅜	32⅛
93¼	Jan 13	64½	Nov 10	Studebaker pfd	7	Q Mar	.....	.....	.....	.....	84½	84½	85	85	.....	.....	.....	.....
39½	Jan 4	26¾	June 10	Tennessee Copper	$3	Q Mar	.....	.....	33⅜	33¼	33¼	33¼	33¼	33	33	33	33	32¾
132½	Dec 31	89	June 10	Texas Co	10	Q Mar	.....	.....	.....	.....	143⅛	143	143	143	142½	142½	142⅜	141½
22⅝	Jan 28	10¼	June 4	Texas Pacific	..	.....	.....	.....	.....	.....	15⅛	15⅛	14½	14½	15	14⅜	14⅜	14⅛
97	Jan 18	93	June 4	Texas Pacific Land Tr	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43⅜	Sept 23	27⅞	June 10	Third Avenue R R	..	.....	.....	.....	41⅜	41⅜	.....	.....	41	41	41¼	40¾	41¾	41½
3	Jan 14	2	June 4	Toledo Railways & Light	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
13	Jan 9	7½	July 9	Toledo St L & W	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
29¾	Jan 9	15¼	June 4	Toledo St L & W pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
109	Sept 6	101⅛	June 6	Twin City Rap Tran	6	Q Jan	.....	.....	.....	.....	102⅝	102⅝	.....	.....	102½	102⅜	102½	102½
7¾	Jan 3	4	Nov 14	Union Bag & Paper Co	..	.....	.....	.....	.....	.....	5¼	5	5¼	5⅛	.....	.....	4⅞	4⅞
41¾	Jan 3	18½	Nov 20	Union Bag & Paper Co pfd	..	.....	.....	.....	21	21	.....	.....	.....	.....	.....	.....	.....	.....
99½	Jan 3	78	June 10	Underwood Typewriter	4	Q Jan	.....	.....	.....	.....	75⅛	75⅛	.....	.....	.....	.....	.....	.....
113	Jan 21	104	July 10	Underwood Typewriter pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
162¾	Jan 6	137¾	June 11	Union Pacific	8	Q Jan	.....	.....	156⅜	155⅜	157	155⅜	156⅞	155⅞	156¾	155½	155¾	154¾
93½	Jan 6	79¾	June 10	Union Pacific pfd	4	Apr-Oct	.....	.....	.....	.....	83	83	.....	.....	82⅝	82⅝	82½	82½
50½	Feb 7	40¼	June 10	United Cigar Mfg Co	4	Q Nov	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	May 7	96	Sept 3	United Cigar Mfg Co pfd	7	Q Mar	.....	.....	.....	.....	100	100	.....	.....	.....	.....	.....	.....
101	Jan 8	87	July 2	United Dry Goods	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105½	Jan 14	95	Dec 16	United Dry Goods pfd	..	.....	.....	.....	.....	.....	66¾	66¾	70	69½	72½	70	73	72
35½	Jan 3	16	June 11	United Rys Invest Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
63½	Jan 3	30	June 11	United Rys Invest Co pfd	..	.....	.....	.....	.....	.....	.....	.....	33	33	.....	.....	.....	.....
16¾	Jan 30	9¼	June 10	U S Cast Iron Pipe	..	.....	.....	.....	9	9	.....	.....	.....	.....	.....	.....	.....	.....
56¾	Jan 31	40	Dec 31	U S Cast Iron Pipe pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
44	Jan 6	25	June 9	U S Industrial Alcohol	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97	Mar 4	85	June 18	U S Industrial Alcohol pfd	7	Q Jan	.....	.....	.....	.....	82⅜	82⅜	.....	.....	.....	.....	.....	.....
77	Jan 9	49¾	Nov 28	U S Realty & Improv	5	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	60	60	.....	.....
1⅞	Jan 16	½	Sept 25	U S Reduc & Refin	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4	Jan 10	3	Apr 25	U S Reduc & Refin pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
69½	Apr 4	51	Nov 10	U S Rubber	6	Q Mar	.....	.....	59¾	59¾	60⅜	59⅝	60⅜	60	60	59⅞	59¾	59¾
109¾	Apr 9	98	June 10	U S Rubber 1st pfd	8	Q Jan	.....	.....	103	103	103¼	102¾	103¾	103¼	.....	.....	103⅞	103⅞
81½	Jan 9	78¾	Feb 13	U S Rubber 2d pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
69⅛	Jan 2	49⅞	June 11	U S Steel	5	Q Mar	.....	.....	62⅛	61⅞	62½	61½	62⅜	61⅜	62⅜	61½	61⅞	60¾
110¾	Jan 30	102½	June 10	U S Steel pfd	7	Q Feb	.....	.....	109¼	109¼	109½	109¼	109⅝	109⅜	109⅞	109½	109⅝	109⅝
60⅝	Jan 2	39⅝	June 10	Utah Copper	$3	Q Mar	.....	.....	58¾	58½	58½	57⅞	58½	57¾	58	57½	57½	57¼
43⅛	Jan 3	22	July 1	Va-Car Chemical	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	29	29	29	28⅝
114	Jan 3	93	June 30	Va-Car Chemical pfd	8	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	101¾	101¾
54	Jan 28	36	Dec 15	Va Iron Coal & Coke	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
58	Feb 13	51	Jan 7	Va Ry & Power	3	Apr-Oct	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
90¾	Dec 11	89	July 24	Va Ry & Power pfd	5	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
21¾	Jan 24	11¼	Aug 8	Vulcan Detinning	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
90	Jan 6	49	Oct 1	Vulcan Detinning pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6	Aug 12	2	June 11	Wabash	..	.....	.....	.....	.....	.....	.....	.....	⅝	⅝	.....	.....	.....	.....
17⅛	Aug 13	6⅛	July 8	Wabash pfd	..	.....	.....	.....	.....	.....	.....	.....	3¼	3⅛	3¼	2⅝	2½	2½
123	Jan 6	85¼	Dec 18	Wells-Fargo Express	10	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	93	93
46	Jan 2	28⅞	Dec 12	Western Maryland Ry	..	.....	.....	.....	18½	18½	.....	.....	18¾	18¼	18⅜	18	18	17⅞
65	Jan 27	53½	June 18	Western Maryland Ry pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
75⅛	Jan 9	54⅛	Dec 22	Western Union Tel	3	Q Jan	.....	.....	59½	58⅜	59½	58¾	59¾	59¼	60¼	59¼	59¼	59⅛
79¼	Jan 2	53⅝	June 10	Westinghouse E & M	4	Q April	.....	.....	76⅜	75¾	76½	76	77⅞	76½	78¼	76¾	78⅝	77
119¾	Jan 7	107⅞	June 13	Westingh'se E & M 1st pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8	Jan 3	3¾	Oct 24	Wheeling & L E	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28⅛	Jan 13	13	June 11	Wheeling & L E 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	14⅛	14⅛
14	Jan 3	5⅝	Dec 19	Wheeling & L E 2d pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	7	7	.....	.....
58½	Apr 23	40⅛	June 11	Wisconsin Central	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	40	40	.....	.....
112	Jan 2	81½	June 20	Woolworth (F W) Co	5	Q Dec	.....	.....	.....	.....	.....	.....	.....	.....	97½	97½	98½	98½
115½	Jan 3	109	June 14	Woolworth (F W) Co pfd	7	Q Jan	.....	.....	116	115¾	.....	.....	.....	.....	.....	.....	117½	117½

c Ex. dividends. e Ex. rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Sterling—						
Cables		188	188.10	188.05	487.95	487.95
Demand		487.65	487.75	487.70	487.55	487.55
Sixty days sight		485½	485½	485½	485½	485½
Ninety days sight		484½	484½	484½	484½	484½
Francs—						
Sixty days sight		5193⅜	5193⅜	5193⅜	5193⅜—1-16	5193⅜—1-16
Ninety days sight		5205⅛—1-16	5205⅛	5205⅛	5205⅛	5205⅛
Reichsmarks—						
Sixty days sight		94 11-16	94⅝	94 11-16	94⅝	94⅝
Ninety days sight		94½ 1-32	94 7-16	94½—1-32	94½	94½

COTTON SPINNING ABANDONED AT HONGKONG

MR. GEORGE E. ANDERSON, United States Consul at Hong Kong, China, writes that after more than fifteen years of effort by a concern organized with all needful capital under the best European supervision and the most favorable trade auspices, the spinning of cotton yarn and weaving of cotton piece goods from local-made yarn has been abandoned in Hong Kong by the determination of the Hong Kong Cotton Spinning, Weaving & Dyeing Co., to go into liquidation.

In some respects this determination taken by the company at its meeting April 20, is one of the most significant in the latter-day industrial history of South Asia. The company was organized in 1898 with a capital of $900,000 local currency and under the general management of Jardine Matheson & Co., one of the most powerful concerns in the Far East. Its history since that time has followed the ups and downs of the cotton-spinning industry in the Far East generally, which has not been satisfactory or profitable as a whole, and in addition it has faced certain conditions which have made success in the spinning business in Hong Kong impossible.

At the time of the formation of the Hong Kong company the general cotton-spinning situation in China was unsatisfactory, and Shanghai and other mills, as a rule, were making little money. It was maintained, however, that with a supply of native cotton and of Indian cotton within reach the local mill ought to be able to compete successfully with Indian and Japanese mills not so favorably located as regards supplies, labor, and other cost elements. From the beginning, however, there was a question as to results, and $100 shares were quoted at $80 by the time the mill was running, and three months later they were quoted at $56. By the middle of 1901, as a result of the abnormally high price of cotton, the prevalence of plague in the colony, and because of disturbances all over China in the Boxer troubles, the mill was closed down with a debit balance against it in favor of its general managers of $1,656,000 local currency, the Honk Kong dollar then being worth about 45 cents gold. The company was reconstructed with a capital of $1,250,000 local currency, the loss written off, times improved, and for a couple of years the mill paid dividends of 10 per cent. Later the dividends fell to 5 per cent, partly paid out of a dividend equalization fund, and still later they were stopped and losses were experienced year after year.

The company commenced to dispose of its machinery and plant to Shanghai mills under the general control of the same concern which has managed the mill here, and the final action of the company has been to arrange for reorganization in the way of transferring its remaining plant to a new concern in Shanghai for the operation of a mill there and for the realization of its assets, principally valuable real estate. Discussing the reasons for the failure of the Hong Kong enterprise in the final meeting the chairman (Mr. David Landale) said:

"I can assure you that the poor results obtained here have nothing whatever to do with the personnel of the foreign management. We have every confidence in those we have employed to carry out the general and technical management of the mill, and I do not think that more could have been done than has been done to make the business a success. We have found, however, by experience that there are many circumstances which militate against Hong Kong as a suitable place for cotton spinning. In the first place, the hot, damp climate we have for so many months here greatly hampers spinning operations. Again, the labor obtainable in Hong Kong is more expensive and less efficient than that to be found in Shanghai. The raw material has all to be imported, and to the cost price of raw cotton bought in Shanghai for Hong Kong we have to add the cost of packing, freight, and export duty. A mill here, therefore, as far as China cotton is concerned, is handicapped from the start as compared with a mill in Shanghai.

There is still considerable uncertainty as to the cotton spinning industry in China itself, although at present the industry in the Yangtze Valley is thriving. The difference between the Yangtze Valley and Hong Kong situation is shown by the fact that the Shanghai mill known as the Ewo Mill, which is owned and managed largely by the same interests as those which have controlled the Hong Kong mill, in the season of 1911-1912 made a profit of 4.22 taels per spindle and during 1912-1913 a profit of 6.81 taels per spindle, while the Hong Kong mill did not make a profit in 1911-1912 and only the equivalent of 1.73 taels per spindle in 1912-1913. Had the Hong Kong mill done as well as the Shanghai mill in the season of 1912-1913 it would have earned the equivalent of 311,418 taels instead of only the equivalent of 79,324 taels. [The Shanghai tael was worth on April 1, 1914, $0.632 and the Canton tael $0.69 U. S. currency.]

It is unlikely that Hong Kong will undertake any cotton spinning of moment for some time to come at best. The most serious phase of the matter from the Hong Kong standpoint is the excessive cost of labor and the high cost and low quality of the labor available for other industrial purposes in the colony. The quality of labor is naturally poorer in the South than in the North, all things considered. One important element in the situation, however, is the high cost of living in Hong Kong, due to high rents and expensive transportation. The matter of rents can probably be relieved somewhat by more favorable terms from the Government on Crown leases. The matter of transporting materials and supplies of all sorts for building and all other purposes and of reducing the cost of living generally for the working classes is causing increasing anxiety on the part of all industrial interests in the colony.

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

THE report made on Monday of this week by the Interstate Commerce Commission to the Senate of the results of the investigations of the former body into the affairs of the New York, New Haven and Hartford Railroad has necessarily produced an extremely painful impression upon the public mind. In general, the language of the report is as severe as language can well be; and no person at all acquainted with the subject can doubt that as regards many of the matters treated even greater severity would have been in order. There is abundant evidence that during the period of Mr. Mellen's presidency of the New Haven the devices of deviousness, of ingenious concealment of the truth, of corporate legerdemain, of unhesitating employment of delusive means to attain dubious ends, have been carried as far as ever they were carried in these United States. The mere revelation of the extent to which accounts have been made to record essential lies, rather than the true state of facts and the real meaning of transactions is enough to make honest men stand aghast. Language cannot be too harsh in the description of such proceedings. Every thinking man knows that the integrity of business depends upon the integrity of accounts, and that there is moral obliquity of the most reprehensible kind in recording in journals and ledgers transactions that are shams, operations that appear to be one thing and are another, cheating representations of what actually occurred as though it were something else. The mere recital in the report of the Interstate Commerce Commission of what it encountered in the books of the New Haven is sufficient to show that careful probity had small place in the keeping of them.

Again, the wholesale manufacturing of phantom corporations, having no business of their own, invented often on the spur of the moment for the effectuation of this or that delusive transfer of nominal ownership of property or of interest in property, borrowing huge sums with one hand only to pay them back with the other, dodging from State to State, appearing and disappearing with the incalculability of the kaleidoscope, now real, now mere shadows,—could anything be more completely *contra bonos mores* than this? What a superficies of unwholesome business ethics, of carelessness of the primary business duties, of reckless disregard for the first principles of an honorable and above-board conduct of affairs, these imitation corporations of the New Haven and the correspondent scheme of baffling accounting, present? The Interstate Commerce Commission could do no less than characterize it all with language highly unpleasant to the ears of those having any part of the responsibility.

It is eminently possible, however, that these repellant externals of the affairs of the New Haven may interfere with an absolutely just estimation of what has actually come about in that unfortunate railroad and of the real reasons why it has come about. It would be hard to imagine a worse plight for a great property to be in than that in which the New Haven is to-day. And a multitude of wholly innocent persons are suffering bitterly by reason of this plight. The present duty is not to concentrate attention upon what has been done, with the one thought of applying the lash to the backs of the offenders, but rather to strive to arrive at a dispassionate understanding of the situation and to lend all possible aid to those who have the hard task of repairing the damage. Neither understanding nor aid, however, are possible if temper is allowed to dominate thinking on the subject. An exact picture of the facts as they are, unobscured by indignation in part misplaced, is a *sine qua non* of the assistance of the public in remedying such evils as are known to remain and in giving full opportunity for the forces of recuperation to do their work.

Reduced to exact figures, as arrived at by the Interstate Commerce Commission itself, what has been the actual amount of loss and waste resulting from the miscalculations and mismanagement of those in charge of the affairs of the New Haven during the past eleven years? The Interstate Commerce Commission reports that the capitalization of the road in 1903 was $93,000,000, and that ten years later it was $417,000,000, while the floating debt had grown from nothing to $40,000,000. Of this great increase of capital investment how much, according to the Commission, has been lost through waste and mismanagement? The tangible items of loss given by the Commission foot up about $65,000,000, though the Commission's round statement is that "a reasonable estimate of the loss to the New Haven by reason of waste and mismanagement" will amount to between $60,000,000 and $90,000,000. The lower of these amounts is, of course, a huge sum of money; but, on the other hand, the higher of them is only 20 per cent of the capital invested in the New Haven. And innumerable corporations and firms have lost 20 per cent of their capital in

a single year, without being regarded as on the way to bankruptcy or as beyond the possibility of speedy recovery to their old estate. The Commission, to be sure, lays stress upon the fact that of the $324,000,000 increase of the New Haven's capital in ten years, only $120,000,000 was used for purposes of betterment and equipment of the railroad itself, while $204,000,000 was used for operations outside the New Haven's sphere as a railroad and with the object of obtaining a monopoly of the transportation of the five States of New England in violation of law.

We are far from intending to deny that the dominant purpose in the minds of those chiefly responsible for the policy of the New Haven in the last decade was to obtain effective control over the transportation facilities of New England. There are many and to us convincing evidences that this was the case. Some parts of the programme followed undoubtedly tended directly to the accomplishment of this purpose. On the other hand, large parts of the programme had no taint of essential illegality about them, however extravagant and improvident may have been the methods of carrying them out. Thus the purchase of the Rhode Island trolley lines, much dwelt upon as illustrating the reckless wastefulness of the New Haven management, violated no law whatever, so far as we can see. These trolleys are confined wholly within the State of Rhode Island; they are not engaged in interstate commerce; and the acquisition of them was in no sense a violation either of the Sherman Act or of any statute of Rhode Island. Indeed, if the matter be looked at from another angle, more than a plausible case can be made out for the entire propriety of the acquisition of these lines. All over the country at this very moment railroads are constructing trolley-line feeders for their main lines; and in so doing they are looked upon not as would-be monopolists of the transportation in the surrounding districts, but as greatly benefiting the public. If there had been no trolley lines in Rhode Island and the New Haven had undertaken to build a net work of them through the State, not a word would have been said by anybody about its unlawful purposes. And what is true of the Rhode Island trolleys is equally true of the Massachusetts and Connecticut trolleys acquired by the New Haven. The price paid for them appears to have been exorbitant, taking into account their earning power at the time they were purchased; but the purchase itself was not illegal or criminal whether under the Federal law or under the laws of the respective States. No better evidence of this can be found than the evident embarrassment of the Federal Department of Justice in finding legal means of compelling the road to give up these trolley lines.

With regard to the acquisition of the Boston and Maine and the Rutland the case is, of course, far more doubtful, though it may be said of both that for the most part they are natural extensions, rather than competitors of the New Haven. The lease of the Boston and Albany went even farther in the direction of plain illegality. The purchase of all the water transportation lines from Boston and intermediate points to New York was very evidently far beyond what was permissible under the Sherman Act. As for the grossly improvident acquisition and construction of the New York, Westchester and Boston road, with its stench of political corruption and of financial buccaneering, we do not find one word to be said in defense of it.

In spite of all, however, the largest amount of waste and loss that the Interstate Commerce Commission has been able to figure as resulting from all these operations, legal and illegal, of the New Haven is $90,000,000; and this, in our opinion, is less than the waste and loss involved in the construction by the Pennsylvania of its New York passenger terminal and in the construction of the Grand Central Terminal by the New York Central. The Interstate Commerce Commission, so far as we can remember, has never uttered a word of condemnation of these pieces of magnificent folly, nor has it used words of approbrium about the directors of the roads that built them. Yet there those terminals stand, annually eating into the revenues of the roads that own them, to an amount greater than all the loss computed by the Commission itself as resulting to the New Haven from the operation of all its ill-advised acquisitions, including the malodorous New York, Westchester and Boston. Strange indeed are the ways of popular condemnation of the acts of men!

The primary fact to be faced with regard to the New Haven is that a great project was undertaken, that this project encountered insuperable obstacles both in the law of the land and in the invincible feeling of the community, and that the project failed of success. The loss attendant upon the failure, figured by those most intent on making it as large as possible, was 20 per cent of the capital put into the property. The property itself, naturally one of the finest of its kind in the world, remains, capable of repairing the loss, precisely as an old, substantial business of any kind is capable of repairing an even greater proportionate loss of capital, made in a bad year. It goes without saying that whatever remains of illegality, as well as extravagance, in the New Haven, has to be cut away; but this cannot mean irreparable harm. It is the part of that portion of the public that comprehends the mistakes men make in all affairs, to cease from objurgation and the lust of punishment, and to estimate coolly and yet with sympathetic imagination the progress of the reconstructive work. Any other course is absurd from a business standpoint, as well as indefensible from the point of view of right reason.

One word more may not be out of place. It is clear that there are those who would fasten upon the late J. P. Morgan the largest share of responsibility for what has happened to the New Haven. This is something that he himself would wish to have squarely met, for he least of all would wish to take refuge behind the formula *de mortuis nil nisi bonum*. We think it to be more than probable that the great project of giving the New Haven control over the transportation of New England was his. He belonged to New England and loved it. He saw the shabby, disjointed, inefficient transportation system of New England clogging the industrial development of the whole region. It was like him to conceive of that system of transportation transformed under unified control, made efficient and contributing to the industrial and commercial growth of the entire New England community. He was accustomed to command, to exercise authority; and, as he said before the Pujo Committee, "control is everything." He never understood the deep aversion in the American, as in the English mind, for monopoly and all that savors of monopoly. His own greatest and most beneficent achievements had been made possible by the absoluteness of his power at the time and under the circumstances with which he had to deal. After this fashion he would give New England a new trans-

portation system. That was the large programme in his mind; and, as must needs be the case, with a man so old and so busy, he left the details to others. He had the misfortune to choose miserable tools wherewith to work. They knew no ways of accomplishing what had to be done except the ways of deviousness, of subterfuge, of low cunning and of intrigue. The whole plan was fatally wrong in itself and must ultimately have failed, because the New England public, much as it needed serving, would not be served on those terms; but the scandal of the failure belongs to others than Mr. Morgan.

Arthur Richmond Marsh

A CANADIAN SINGLE-TAXER ON PROFESSOR BULLOCK'S ACCOUNT OF THE SINGLE TAX IN VANCOUVER

To the Editor of the Market World and Chronicle:

SIR.—I have read with keen interest Professor Bullock's article on the "History and Operation of the Single Tax in Vancouver," which was "featured" in your issue of July 4, as reprinted from the New York "Evening Post." It is hardly to be supposed that you will give space to an unknown outsider to criticize the article, but I hope that you may read the following, as it may possibly help to set right with you those extreme Single-Taxers who are described by Professor Bullock as being "frankly for the confiscation of land values."

If, as the Professor appears to believe, there was an organized and deliberate attempt to exploit the success of taxation reform in Vancouver, it is beyond my knowledge and does not affect the position as I see it. Professor Bullock's article goes to prove that the Single Tax is applied in Vancouver only in part; that even as applied it is not established and may be changed; and that either it has been ineffective in producing Vancouver's late feverish prosperity or it must be held accountable for that city's present depression.

I ask you to recollect that it had been alleged that the Single Tax in any form and to any extent was confiscatory and that it would scare away "capital" from the place adopting it and so bring ruin and disaster. On the contrary, we Single Taxers had said that it was honest and expedient and would bring prosperity; and that, if completely adopted, it would abolish poverty and the fear of poverty and bring about an economic millennium. As Henry George says, "The tendency of conflict is toward extremes." The more we argued the more extreme grew the statements on either side.

Vancouver adopted a form of what we call the "Municipal Single Tax." The city "untaxed" industry by shifting a portion of the public burden from improvements to land values. Our opponents looked for disaster. Instead there came, for a time, prosperity. Now comes the "busted boom," and Professor Bullock virtually offers us the choice of credit for prosperity or discredit for adversity.

If I have any say about it, we take both. Also we take credit for understanding from the beginning a situation which Professor Bullock seems to have difficulty in understanding, even with the easy wisdom which comes after the event. I have not authority at hand, but I can prove, if given time, that well-known Single Tax authorities declared during Vancouver's prosperity that there was trouble ahead if the tax were not increased rapidly enough to absorb the land values as created. The reasoning was extremely simple: Free improvements from taxation and you encourage building; encourage building and you increase the demand for land; increase the demand for land and you increase land values, including speculative values,—and speculation is loss and loss means a "busted boom." On the contrary, confiscate land values as they arise and you make speculation impossible, with the obvious result of no "boom" and no "bust."

If Professor Bullock holds the superior, if not disdainful, attitude toward Henry George that many learned men maintained at one time, he will think it an impertinence for one to suggest that he should read George as a student reads a master. Yet I venture to think that one can no more understand taxation without the aid of George than he can understand physics without the aid of Newton. I have read the subject somewhat extensively, and I have yet to see the problem stated that George has not anticipated and solved.

A. C. CAMPBELL.

House of Commons, Ottawa, Canada, July 10, 1914.

[We are glad to print our Canadian correspondent's presentation of the Single-Taxers' side of the trial, partial though it be, of the single tax in Vancouver. It is certain that the experience of that city will hold an important place for some time to come in discussions of the practical benefits derived from the application of this doctrine of taxation. Though our own opinion is strongly on the side of Professor Bullock, we shall not attempt to enter the lists on his behalf; his armory is certainly much better furnished with the weapons of fact and argument than is ours. At the same time, we cannot help expressing our complete inability to follow what our correspondent calls the "extremely simple reasoning" which led Canadian Single Taxers à outrance to predict a "busted boom" in Vancouver, unless all increase in land values in that city were distrained by a corresponding increase of the tax on land. We have never be able to comprehend how "untaxing" improvements on land "encourages" building. So far as we can see, the only encouragement to building that exists or can exist is the demand for buildings on the part of people needing them, and that has nothing to do with the "taxing" or "untaxing" of the buildings themselves. It depends wholly on the number of persons who are drawn to a given community by the economic or other opportunities and advantages to be found there. Certainly no sane person would be induced to construct a building by the mere fact that, after he had constructed it, he would not be called upon to pay taxes on it. We can see, however, that the confiscation of the entire economic rent of particular pieces of land,—and this is what the single tax really is,—would induce owners of land whose economic rent is large, to try to secure by indirection as great a part of this rent as possible for themselves by constructing the largest possible buildings on the land and drawing as many rent-payers as possible to these buildings, at the expense of buildings on land whose economic rent is low. In our view, then, the final effect of the single tax would not be to encourage more building, but to encourage more congested building, and at the same time to diminish, rather than to increase the demand for land. Our correspondent may, of course, reply that such was not the case at Vancouver during the days of the "boom"; that the demand for buildings created a demand for land upon which to erect them; and that this demand for land produced increasing land values, which the too slowly increasing land tax did not absorb. Naturally, the answer to this contention is that it is only slowly that the building conceptions of a community are transformed by a newly applied economic principle. The average new-comer to Vancouver undoubtedly thought he must have substantially the same kind of a home and the same kind of a place for his business that he had been accustomed to in the community from which he came. This prepossession could be exploited by land speculators for a long time,—perhaps for a generation,—if the influx of new population had continued at

the same rate as in the "boom" days. In the long run, however, and the more rapidly in proportion to the thoroughness of the application of the single tax principle, the economic advantage of using the smallest possible amount of land with the largest possible structure upon it, must assert itself. It is probably true that under these conditions no collapse of a speculation in land is possible, because there will be no such speculation. But we do not see why there should not be a collapse of a speculation in buildings, betwixt which and a "busted boom" in land we cannot perceive the slightest essential difference.—Editor.]

Has the Average Workingman Made An Economic Gain Through the Labor Union

NOT long since the French economist, M. Pierre Leroy-Beaulieu, distinguished son of the still more distinguished father, M. Paul Leroy-Beaulieu, published in "L'Économiste Français," a study of the rising course of prices in these recent years, and of the course of the average wage of workingmen in France during the same period. His statistics showed that though the average wage had decidedly risen during the past twenty years, it was far from having kept pace with the rise in the price of commodities. At first sight this might appear to be merely a restatement of that familiar phenomenon, the "high cost of living." But M. Leroy-Beaulieu went farther and showed that the wages of workers in industries virtually controlled by labor unions, or "syndicates," had risen even less than wages in the free or non-unionized industries. His explanation of this fact was that the policy of the labor unions had been to keep down the production of the individual worker, to maintain a warfare with employers through strikes, "sabotage," etc., and consequently both to increase the labor cost to the employer and to reduce the production of his establishment. The unescapable economic result of this was that the amount of consumable and exchangeable goods produced by the workmen was diminished and they consequently had less to exchange for the products of other industries or of other countries. The money wages they received could not but correspond with this reduced production of exchangeable commodities, and consequently the wages, whether money wages or real wages, failed to advance in proportion with the market value of the commodities needed or desired by them.

It is customary to look at labor unions rather from a social than from an economic point of view. The common opinion is that in union there is strength, and that the collective bargaining of the union must procure better wages for the workers than would be possible through their own puny strength, when acting each for himself. There can be little doubt that numerous cases could be cited in which this has actually been true. Particularly if workers in a given industry can get themselves into a position of quasi-monopoly in that industry, they can undoubtedly obtain better terms from employers through a strong labor union than they could get acting individually. But the question is now raised by competent authority whether in industry as a whole wage-earners have actually made economic gains for themselves through their association in labor unions. Is it a matter of statistical fact that the average remuneration of labor in unionized industries is higher than in non-unionized industries, and that in the former the wages have more nearly kept pace with the rising prices of commodities than in the latter. The question is both an economic and a social one; and it is sure, now that it has been broached, to receive an increasing amount of attention and to affect popular ideas on the subject most profoundly.

There has recently appeared in the New York "Sun" a study of the wages of union, as contrasted with non-union, miners in the United States, which seems to yield results exactly parallel with those obtained by M. Pierre Leroy-Beaulieu. The article is by Mr. Charles F. Carter, and on its face it is a first-hand study of the wages earned by mine-workers in the chief mining sections of the United States. There has been no opportunity for the editor of this paper to check up Mr. Carter's figures, and consequently they can not here be vouched for. They are, however, so interesting and so provocative of discussion that the larger part of Mr. Carter's article is reprinted herewith. It is as follows:

* * *

Considered as an academic theory the labor union is a good thing. Viewed from the standpoint of practical politics also the labor union is a good thing—better even that the pension list. Union labor now musters 2,389,600 votes, which rightly manipulated should be enough to elect anybody, to anything, anywhere.

Recent developments, however, have been such as to suggest inquiring whether the labor union is really the good thing it is represented to be or whether the members paying dues and assessments are the "good things."

In the mind of the average man the dominant feature of labor unions is the strike. Most labor news which reaches the general public is associated in one way or another with strikes or threatened strikes.

Turning, then, to volume 17 of the report of the Industrial Commission of 1901, we find that the loss of wages on account of strikes in the United States in the twenty years from 1881 to 1900 was $257,863,478.

It would take a great many days work to earn so vast a sum. It would take a much greater number of days work to get back this loss in any possible increase in wages over and above the rate paid before the strikes. As there is no way to balance the account by showing what was actually gained, if anything, the reader is left free to form any conclusion he pleases, while we turn to the latest available figures concerning all workers.

These are found in the twenty-first annual report of the Commissioner of Labor. Not a word is said about gains or losses by strikes, but the information is given that there were 36,757 strikes in the United States in the twenty-five years from 1881 to 1905, of which 68.99 per cent were ordered by labor organizations, and that these union strikes involved 79.69 per cent of all strikers.

In these disturbances 6,728,048 persons struck and 8,708,824 were thrown out of work for an average period of 25.4 days.

Of strikes ordered by labor organizations 49.48 per cent were successful and 15.87 per cent partly successful. As 33.86 per cent of the strikes not ordered by labor organizations were successful and 9.83 per cent partly successful, it would appear that the union is less potent as a weapon for forcing concessions from reluctant employers than has been alleged.

Further research is disheartening to those who would promote their material welfare by organization, for the fact is revealed that only 40.72 per cent of all strikes in a quarter of a century were in whole or even in part for an increase in wages. In less than 10 per cent of strikes a demand for shorter hours was combined with

other demands. Yet it is popularly supposed that the great ends sought by union workmen are increased wages to enable them to raise their standards of living and more leisure in which to enjoy added comforts that higher wages buy.

So it seems that seven-tenths of all strikes are ordered by labor unions, that only two-fifths of these are connected with any demand for higher wages and less than half are successful.

To put it another way, these official data, covering a long term of years, show that six times out of every ten that the union workman strikes he does so with no hope of gaining any more money to pay the grocer, but with the positive knowledge that for an indefinite number of days he will have no money at all to pay anybody. In the remaining four strikes in ten he does not stand quite an even chance of getting a small increase to offset the wages totally lost. And in every one of the ten strikes he runs a risk of losing his job altogether.

Regarded as an investment, the union card seems to leave something to be desired.

If official data concerning all unions are less complete than could be desired it is at least possible to find out all about one representative union, and this information may serve as a key to the whole union problem. By good luck it happens that the one union which is subject to special statistical oversight by both National and State governments, concerning which, therefore, full information is available, is the union which for various reasons has been most conspicuously in the public eye.

This labor organization is the United Mine Workers of America, a former secretary-treasurer of which is now a member of the Cabinet.

The United Mine Workers is alleged to be increasing in membership more rapidly than any other of the 111 unions affiliated with the American Federation of Labor.

The United Mine Workers is the only labor organization that ever had the enterprise to conduct an armed insurrection, in which pitched battles were fought by men armed with high power modern rifles, provided by the union, and commanded by union officers, with State troops. The United Mine Workers has conducted two such insurrections in two States in two years and has announced that a third will be commenced as soon as United States troops are withdrawn from Colorado.

The United Mine Workers is the only labor organization ever made the subject of special legislation by Congress. The officers of the United Mine Workers are under indictment in two States. By unanimous vote the House has exempted labor unions, including these officers of course, from the operations of the law under which they were indicted.

Tracing this highly interesting labor organization through the twenty-first annual report of the Commissioner of Labor, we find that more than 9 per cent of all strikes in the last twenty-five years have been in the coal mining industry and that more men have been involved in these strikes than in strikes in any other industry.

The special report on coal mining published annually by the United States Geological Survey says 722,662 persons were employed in the coal mining industry in 1912. Of these 289,269, or 40 per cent, were members of the United Mine Workers, according to the annual report of President J. P. White, as published in the official organ of the union.

In the ten years from 1903 to 1912, according to the Geological Survey's figures, coal miners lost an aggregate of 65,118,474 days' work on account of strikes. This report does not deal with the question of wages, but annual reports of the various State bureaus of mines do.

As Illinois is so thoroughly unionized under an agreement between the operators and the United Mine Workers, made in 1898 and still in force, that no man can work in a mine in that State without a union card, it is fair to accept the Illinois rate as the proper wage for a coal miner. The average daily wage of miners in Illinois for the ten years, as given by the State Bureau of Mines, is $2.77. At this rate the aggregate wage loss of the coal miners of the United States on account of strikes in the ten years was $180,378,172. Since there is nothing to show what benefits, if any, were gained to offset this loss this inquiry must be confined to Illinois, where the union is supreme and conditions are therefore, inferentially, ideal.

The annual report of the Illinois State Bureau of Mines shows that the average rate paid for mining coal was 56.9 cents a ton in 1903, and 68.7 cents in 1912, an increase of 20 per cent. The average daily earnings increased from $2.42 in 1903, to $3.35 in 1912, a gain of 38 per cent.

As the rate received by the operator for his coal at the mine decreased from $1.24 in 1903, to $1.15 in 1912, a decrease of 7.8 per cent, while the average price for the decade was only $1.12, a decrease from 1903 of 9.6 per cent, the power of the union to advance wages in the face of a falling market seems to be established.

But this is far from being the whole story. Going back to the 1912 report of the Geological Survey we find that the Illinois miners were on strike during the ten years an aggregate of 16,575,340 days, which at the average daily wage for the period amounts to a wage loss of $45,910,921. It is sometimes contended that it is not fair to count days engaged in strikes as so many days' wages lost; but the fairness of this method is established by referring to the impartial report of the United States Geological Survey, which shows that the miners in the States where the union has but a slight foothold average more days' work in the year than in the strong union States, where there are greater labor disturbances.

For example, the union miners of Illinois had only 160 days' work according to the State Bureau of Mines, or 194 days according to the Geological Survey, while the non-union miners of West Virginia had an average of 266 days work in 1912. West Virginia coal and Illinois coal compete for the same markets, so there seems no reason except the strikes ordered by the union why Illinois miners should not have as steady work as those in West Virginia. The Illinois union miners were on strike an average of 33 days in 1912, while the non-union miners of West Virginia had an average of seventy-two days more work than their union brethren in Illinois.

If it is necessary to conduct such extensive strikes at such an enormous loss in wages while enjoying full "recognition" of the union under a continuous contract the uninitiated may be pardoned for wondering what benefits the union confers on the average member. The mystery deepens upon discovering that there were no strikes in the non-union State of Colorado in 1912, a fact deemed worthy of comment by the unemotional Government statistician, while in the stanch union State of Illinois, 77 per cent of the miners were on strike an average of thirty-three days, or an aggregate of 2,026,526 days. At the 1912 average rate of earnings as given by the State Bureau of Mines this represents a wage loss of $6,788,862.

Fortunately, the report of the Illinois Bureau of Mines contains a complete categorical answer to the question: What does the average member of the union get out of all this turmoil and idleness?

The answer is contained in a table showing the average annual earnings of miners for the ten years. It is obvious that one's in-

come is not represented by the daily rate of wages, but by the product of the rate multiplied by the number of days worked. A man receiving $100 a day would receive a pretty high rate, but if he worked only one day in the year, his annual income would be $100, wouldn't it?

While the average rate of the Illinois miners was increasing, the number of days' work they contrived to get in a year was declining, so that the average annual earnings actually decreased. Comparing the annual average of 1903 with that of 1912 shows a gain of 2½ per cent, it is true, but in five years of the decade the annual average was less than in 1903, so that the aggregate for the ten years was actually $5,240, whereas if the 1903 rate had been continued throughout the period, the aggregate average annual earnings would have been $5,426.

In other words, the result of going on strike for 16,574,340 days on orders from the union and with all the benefits that recognition of the union could confer was a net loss of $186 for each miner.

This does not represent the total loss to the average man, for he had to pay dues and assessments, which the non-union miner, of course, does not pay. And the Illinois miner paid every cent charged against him by the union, because the agreement between the union and the operators provides for the unlimited check-off, which means that the operators deduct from the wages of the miners and turn over to the union treasurer any amount they are requested by the union officers to collect. The miner never sees this money.

The National per capita tax is $3 a year. Multiplying the number of employes of Illinois mines for ten years by $3 gives a total of $1,991,652. To this sum must be added assessments levied from time to time and local dues.

It is, therefore, no doubt an under-estimate to say that, counting wages lost, dues and assessments paid, the miners of Illinois have paid $50,000,000 for the privilege of belonging to a union for ten years.

These striking figures are rendered still more impressive by comparison with results in the non-union State of West Virginia. Turning to the Geological Survey's report we find that in 1910 and 1911, the two years preceding the war for the compulsory unionization of West Virginia, the coal miners of the United States were on strike an aggregate of 20,234,261 days.

Of this total, 9,234,541 days, or nearly half the total, were contributed by the model union State of Illinois, while the miners of West Virginia, less than 4 per cent of whom belonged to the union, were on strike only 30,468 days in the two years. As West Virginia produces 9.3 per cent of the coal in the United States, if the miners of the State had been on strike their proportionate share of the total they would have lost 1,876,885 days, instead of only 30,468 days, a saving of 1,846,417 days work by the simple expedient of not belonging to a union.

Multiplying this by the average rate of wages in Illinois gives the sum of $5,114,574 as the amount gained by the miners of West Virginia by not belonging to the union for two years. Their actual gains were larger, because the average annual earnings of non-union West Virginia are higher than those of union Illinois.

For it is an amazing fact that in each of the most conspicuous three strikes conducted by the United Mine Workers in recent years, those in West Virginia, Vancouver Island and Colorado, the miners affected were receiving higher wages than the miners in the States where the union was strongest. The highest annual average in ten years, in the model union State of Illinois, was $556 in 1912. In that same year, the year the insurrection was begun by the union, the West Virginia Bureau of Mines reported the annual average earnings of miners in that State as $618.

The report of the Minister of Mines of British Columbia for 1912 gives the average daily wages of miners as $3.30 to $7 a day; of helpers, $2.86; of laborers, $2.86 to $3.30; mechanics and skilled laborers, $2.86 to $3.57. And the miners of Vancouver Island worked three hundred days in the year, as compared with the 194 days of the union miners of Illinois.

Why, the lowest paid laborer in the non-union mines of Vancouver Island earned an average of $858 during the year, or $302 more than the union miner of Illinois, while the best miners earned an average of $2,100 a year, or nearly four times as much as the average Illinois miner. Yet the United Mine Workers sent men from Indianapolis to enforce a strike against these "inhuman conditions" in Vancouver Island, and collected through the check-off fifty cents a month from the scanty earnings of the Illinois miners on the pretext that it was needed to support these British Columbia plutocrats while they were on strike! No wonder the authorities sent some of the strike leaders to prison for long terms, while the outraged miners soon plucked up courage to denounce the union and return to work.

It is interesting to find, in this connection, that President White's report for 1913 shows 5,661 members of the union in British Columbia, while the report of the Minister of Mines for 1912 shows only 5,275 underground coal mine employes in the whole province. Also, that by a pleasant fiction, as officially announced from week to week in the "United Mine Workers Journal," the "strike" is still "on" in Vancouver Island, though the mines are working full time with a waiting list of men who want work.

The report of the Colorado Bureau of Mines says nothing regarding wages; but a census bulletin gives the total wage cost of mining a ton of coal in 1909, in Colorado, as 93 cents, and in Illinois as 81 cents. The Illinois Bureau of Mines gives the average number of days work in 1912 as 160, though the Geological Survey gives 194 days. In Colorado the average was 227 days, and in the United States 223 days. It will be seen, therefore, that the Colorado miners have steadier work than the average miner and much steadier than the Illinois miner.

WORLD'S WHEAT SUPPLY ON JULY 1, 1914

The "Daily Trade Bulletin" has compiled figures of the world's stocks of wheat on July 1, 1914, and finds these stocks to have been 38,337,000 bushels less this year than on the same date last year, and in fact the smallest for the past four years. The figures are, of course, for wheat in the Visible Supply, and do not include wheat harvested in June, but not yet delivered to elevators or storehouses, or new wheat not yet afloat. The figures for July 1 and June 1, 1914, and for July 1, 1913, are as follows:

	July 1, 1914. Bushels.	June 1, 1914. Bushels.	July 1, 1913. Bushels.
Afloat for Europe	39,460,000	41,840,000	44,150,000
In store in Europe	23,430,000	27,960,000	23,940,000
In store in Argentina	1,600,000	560,000	1,120,000
In store in Australia	9,850,000	10,830,000	9,850,000
In store in United States	37,412,000	56,995,000	54,127,000
In store in Canada	18,226,000	28,814,000	19,189,000
Totals	129,978,000	167,059,000	158,376,000

The world's stocks of wheat on July 1 of each of the past fourteen years have been as follows:

	Bushels.		Bushels.
1914	129,978,000	1907	164,849,000
1913	158,376,000	1906	133,702,000
1912	152,266,000	1905	125,610,000
1911	151,664,000	1904	123,327,000
1910	125,482,000	1903	103,531,000
1909	90,470,000	1902	105,827,000
1908	99,331,000	1901	142,417,000

INDUSTRY, COMMERCE AND FINANCE

General Review of Crop Conditions.—The Department of Agriculture has issued a statement showing that the composite condition of all crops of the United States on July 1 was about 1.4 per cent above their ten-year average condition on that date. Last year the July 1 condition of all crops was 1.7 per cent below the ten-year average, but prospects declined as the season advanced, the November, or final, reports last year being 6.7 per cent below the ten-year average. Consequently, present conditions are about 8.7 per cent better than the outturn of crops last year.

The growing condition of the various crops on July 1, expressed in percentage of their ten-year averages (not the normal) on July 1, was as follows:

Winter wheat	117.3	Raspberries	100.4
Pears	110.0	Peaches	99.3
Barley	109.7	Hay	98.7
Spring wheat	109.1	Cotton	98.6
Apples	108.1	Rice	98.3
Kafir corn	107.9	Onions	95.4
Alfalfa	106.6	Potatoes	94.3
Lemons	104.9	Pasture	93.7
Oranges	104.6	Peanuts	93.5
Flax	104.3	Cabbages	93.3
Rye	103.8	Sorghum	93.3
Grapes	103.5	Blackberries	91.8
Hops	103.2	Sugar cane	91.2
Sugar beets	103.1	Lima beans	90.9
Broom corn	102.7	Tomatoes	89.3
Corn	101.3	Timothy hay	83.4
Oats	101.0	Sweet potatoes	88.3
Cantaloupes	101.0	Hemp	87.6
Beans (dry)	100.8	Clover hay	85.1
Millet	100.7	Tobacco	78.0

The average price to producers of the United States of important product on July 1 and the average of the past five years on July 1 was as follows:

Crop.	1914.	5-yr.Av.	Crop.	1914.	5-yr.Av.
Corn ....bu.	$ .755	$ .695	Hay ....tons	$12.01	$12.59
Wheat ....bu.	.769	.962	Potatoes ....bu.	.815	.762
Oats ....bu.	.388	.452	Cotton ....lb.	.124	.123
Barley ....bu.	.475	.653	Butter ....lb.	.229	.227
Rye ....bu.	.628	.760	Chickens ....lb.	.127	.115
Buckwheat ....bu.	.855	.793	Eggs ....doz.	.176	.169
Flax ....bu.	1.360	1.708			

The following figures are prices paid producers of the United States on June 15, 1914, and the average of the preceding four years on June 15:

Products.	1914.	4-yr. Average.
Hogs ....100 lbs.	$7.43	$7.10
Beef cattle ....100 lbs.	6.32	5.22
Veal calves ....100 lbs.	7.69	6.54
Sheep ....100 lbs.	4.70	4.76
Lambs ....100 lbs.	6.47	6.25
Milch cows ....each	59.82	47.09
Horses ....each	136.40	146.54
Wool, unwashed ....lb.	.184	.166
Honey, comb ....lb.	.138	.136
Honey, extract ....lb.	.106	.122
Maple sugar ....lb.	.122	....
Maple syrup ....gal.	1.117	....
Clover seed ....bu.	7.96	9.38
Timothy seed ....bu.	2.23	....
Alfalfa seed ....bu.	6.83	....
Broom corn ....ton	88.04	90.13
Cotton seed ....ton	23.62	16.04
Cabbages ....100 lbs.	2.61	2.38
Onions ....bu.	1.41	1.23
Beans ....bu.	2.23	2.33
Sweet potatoes ....bu.	.92	.93
Apples ....bu.	1.36	1.14

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Copper Production in June.—The monthly report for June of the Copper Producers' Association shows that there was an increase of 21,768,022 pounds in the surplus supply of copper in the United States, to the largest amount that has been reported since February, 1913. Following are the June returns, compared with May and with June a year ago, figures representing pounds:

	June, 1914.	May, 1914.	May, 1913.
Production	141,345,571	142,308,287	121,860,853
Stocks	84,342,641	70,337,001	67,474,225
Totals	225,688,212	212,645,288	189,335,078
Exports	73,350,196	72,710,477	68,067,901
Domestic deliveries	46,227,353	55,592,170	68,452,571
Total deliveries	119,577,549	128,302,647	136,520,472
Stocks remaining	106,110,663	84,342,641	52,814,606

* * *

Mineral Production of Philippine Islands.—The following statistics of the mineral production in the Philippine Islands for the years 1912 and 1913 are taken from figures obtained from the divison of mines of the Bureau of Science of the Philippine Islands; the American equivalents of the quantities used in the table being: Metric ton=2,204.6 pounds; cubic meter=35.314 cubic feet; liter=0.26417 gallon.

	1912		1913	
Product.	Quantity.	Value.	Quantity.	Value.
Metallic:				
Iron ....metric tons	141	$24,636	227	$32,235
Silver ....fine ounces	7,121	4,332	...	.....
Gold ....fine ounces	27,582	570,212	42,011	868,362
Non-metallic:				
Coal ....metric tons	2,720	10,100	.....	.....
Clay products	.....	226,500	.....	230,000
Lime ....metric tons	.....	46,013	11,050	51,350
Sand and gravel....cubic meters	.....	234,375	689,011	297,823
Stone ....cubic meters	.....	325,525	197,039	175,020
Salt ....metric tons	19,147	287,255	19,500	287,500
Mineral water ....liters	264,871	27,925	270,000	30,000
Totals	.....	$1,756,873	.....	$1,972,230

Mineral products mined or manufactured but not sold at the end of each year are not included in the foregoing figures. The statistics for iron represent the quantity and value of iron castings, mostly plow-shares.

The shares which the various producing districts had in the 1913 gold output of the islands were:

Districts.	Value of Output.
Mancayan Suyoc (estimated Igorot production)	$25,000
Benguet	41,640
Ambos Camarines	321,722
Masbate (estimated)	420,000
Mindanao (estimated Filipino production)	30,000
Nueva Ecija (estimated Filipino production)	15,000
Pangasinan and Lower Benguet (estimated Filipino production)	15,000
Totals	$868,362

Of this total, $321,621 represents the year's production of gold by dredging. At present there are seven dredges operating in Ambos Camarines, and two more are being built. One dredge is operating in Umaeri district, Tayabas Province, and one dredge is to be built soon on the Mariquina River, near Manila.

Three mills are operating in Masbate, one in Benguet (although two other small mills are being built in this district), and one has recently been erected in Lower Benguet, Lubang district. At Cansuran, Surigao, a hydraulic sluicing plant is being installed.

* * *

The Pepper Trade of the United States.—While the United States annually purchases a large quantity of unground pepper, both black and white, the trade in this commodity has experienced wide fluctuations during the last ten years, such imports amounting to 37,094,824 pounds in the fiscal year 1909 (the highest point of the decade) and to 15,488,848 pounds in the succeeding year (the lowest point reached during the period under review). Since 1910, however, imports have increased, although in 1913 they were still some 10,000,000 pounds below the record figure of 1909. The

Straits Settlements formerly supplied much the largest portion of this pepper, but the Dutch East Indies are each year advancing in importance as a competitor in the trade. Most of the latter pepper, however, reaches the United States by way of the Netherlands, whereas that from the Straits mainly comes direct. The imports of unground black and white pepper into the United States during the last five fiscal years, with the countries whence imported, are given in the following table:

Imported from	1909.	1910.	1911.	1912.	1913.
Europe:	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.
Belgium	.....	.....	.....	.....	16,030
Denmark	55,313	.....	.....	.....	.....
France	50,373	54,772	58,642	1,385,675	2,241,177
Germany	1,039,030	6,648	157,762	342,405	391,760
Netherlands	4,337,199	1,203,011	1,710,919	8,088,392	7,605,171
Spain	.....	.....	.....	14,320	.....
United Kingdom	829,789	578,834	877,593	1,408,804	1,123,972
Other Europe	.....	471	.....	.....	.....
North America	14	1,495	.....	8,427	566
Asia:					
China	1,020	4,045	.....	101,360	119,210
East Indies:					
British:					
British India	1,745,617	3,211,885	1,335,068	2,540,254	1,202,404
Straits Settlem'ts.	25,239,063	8,862,846	10,932,373	10,403,182	11,615,647
Other British	51,800	47,904	69,900	85,450	.....
Dutch	3,685,545	1,509,609	6,697,711	1,277,950	2,803,047
French	.....	.....	.....	33,264	.....
Siam	.....	.....	225,031	112,637	418,395
Other Asia	.....	2,382	25	132	13,922
Total quantity	37,094,824	15,488,848	22,065,074	25,802,252	27,562,361
Total value	$2,115,413	$1,102,104	$1,622,311	$2,599,479	$2,852,665
Average price per pound	.057	.0711	.0735	.1007	.1035

As the foregoing table shows, there has been a continuous rise in the import price of pepper, the average value per pound in 1913 being 80 per cent higher than in 1909.

* * *

The Trade of India.—Preliminary official figures relating to India's foreign trade for the fiscal year ending March 31, 1914, give the combined value of imports and exports at $1,402,566,848. Imports were valued at $594,526,208 and exports at $808,040,640. In the total of exports is included the value of exports of foreign merchandise, amounting to $15,174,819, the rest, amounting to $792,865,821, consisting wholly of exports of Indian merchandise. Imports showed an increase of $72,192,746 over the previous fiscal year. The total exports advanced in value by $9,849,426, all of which and slightly more was in the increase in value of shipments of Indian merchandise, the value of re-exports of foreign goods declining by about $200,000.

Imports and exports are classified in four groups, and for the fiscal years ending March 31, 1913 and 1914, their value was as follows:

	Imports		Exports	
Classes of Merchandise.	1912-13.	1913-14.	1912-13.	1913-14.
Food, drink and tobacco	$75,933,856	$800,011,785	$253,308,600	$210,499,915
Raw materials and produce and articles partly manufactured	40,238,212	34,252,276	335,728,558	397,456,941
Articles wholly or mainly manufactured	398,839,464	470,937,275	186,002,637	177,111,883
Miscellaneous and unclassed	7,321,930	9,324,872	7,976,600	7,797,082
Totals	$522,333,462	$594,526,208	$783,016,395	$792,865,821

These figures do not include government stores, imports of which during the last fiscal year were valued at $25,375,057, while exports for the same year were valued at $436,223. Imports of treasure for the same fiscal year were valued at $140,932,705 and exports at $22,979,240, neither of which is included in the total of exports and imports given in the table.

The gross amount of import duty collected at Indian custom houses during the last fiscal year was $35,012,460 and the export duty amounted to $4,177,564.

* * *

The Foreign Trade of Russia.—The foreign trade of Russia in 1913, along the European, Black Sea, and Caucasian frontiers and with Finland amounted to $1,360,284,000, as against $1,269,332,000 in 1912. The excess of exports over imports amounted to $103,136,000, a decrease of $98,350,000 over the corresponding figures for 1912. Imports for last year show an increase of 17.7 per cent over 1912; exports a decrease of 0.5 per cent, and import duties an increase of 12.7 per cent. The largest shipments in 1913 took place in August, September, and October, and the imports were heaviest in June, October, and November.

The following table gives the figures for the foreign trade of European Russia for the last five years. The figures for 1913 are preliminary; those for previous years are revised:

Year.	Imports.	Exports.	Year.	Imports.	Exports.
1909	$405,000,000	$704,000,000	1912	$534,000,000	$735,000,000
1910	491,000,000	713,000,000	1913	629,000,000	732,000,000
1911	527,000,000	780,000,000			

The foreign trade of European Russia by countries of origin and destination was as follows in 1912 and 1913:

	Imports		Exports	
Countries.	1912.	1913.	1912.	1913.
Austria-Hungary	$16,507,000	$17,862,000	$37,806,000	$33,607,000
Belgium	3,737,000	4,432,000	30,341,000	33,291,000
China	7,033,000	7,859,000	1,342,000	283,000
Denmark	3,319,000	6,617,000	19,614,000	18,413,000
East Indies	13,216,000	15,448,000	30,000	22,000
Egypt	1,603,000	3,053,000	2,718,000	4,445,000
France	23,412,000	28,848,000	50,547,000	51,941,000
Germany	258,374,000	331,019,000	233,696,000	233,108,000
Italy	8,055,000	8,606,000	27,025,000	37,948,000
Netherlands	9,862,000	11,093,000	79,305,000	91,389,000
Norway	5,279,000	5,086,000	2,497,000	3,446,000
Persia	69,000	67,000	184,000	155,000
Portugal	767,000	762,000	354,000	97,000
Roumania	1,002,000	728,000	10,471,000	11,172,000
Spain	1,250,000	2,920,000	1,418,000	4,596,000
Sweden	5,496,000	8,304,000	5,312,000	5,874,000
Switzerland	1,620,000	2,902,000	*	*
Turkey	7,989,000	8,723,000	14,850,000	17,747,000
United Kingdom	71,714,000	87,731,000	168,653,000	137,435,000
United States	44,134,000	38,198,000	9,272,000	7,291,000
All other countries	12,394,000	12,049,000	14,449,000	11,000,000
Totals	$511,896,000	$602,293,000	$709,884,000	$703,265,000
Finland	21,997,000	26,246,000	25,555,000	28,475,000
Grand totals	$533,893,000	$628,544,000	$735,439,000	$731,740,000

Articles invoiced for export to the United States at the American consulates of European Russia and Western Siberia, were valued at $25,874,871 in 1913, as compared with $31,136,915 in 1912.

According to official Russian statistics, imports from the United States into European Russia amounted to $38,198,000 in 1913, as compared with $44,134,000 in 1912. The largest item was raw cotton, the United States supplying almost half the total imports of this article. The value of the principal imports into European Russia from the United States in 1913 was as follows: Raw cotton, $23,282,000; agricultural machinery, $3,679,000; india rubber and gutta percha, $3,066,000; machines and machinery, $2,999,000; manufactures of wood, $633,000; rosin, $555,000; copper, $409,000; cables, rope, and twine, $386,000; automobiles, $291,000; mineral oils, $187,000; scientific apparatus, $129,000; jute and jute tow, $116,000; hides and skins, $98,000; copra, $88,000; cast-iron manufactures, $63,000; hand tools, $49,000; mineral and vegetable wax, $17,000. The trade between Russia and the United States is considerably larger than the figures indicate, because a large proportion is carried on by way of other countries.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

PRESSING his campaign for the Federal regulation of insurance, Mr. Darwin P. Kingsley, President of the New York Life Insurance Company, has sent a letter, under date July 15, 1914, to "the responsible head of every legitimate insurance enterprise, the business of which is interstate in its character." The purpose of the letter is to ascertain from the responsible managers of all branches of insurance in the United States whether they deem it advisable to communicate with all their policyholders to the end of procuring a voluntary "initiative" in favor of an amendment to the Constitution, granting Congress the power to regulate all interstate insurance conducted by corporations. Mr. Kingsley desires to be informed, first, whether the insurance executives are willing to proceed in the matter at all; and, second, whether they are willing to ask each of their policy and contract holders the following question:

"Do you favor the passage of a Joint Resolution by Congress, submitting to the several States, for ratification or rejection, a Constitutional amendment under which (if adopted) all insurance interstate in its character shall be subject to regulation only by the Federal Government?"

Mr. Kingsley conceives that, while an appeal to Congress by insurance men themselves might meet with the objection that it sprang from business self-interest, such an "initiative" instituted by a great body of the insured would have almost overwhelming weight with Congress and lead to speedy action. To use Mr. Kingsley's own words: "Therefore, it seems to me the first step is to ascertain the attitude of the millions of our citizens whose interests, through insurance, are profoundly affected by the present burdensome programme of taxation and regulation, and gravely threatened by recent decisions of the Supreme Court. Given an overwhelming verdict by the insuring public on a fair statement of the facts, and we shall need to do little work in Washington, and probably little in the States afterwards."

In order to resolve the doubt of some insurance executives, previously heard from, as to whether such an amendment to the Constitution as is proposed would after all free the insurance companies "from the injustices and multiplicity of regulations which now lie in the taxing and supervisory powers of the several States." Mr. Kingsley accompanies his letter with an opinion upon the subject which he has obtained from the distinguished Constitutional authority, former United States Senator John C. Spooner. This opinion is highly interesting in a number of ways. In the first place, it discusses the form that should be given to the Constitutional amendment, in order that it may prove most effective. He begins with the Joint Resolution already introduced in Congress, and known as the Weeks Resolution, from the name of its proposer. This resolution now reads: "Congress shall have power to regulate the business or commerce of insurance throughout the United States, its territories and possessions." Of this Senator Spooner says: "The words 'or commerce' should, I think, be omitted, because they add nothing. There should not be in such a provision an unnecessary word. This clause, so corrected, would give the whole business of insurance of every description, by whomsoever conducted, to the exclusive regulative authority of the Congress. The scope of an amendment, so phrased, is necessarily so extensive that it may well be doubted whether a sufficient number of the States would be willing to divest themselves of so important a jurisdiction."

To avoid this obstacle, Mr. Spooner proposes a more restricted amendment, in the following words: "Congress shall have power to regulate the business of insurance by a corporation in States other than that by which it was created." Of this phraseology, Mr. Spooner says: "By reason of my want of knowledge of the details of the insurance business throughout the country, I may misjudge its efficacy, but the object is to place the business of insurance corporations throughout the United States, whether domestic or foreign, exclusively within the regulative power of the Congress, but to leave the business transacted by domestic insurance corporations within the control of the State which created them in respect of the business done by them within her borders."

Mr. Spooner's discussion of the practical effects of such a grant of power to Congress is weighty and convincing in regard to the plenary control over interstate insurance conducted by corporations which Congress would possess. The analogy of the power to regulate interstate and foreign commerce, so often defined by the Supreme Court as regards the completeness of the authority given to the Federal Government, over against the States, serves to indicate the scope of the power to regulate insurance, should a Constitutional amendment grant that to Congress. It is, however, somewhat disappointing that Mr. Spooner should have passed over so lightly the possible effects of the police power, which the States would still retain, and of the power of taxation which would also unquestionably be theirs. It happens that in the business of insurance the opportunities for the exercise of the police power are very unusually numerous, inasmuch as insurance deals mainly with matters affecting the life, health and welfare of citizens of the States. Again, it is open to very grave doubt whether it is safe to assume, as Mr. Kingsley does, relying upon Mr. Spooner's brief expressions, that "insurance in all its forms * * * *ipso facto* will be relieved of all other governmental regulations and taxation except those imposed by the State of a company's domicile *on the business within that State*, or by way of taxation on real or personal property."

CERTAIN of the uncalculated effects of such social legislation as workmen's compensation are already beginning to show themselves in the State of New York. We have been hearing in the past fortnight from many directions of large employers of labor who are putting into operation means of reducing the risk and hence the cost of the new workmen's compensation law. Two factors stand out as enhancing the risk and the cost of workmen's compensation and of insurance against it. The first of these is the age or the physical condition or both of the worker; the second is the possible number of dependents the worker would leave to be compensated in case of a fatal accident,—or, in other words, the size of his family. It has come to our attention that large employers of labor have set about severe selection of their workers, with a view to avoiding these possibilities of expense. We have heard of one corporation employing several thousand workers which has made the rule that no worker over the age of forty-five or having more than one child is to be employed. We have heard of another corporation which will hereafter exclude workers with any children at all, and, as far as possible, all married workers. Thus workmen's compensation carries not only its own direct cost, but also the cost to the community of many workers capable of economic service, but excluded from opportunity by reason of circumstances, within or without their control, that make the selection adverse to them.

RULES ADOPTED BY NEW YORK STATE WORKMEN'S COMPENSATION COMMISSION

A PAMPHLET issued by the New York State Workmen's Compensation Commission bearing date of June 10, 1914, contains a roster of the commission and fifty rules adopted by it to govern the administration of workmen's compensation in the State. The rules, in full, follow:

* * *

1. Form of notices.—For notices of injury and of death required by section 18 of the Workmen's Compensation Act to be given the commission and the employer, blanks as per form Nos. C-1 and C-24, shall be provided; but any notice which furnishes substantially the information called for by such section shall be deemed sufficient whether upon such blank or not.

2. To what offices notices shall be sent.—All notices should be sent to the principal offices of the commission in the Capitol, Albany, New York, or should be sent to the office of the commission, No. 1 Madison Avenue, New York City.

3. Which statements under oath.—The notices of injury from the employe and from the employer and the statements made and signed by the attending physician or physicians shall be taken as and constitute part of the proof in all cases, though not under oath; a statement must be made under oath or by affirmation, of, and in regard to, every claim, and all statements offered to controvert the same must also be under oath or by affirmation. Other statements may be received though not verified.

4. Proof of average daily wages.—If the statements of the employer and of the employe as to his average daily wages, contained in their respective notices of injury, agree, the commission will, at its discretion, base its award upon such as the daily wages without requiring other evidence regarding the same; otherwise (and in every case if there be reason to suspect that the employe is of the class described in subdivision 3 of section 14 of the act) an investigation shall be made and such further evidence required as the commission may deem necessary to determine the average daily wages under the provisions of section 14 of the act.

5. Notice of presentation of claim.—Upon a claim for compensation being presented to the commission, there shall be mailed to the employer and to his insurance carrier a copy of the claim, together with notice that the same will come before the commission on a certain day and that an award may be made upon the evidence then in hand unless a hearing is demanded or an adjournment had.

6. Witness put under oath.—In any investigation, inquiry or hearing, by the commission or by a commissioner or by a deputy commissioner duly deputized to make the same, each person interrogated will, at the discretion of the commission, commissioner or deputy commissioner, conducting the investigation, be required to answer under oath (or by affirmation) and to produce any book or paper in his possession or custody pertinent to the inquiry.

7. Claim for compensation. Claims for compensation for disability or death shall be presented to the commission as required by section 20 of the act, upon blank form No. C-3 for disability, and blank form No. C-24 for death, which shall be filled out and sworn to (or affirmed) by the injured employe or a dependent or some one on his or her behalf, as the case may be, and mailed to the commission in the same manner as notices of injury or of death; but a writing which sets forth the claims shall not be rejected as insufficient because not upon one of such blank forms or because not verified.

8. Who may examine. Physical examinations may be made by the medical director or one of his assistants, by a district physician or by any other physician duly authorized by the commission or the medical director.

9. Who may inspect.—All inspection shall be made by the commission, by a commissioner, or deputy commissioner, or other person specially authorized by the commission.

10. Secretary shall digest the evidence.—When a claim shall be brought before the commission, the secretary shall present a digest of the evidence received upon the questions necessary to be determined by the commission with a list of all documents upon which the digest is predicated, and shall provide a copy of such digest for each commissioner. The original digest shall be marked by him so as to identify it with the claim and with the day when it was so presented, and shall be filed with the claim papers to which it refers.

11. Medical examination of claimants.—Whenever, through insufficiency of proof, it is deemed necessary, the commission or a commissioner or deputy commissioner may order the examination of a claimant by the local medical examiner. The report of such examiner shall be confidential. If able to do so, the claimant must present himself at the office of the local medical examiner for examination in case this is requested; if the claimant is not able to attend there, the local medical examiner must call upon the claimant. Any case calling for expert examination may be referred to a specialist, employed by the commission, for this examination.

The expense of all such examinations shall be paid by the commission at rates agreed upon by it and by the medical examiner in his contract of employment.

12. Order in dealing with claim. Upon receipt of a claim for compensation, the chief of the claim bureau shall determine if claimant's employer is insured, and, if so, with what insurance carrier and whether or not, on the papers in hand, the claim is compensatable. If so, it shall be docketed.

The papers, when complete, shall be analyzed by the chief of the claim bureau or his assistant and summarized for presentation to the commission. Such summary shall embrace findings of facts, offered to be passed upon by the commission, upon which its decision may be predicated.

13. Reference of claim to a medical director. Whenever, in the opinion of the chief of the claim bureau, it is desirable to have the opinion of the medical director upon the nature and extent of the injury, the claim papers shall be referred to him for his opinion thereon and for such further investigation as he may order.

14. Special investigation through deputies.—All cases of special investigation, other than medical, because of insufficient evidence, conflict of testimony, ambiguity, suspicion of fraud or simulation or malingering shall, unless otherwise ordered, be referred to the deputy commissioner for the district in which the claimant resides.

15. Reference of all commutations to the actuary.—All commutations for future payment of compensation shall be computed by the actuary or his assistant, using such interest, mortality, remarriage and other factors as shall be adopted by the commission for the purpose; the results of all such computations shall be reported to the commission and shall not be given out except as authorized by it.

16. Passing upon a claim.—With the copy of the claim to be sent to the employer and his insurance carrier, there shall be sent a notice of the day not more than ten days after the date of the notice of claim when the claim will come before the commission for consideration. If upon such day or any subsequent day to which such consideration may be adjourned, the evidence before the commission, either upon a hearing or without a hearing, establishes,

in its opinion, all the facts necessary to determine the right to compensation, the amount thereof and the persons entitled thereto, it shall make a decision in accordance therewith, granting or denying compensation, and shall make and file with such decision a finding of the facts upon which the same is made.

17. Action upon award by commissioner or deputy commissioner.—In a case where a commissioner or a deputy commissioner shall have made an award, decision or order, as provided in section 65 of the act, notice thereof shall be mailed to the employer, his insurance carrier and each claimant for compensation specifying the day upon which the same will be brought before the commission for approval and confirmation and upon such day or any subsequent day to which such consideration may be adjourned, the commission may approve and confirm such award, decision or order and order the same filed in its office or may modify the same, and, as so modified, approve, confirm and order it filed or may wholly reject the same and make its own award with or without further investigation or hearing.

18. Action upon report of arbitrators.—In case an arbitration shall have been instituted in regard to any claim under the provisions of section 20 of the act, upon receipt of the report of the arbitration committee, notices thereof shall be mailed to the employer, his insurance carrier and each claimant for compensation specifying the day upon which such report will come before the commission for consideration and upon such day or any subsequent day to which such consideration may be adjourned, the commission may adopt, modify and adopt as modified or wholly reject such report and make its award, with or without further investigation or hearing.

19. Hearing judicial but not formal.—Every hearing upon a claim, held before the commission, a commissioner or deputy commissioner, or an arbitration committee shall be conducted as a judicial proceeding, all witnesses testifying under oath or by affirmation, and a record of the proceedings shall be made and kept. Such hearing shall be conducted in such manner as to ascertain the substantial rights of the parties and the commission, commissioner, deputy commissioner or arbitration committee therein shall not be bound (see sec. 68 of the act) by common law or statutory rules of evidence or by technical or formal rules of procedure.

20. Stenographer's report of hearings.—The proceedings of every hearing before the commission or before a commissioner, deputy commissioner or board of arbitration shall be taken down by a stenographer appointed by the commission and a report thereof, certified by such stenographer to be a true and correct report of such proceedings and to have been carefully compared by him with his original notes, may be received by evidence with the same effect as if such stenographer were present and testified to the facts so certified.

21. Requisites to application for review.—The commission will not grant reviews of awards upon the application of a party or parties except such application be made upon the grounds of a change in conditions, as provided in section 22 of the act, and be accompanied with a verified statement of the facts alleged to constitute such change of conditions; but upon its own motion it will exercise its continuing jurisdiction over each case and for reasons deemed by it to be sufficient will, from time to time, make such modification or change with respect to its former findings or orders relating to any such case, as in its opinion may be just, including the making of awards in cases where they have been denied.

22. Docketing of papers.—The notice of injury or other notice or paper relating to an injury first coming to the attention of the commission shall be docketed and given a number; and each paper thereafter filed in connection with such injury shall be entered upon this docket and be given the same number as the paper first received.

23. Employes receiving or disbursing money to give bond.—All employes of the commission, who shall be authorized to receive or to disburse moneys for, or on behalf of, the commission, shall give to the commission and maintain with it a bond or undertaking in such amount as may be fixed by the commission, signed by two sureties or by a corporation duly authorized to transact the business of fidelity insurance in the State of New York, subject to the approval of the attorney general as to form and of the comptroller as to sufficiency.

24. What employers and what employes subject to the act.—The commission for the purpose of the state insurance fund and of carrying into effect the provisions of this chapter construes:

(1) That section 2 of the act means that each employer who shall be adjudged by the commission to be conducting a hazardous employment, as defined in such section, is required by section 50 of the act to secure the payment of compensation at the scale provided in the act for injuries to or deaths of employes engaged in his service upon the premises or at the plant where such employment is carried on, or in the course of employment away from such plant, due to accident arising out of and in the course of employment by him; and all orders, decisions and awards will be made, and all policies of the State fund will be issued, upon this basis.

(2) That every generic name of employment in the groups enumerated in section 2 of the act, was intended by the legislature to cover and designate broadly all hazardous employments of the general nature and character indicated by such name which are not elsewhere in such groups specifically mentioned and that the commission is vested with the power and duty to determine, for the purpose of carrying the provisions of the act into effect and for the purposes of the state insurance fund, which employments are included under such generic name.

(3) That the word "manufacture," wherever found in section 2 of the act, includes, unless the contrary is plainly indicated, not only manufacture of each material named, but also the manufacture of the same, as the sole or chief component elements, into articles for use carried on by the employer for pecuniary gain.

(4) That the words "manufacture" and "construction" and other words of like import include repair when carried on as, or as a part of, "a trade, business or occupation carried on by the employer for pecuniary gain."

25. Rules for computing weekly wages.—The rules for determining the average weekly wages under the provisions of section 14 shall be as follows:

(a) If there be no dispute as to average daily wage or salary, multiply same by 300 and divide by 52.

(b) If the average daily wage or salary be established under the provisions of subdivision 1 or 2 of section 14 of the act, multiply same by 300 and divide by 52.

(c) If the average annual earnings be established under the provisions of subdivision 3 of section 14 of the act, divide by 52.

(d) If facts be established as per subdivision 5 of section 14 of the act, modify average daily wage or salary as found by (a), (b) or (c) in accordance with the facts established by such evidence, such modification however to affect the compensation only from the day when the employe reaches (or if deceased, would have reached) the age of twenty-one or a later day after which in the opinion of the commission his wages or salary would have been so increased.

26. Revision of award for reduction of earning capacity.—In determining the difference between the average weekly wages of an employe and his wage-earning capacity after an injury in the

same employment or otherwise under subdivision 3 or subdivision 4 of section 15 of the act, the difference between such wages after such injury may, in the discretion of the commission, be made the basis for its award of compensation for partial disability, subject however, to modification thereof upon a proper showing under section 22 that such actual wages so received after the injury are no longer paid and do not correctly represent the reduced wage-earning capacity of the injured employe.

27. Ruling as to lien for physician's services, etc.—For the purpose of carrying into effect the provisions of the act, the commission construes that portion of section 24 thereof which makes claims for services or treatment rendered or supplies furnished pursuant to section 13 thereof a lien upon the compensation awarded, to mean and apply, only to claims approved by the commission, for services, treatment or supplies for which the employe may have incurred liability but for which under the provisions of such section the employer is not liable.

28. Time for making periodical payments.—All periodical payments for compensation shall be made bi-weekly on alternate Mondays, except as the commission may otherwise order.

29. Method of paying compensation.—All insurance companies issuing policies to enable an employer to secure the payment of compensation under subdivision 2 of section 50 of the act and all employers who shall secure the payment of such compensation under subdivision 3 of such section shall make payment of the same to the commission in cash or by check or draft drawn upon a New York City bank or trust company for each item of compensation so payable, and the commission shall disburse the same by its own checks embracing the proper voucher therefor; provided that any such insurance company or employer may instead, make and maintain at all times with the commission such cash deposit as will, in the opinion of the commission, secure the prompt and convenient payment of such compensation and authorize the commission at its discretion and without liability for the exercise thereof to pay out of such deposit all compensation awarded by the commission to be paid by such insurance company or employer and engaging to replenish such deposit promptly on demand by replacing all sums so paid out.

30. When commuted and sued for.—In all cases of resistance to the award of the commission by refusal or neglect of the employer or the insurance carrier to pay compensation, persisted in longer than ten days, the commission will, if convinced that such refusal or neglect is without good cause or excuse, and in any case may, compute the present value of all compensation so awarded and declare the whole amount thereof due and enforce the payment thereof with the added penalty of 50 per centum as provided in section 26 of the act.

31. Paying present value into state fund.—The commission will require, under the provision of section 27 of the act, every insurance company issuing policies under subdivision 2 of section 50 of the act to secure the payment of compensation and every employer securing the payment of compensation under subdivision 3 of section 50, to transfer to the state insurance fund all further liability under such awards by paying amounts equal to the present values, computed by the commission with due regard to life contingencies, of all future payments in the following cases:

(1) Every case of death, involving periodical payments.

(2) Every case of total permanent disability.

(3) Every case of permanent partial disability consisting of a specific injury scheduled in subdivision 3 of section 15 of this act, the period of payment of compensation for which exceeds one hundred and twenty-eight weeks or longer.

(4) Every other case of permanent partial disability, the compensation for which shall not be commuted.

(5) Every case of temporary total disability or temporary partial disability, regarding which, in the opinion of the commission, good cause exists why such should be required.

All sums so paid in shall be received and held in the State insurance fund, the aggregate amount thereof to constitute a trust fund to provide for the payment of all awards of compensation of which the same were computed to be the commuted values, the payment of which out of such aggregate trust fund or otherwise will be assumed by the state fund and such insurance corporation and employers shall be discharged from any further liability under such awards.

Unless good cause exist in the opinion of the commission, for requiring otherwise in a particular case or cases, no disability shall for the purpose of this rule be deemed finally adjudged permanent and no order will be made to pay into the state fund an amount equal to such commuted value, until six months shall have elapsed after the injury; but during such period of six months the compensation shall be paid to the commission and be disbursed as provided by section 25 of the act.

32. Methods of paying compensation.—To assure that compensation and benefits are actually paid only to injured employes or their dependents or, in case of minority, incompetence or other legal disability, to a guardian, committee or other person charged with or assuming the burden of the care and support of such employe or dependent, all payments of compensation and benefits shall, at the discretion of the commission, be made in one of the following ways:

(1) By making the check of the commission directly payable to the person entitled to the compensation and paying the same over to him.

(2) By drawing a voucher against the state treasurer upon the state insurance fund, so as to be so payable, and so paying it over.

(3) By so paying such compensation or benefits in cash, taking proper receipt therefor, signed by the employe, dependent, guardian, committee or other legal representative.

33. Commuted value demanded of insolvents.—In case of the insolvency of an employer or of an insurance carrier, the commission shall at once proceed to compute the present value of all future payments of compensation to be made by such insolvent, with due regard to life contingencies, as provided in Rule No. 22 and shall require the same to be paid into the state insurance fund under the provisions of section 27 of the act, making claim for the whole of the same as a preference or lien upon the assets of such insolvent under the provisions of section 34 of the act.

34. Physician's fees, etc., need not be insured.—The commission rules that section 50 of the act requires the employer to insure only the payment of compensation as defined in subdivision 6 of section 3 of the act, i. e., of compensation to employes and their dependents including funeral benefits, and does not require him to insure the payment of the cost of "treatment and care of injured employes" provided for by section 13 of the act, but liability under section 13 may be insured at the option of the employer.

35. Policies of companies must insure all entitled.—The commission rules that no policy of insurance will be accepted as compliance with section 50 of the act, which shall not insure the payment of compensation to all persons entitled to compensation under the act.

36. Condition to remitting penalty for non-compliance.—Penalty for failure to comply with the provisions of section 50 of the act shall in no case be remitted unless the employer shall secure in a manner satisfactory to the commission the payment of all com-

pensation as provided by the act, payable because of accidents to his employes prior to his so complying or shall pay into the state insurance fund the present value thereof, as computed by the commission as provided in section 27 of the act.

37. Commission to supply blanks.—The commission shall prepare a full and complete set of blank forms as required by section 76 of the act and distribute the same or cause them to be distributed so that they may be readily available and especially to all employers who shall have insured under the provisions of section 50 of this act, that they may be able to keep on hand a sufficient supply thereof.

38. Expense accounts of commission.—In view of the requirements of section 94 that after the year 1916 the expense of administering the state insurance fund shall annually be refunded to the state by it and that after such year also the expense of examination, determination and payment of claims shall be apportioned among the insurance carriers, including the state insurance fund, in proportion to the compensation paid by them, and be refunded annually to the state by them, the accounts shall be so kept during the years 1914, 1915 and 1916, as well as thereafter, in order that these various items of expense can be segregated, to the end that, when required, such segregation may be made readily and accurately and that the burden of such expenses upon the state during such period may be correctly estimated.

39. Classifying employments of a single employer.—The commission will classify all the employments of an employer when such are associated, in one group under the provisions of section 95 of the act for the purposes of the state insurance fund, under the provisions of section 96 of the act for associations for accident prevention and under the provisions of section 97 of the act for purposes of accounting and dividends; but in computing premiums, so far as may be deemed advisable, the payrolls of the different employments shall be dealt with separately and, if the businesses, trades or employments of the employer are dissociated and readily and completely separable, they may be classed each in its respective group for all purposes.

40. How interstate and foreign commerce employers may comply.—The commission will upon application furnish blanks and prescribe methods by which employers engaged in interstate or foreign commerce and their employes working only in this state may by agreement accept and become bound by the provisions of the act, so far as not forbidden by any act of congress, in like manner and with the same effect in all respects as provided in the act for other employers and their employes; and upon the execution of such agreement, the return to the commission of such blanks duly filled out and signed and compliance with the methods prescribed by it, the commission may approve the same, upon which approval it shall go into effect.

41. Hours of sessions.—The sessions of the commission commence every day at 10.30 o'clock a. m. and continue with such intermission or intermissions, if any, as the commission may order, until it shall by the vote of a majority of the members present adjourn for the day.

42. When physician's bill not to be considered.—If an attending physician shall refuse to fill out, sign and forward the reports requested by the commission or to itemize his bill for fees or verify the same by his oath or affirmation, his claim for medical services to an injured employe shall not be considered for approval until he shall have complied with such requirement.

43. Employes insured in state fund.—All policies of the state insurance fund shall be issued so as to cover all the employes upon the premises, or at the plant or upon the business of the employer away from the plant; premiums shall be computed and collected upon a payroll including the salaries or wages of all such employes and compensation at the rates provided in the act shall be payable out of the state insurance fund, when and as such compensation shall be awarded by the commission and ordered to be paid, in respect of every employe to whom payment of compensation is so assured.

44. Premiums payable to state fund.—The policies of the state insurance fund shall continue in force during successive periods of six months and the employer shall be liable for the premium therefor unless such employer, not being in arrears for premiums due the fund, shall within thirty days of the expiration of the then current six months' period give written notice to the commission of his intention to withdraw and shall also comply with subdivision two or three of section 50 of the act.

45. How disbursements from state fund made.—All disbursements of compensation by the state insurance fund shall be made by voucher authorized by the commission and signed by any two members thereof and shall be paid out of such fund by the state treasurer upon the presentation of such vouchers, properly signed, witnessed and endorsed.

46. Monthly session to consider report of state fund.—The commission shall devote the session in the second Wednesday of each month or so much of it and of as many other sessions as may be required, to consideration of a report of the transactions of the state insurance fund during the previous calendar month and during the expired portion of the calendar year including that month and of its financial condition, including its investments and its funds in hand available for investment; and shall make such orders concerning the transaction of the business of the state insurance fund and adopted such resolutions concerning the investment of its funds and the sale of its securities, in both cases subject to approval by the comptroller, as it may deem advisable.

47. Form of state fund accounts.—The accounts of the state insurance fund shall be kept so as to comply with all the requirements of section 97 of the act and specifically so as to enable the receipts from each class and the disbursements, including reserves, on its account and the amount so received from each employer and the disbursements, including reserve on his account, to be separately set forth in the books of account with a view to ascertaining whether a dividend has been earned and is safely apportionable and, if so, among which insured employers of the class it should be apportioned.

48. Readjustment of premium payroll to state fund.—The readjustment of the semi-annual premium paid in advance to the state insurance fund, required by subdivision 3 of section 97 of the act, shall be based upon the sworn statement of the employer as to the wage expenditure for such period of six months as required by section 101 of the act or upon an audit of his books by direction of the commission as provided for in such section or upon both such sworn statements and such audit, as the commission may, in its discretion, require.

49. Time for paying premiums to state fund.—For every employer insuring with the state insurance fund from July 1, 1914, the advance semi-annual premium must be paid on or before such day as required by section 98 of the act and theerafter semi-annually within ten days after the mailing of the notice by the commission, specifying the amount of the same. For every other employer insuring with the state insurance fund the advance semi-annual premium must be paid on or before the day when such insurance is to go into force and thereafter semi-annually within ten days after the mailing of notice by the commission, specifying the amount of the same. Provided always that the commission may, in its discretion, extend the time for the payment of any premiums.

50. Repeal, amendment or adoption of rules.—The rules of the commission are subject to repeal or amendment or to the adoption of any new rule or rules at any time by the vote of a majority of the commissioners present at any meeting.

MR. DARWIN P. KINGSLEY DEFINES THE OBJECTIVE OF HIS CAMPAIGN FOR FEDERAL REGULATION OF INSURANCE

To the Editor of the Market World and Chronicle:

SIR:—My attention has been called to a letter in your issue of the 12th of July, signed "Scrutator Rerum," and your editorial comments thereon.

I think my work with regard to securing Federal control of interstate insurance has been reasonably direct and scarcely need any explanation. I pursued the belief that insurance, interstate in its character, is commerce, to a finality, and, as you recall, the verdict of the Federal Supreme Court (divided for the first time) was that it is not commerce, and that of course ended the discussion.

While it is true that the Joint Resolution now pending in Congress was not introduced at my instance, I have become convinced that the only relief in sight for insurance is in a suitable amendment to the Constitution.

I enclose, herewith, communication which I am now sending to heads of all the insurance institutions in the United States, together with an opinion from the Hon. John C. Spooner. I appreciate, under the language of the amendment suggested by Mr. Spooner, that there would still be some measure of conflict between the authority of the State in which a company is domiciled and the Federal authority. It seemed to me, however, better to submit the question in this form to the companies because it will probably be easier to secure an amendment reserving to the States the right to supervise the business within their own domain.

Frankly, I myself believe that the whole business ought to be taken over by the Federal Government, so far as control and supervision and taxation are concerned, and no measure of authority left to the States whatever; but that is a condition which it hardly seems wise to fight for at the present time.

The amendment suggested by Senator Spooner will relieve us of about 99 per cent of our present troubles and most of the dangers that theaten the future under recent decisions of the Supreme Court.

You will observe, if you read my letter and the Senator's opinion, that my plan really follows the lines of what we know as the Initiative.

There are several "IFS" in the road:

1st. The matter will be submitted to the insured if the great majority of insurance executives of the country approve of that suggestion.

2nd. It will be submitted to Congress and a Joint Resolution asked for if the great body of the insured vote in favor of it.

So we are some distance yet from the real issue.

My reason for taking this position is, I think, fairly well stated in my letter. I am unwilling to take whatever measure of responsibility may fairly be mine in such a movement without ascertaining in advance what kind of backing the movement will ultimately have from the people whose property, business and plans for the protection of their families are most directly involved. Yours truly,

D. P. KINGSLEY, President.

New York, July 15, 1914.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Amend Massachusetts Law.—Amendments materially increasing the benefits payable under the State's Workmen's Compensation law have been passed by the Massachusetts Legislature and approved by the Governor. They become effective on October 1, next. The principle changes effected in the law are thus stated by "The Standard" of Boston:

Section 5 of Part 2 of the law providing for reasonable medical and hospital services and medicines for an injured employe during the first two weeks after the injury, is amended so as to provide, in addition, that if the employe is not immediately incapacitated from earning full wages, such medical and hospital service shall be furnished from the time of such incapacity and, when needed, for a longer period in the discretion of the industrial accident board. In case of emergency or some other justifiable cause, the employe may call in his own physician, whose fees are subject to the approval of the board.

Section 6 is amended to increase the weekly payment to dependents, in the case of the employe's death, from one-half to two-thirds of the average weekly wage, and the period of payment is increased from three hundred to five hundred weeks, the maximum amount being fixed at $4,000.

Section 7 is amended to include, among dependents, a wife living apart from her husband for justifiable cause or because he had deserted her, and children by a former wife or husband.

Section 9 is amended to increase the weekly payments for total incapacity from one-half to two-thirds of the average weekly wage, and the maximum amount from $3,000 to $4,000.

Section 10 is amended to increase the payment for partial incapacity from one-half to two-thirds of the difference between the average weekly wage before and after the accident, the maximum indemnity being increased from $3,000 to $4,000.

Section 11 is amended to increase the weekly payments for loss of limb from one-half to two-thirds of the average weekly wage, the maximum indemnity to be as before. Reduction to one-tenth of normal vision in both eyes, with glasses, to count as irrecoverable loss of sight. Also, in case of loss of phalange on both hands or both feet, compensation is to be paid for twelve weeks for each hand or foot.

Section 13 is amended to provide for payment of legal representative of deceased employe, when the appointment of such representative is necessary.

Section 22 is amended to provide for payment of compensation in a lump sum at any time in the case of a minor permanently disabled.

Section 5 of Part III of the act is amended to provide for arbitration in case of disagreement as to continuance of weekly payment. Also to provide for filling vacancy on committee of arbitration.

Section 8 of Part III is amended to provide for the reimbursement of sums paid out by the board for the employment of an impartial physician to examine an injured employe.

Former section 12 of Part III is replaced by a new section allowing the board to review any weekly payment under the act and issue any order it deems advisable.

Former section 13 of Part III is also replaced by a new section subjecting fees of attorneys, physicians and hospitals to the approval of the board and providing for arbitration in case of disagreement as to the proper fee.

Section 2 of Part V is amended to exclude specifically masters of and seamen on vessels engaged in interstate or foreign commerce.

Part II is amended by a new section providing for the payment of interest on sums awarded as compensation by the supreme court.

Part V is amended by the addition of four new sections requiring companies to furnish statistical information to the board; defining "personal injury"; providing for the establishment of not more than four branch offices of the industrial accident board, and for the appointment by the board of a medical adviser.

A new section, 16, provides that all insurance rates on file and approved shall continue in force unless the insurance commissioner withdraws his approval.

A resolution adopted by the joint committee on judiciary of the legislature in favor of the appointment by the Governor of a commission to consider and report upon the questions of monopoly and rates in insurance has been adopted by the legislature in a slightly amended form, and takes the place of two bills recommended by the Governor for enactment, one to make insurance a commodity within the meaning of the State anti-compact law, and the other to make the Massachusetts industrial accident board a court of appeal from the decisions of the insurance commissioner as to the adequacy of workmen's compensation rates. As adopted by the legislature the resolution reads:

"Resolved, That the Governor, with the advice and consent of the council, shall appoint a special commission of three persons, one of whom shall be the insurance commissioner, to investigate the practises of insurance companies and their rates in workmen's compensation and other insurance, with a view to determining whether or not any monopoly or combination exists in the insurance business; also, whether the rates charged by the insurance companies for workmen's compensation and other insurance are reasonable, and to what extent Government regulation of insurance rates is desirable.

"The commission shall serve without compensation, but may incur such expenses, not exceeding four thousand dollars, as the Governor and the council may approve."

* * *

Accident Insurance Without Death Benefit.—The "Western Underwriter," of Chicago, says that, commenting on reports that the Continental Casualty Company, of Chicago, would soon issue a new accident and health policy, devoid of death benefits, the officials of that company state that such a plan has been under advisement for the past six months and that it is possible that definite action will be taken some time during the Summer. For several years the company has been making a study of conditions abroad, especially in Germany, and if the proposed plan goes into effect it will introduce for the first time in the United States, pure infirmity insurance, somewhat after the form in use on the Continent. No stipulations will appear anywhere in the contract as to the cause of the accident or the nature of the disease, the policy undertaking simply to pay a weekly indemnity to its owner in case he is physically unfit to attend to his duties. Nothing additional will be given in the way of frills, or in case of death, the plan being only to provide against loss of time.

The company's officials believe that there is a call for such a form of insurance and that it will solve the present difficulties in the health and accident business. They point out that the business has drawn away from its original purpose—that of providing against loss of time—until to-day people are taking out policies not for protection against possible loss of time, but on the gambling prospect of a large sum of money for their beneficiaries in case of accidental death. The Continental Casualty officers believe that this belongs more properly in the field of life insurance. If the plan goes through, the life insurance men of the country will be given a chance to handle the infirmity policy in connection with their life business, thus giving them two classes of policies covering every contingency.

In formulating the plan the Continental has been making careful study of German statistics as well as the statistics gathered from its own experience. In foreign countries, infirmity insurance is the prevailing form of health and accident protection, no attention being paid to the cause of disability. It suffices if the assured is incapable of attending his work. There are no American laws on this particular form of insurance and, in case of its introduction into this country, the Continental will have to assume the lead in securing the construction the courts will place on the form. Because of the very novelty of the plan, the company is proceeding with care and cannot be said yet to have decided fully upon a definite course of action.

* * *

State Insurance for Workmen's Compensation Broached in England.—There have been various rumors of late that the programme of social insurance in England was to be extended to the substitution of State insurance for private insurance in the field of workmen's compensation. A recent paragraph in the "Insurance Journal and General Financial Record" gives the latest concrete information on the subject. It runs as follows:

"Insurance companies are naturally much interested in the announcement that the Government has agreed to appoint a committee to consider not only the working of the Workmen's Compensation Act, but also whether it would not be a better plan to have a State insurance of employers against compensation risks of all kinds. Such an inquiry may now yield more definite results than it could have done a few years ago, for the companies transacting this description of business have in the interval gained much valuable information for their guidance—information which, let it be added, has cost the companies heavily. The Workmen's Compensation Act, which greatly extended the provisions of the first Compensation Act, came into force in July, 1907, and from 1908 to 1911 inclusive, big debit balances were common. In 1912 the companies on their aggregate figures managed to record a profit, and it is probable that the total figures for 1913 would also show a balance on the right side. Premiums have been steadily raised, but so have the claims, and even to-day only those companies make a profit which exercise the utmost discrimination in accepting business."

* * *

An Experienced English View of the Cost of Workmen's Compensation in the United States.—In submitting the annual report at the thirty-third annual meeting of the Employers' Liability Assurance Corporation, Limited, in London, Lord Claud Hamilton, Chairman of the Board of Directors, made the following prophecy as to the future development of workmen's compensation insurance costs in the United States:

"For some years now I have given you statistics as to the growth of the cost of workmen's compensation claims [in the United Kingdom]. This growth has, as you may suppose, caused us considerable anxiety, and has necessitated a continuous rise in rates. I think I may say that, as far as this corporation's experience goes, we have now nearly arrived at a level of cost and that there is a tendency to show that the average cost of settlement per claim is pretty well known to us. Bearing in mind that the cost of settled claims was, up to the end of 1908, £7 16s. per case, and has now increased to £10 2s., the fact becomes of great interest to us in connection with our business in America, where Workmen's

Compensation Acts have come, and are coming, into operation in many States.

"There is no reason why American human nature should be different from British, and therefore we may look in that continent for a steady rise in the cost of claims (whether the State or the insurance companies insure the employers), and equally for a steady rise in rates."

* * *

National Association of Insurance Agents' Programme.—The programme for the nineteenth annual convention of the National Association of Insurance Agents, to be held in Minneapolis on August 17 to 19, is announced as follows:

OPENING SESSION, MONDAY, 11 TO 12 O'CLOCK.

Address of Welcome—Mayor Wallace G. Nye, of Minneapolis.

Response—Thomas C. Timberlake, Louisville, president Kentucky Association of Insurance Agents.

President's Address—C. F. Hildreth, Freeport, Ill.

Address—"Agents' License and Qualification Laws," J. A. O. Preus, Insurance Commissioner, St. Paul, Minn.

Reports—Executive Committee: E. C. Roth, chairman, Buffalo. Legislative Committee: George D. Markham, chairman, St. Louis. Joint Conference Committee: C. H. Woodworth, chairman, Buffalo. Grievance Committee: J. K. Livingston, chairman, Detroit. Organization Committee: F. E. Warner, chairman, Salem.

Appointment of committees:

Note.—The Committee on Nominations and the Committee on Resolutions are formed by the selection of one delegate for each committee from each of the State associations represented in the convention; said selections being made by the delegates present from the various States. The delegates are requested to make their selections early and hand the nominations to the secretary as soon as possible.

Introduction of resolutions.

Note.—All resolutions introduced are referred to the Committee on Resolutions for consideration, but if desisred, may first be discussed on the floor.. Resolutions introduced in the final session will be referred to the incoming Executive Committee.

Monday afternoon, 3 o'clock, motor ride, supper at Country Club.

SECOND DAY, TUESDAY MORNING, 10 O'CLOCK.

Address—"Jumbo Lines and Reinsurance Treaties," James J. Joseph, vice-president Sterling Fire Insurance Company.

Discussion—Distribution of Lines and Exchange Business: Is Further Legislation Necessary?

Address—"Underwriters' Agencies," Rufus M. Potts, Superintendent of Insurance, Springfield, Ill.

Discussion—How Can Agents Best Assist the Companies and Insurance Commissioners to solve this question?

Discussion—State Legislation and Regulation: Is There Over-Legislation on Insurance? If So, What Is the Remedy?

Discussion—Experience Under State Agents' and Brokers' License Laws.

Discussion—Overhead Writing and Outside Brokers.

Introduction of resolutions.

CASUALTY SECTION, TUESDAY AFTERNOON, 2 O'CLOCK.

Election of chairman and secretary.

Organization of section.

Discussions—(1) Workmen's Compensation. (2) State Insurance. (3) Advantages of Casualty Lines to Fire Agents. (4) Co-operation of Companies, Agents and General Agents. (5) Best Methods of Extending the Association's Casualty Work.

General business.

THIRD DAY, WEDNESDAY MORNING, 10 O'CLOCK.

Address—"Co-operation of Insurance Interests," W. S. Diggs, Cincinnati, president Ohio Insurance Federation.

Discussion—How Can the General Interests of the Business Be Advanced by Concerted Action Among the Various Insurance Organizations?

Discussion—Unauthorized Insurance.

Discussion—Uniform Blanks.

Discussion—Return Commissions in Defunct Companies.

Introduction of new business.

AFTERNOON SESSION, 2 O'CLOCK.

Report of Committee on Resolutions.

Discussion.

Report of Committee on Nominations.

Discussion—National Regulation of Insurance.

Discussion—Uniform Credit Rules.

Invitation for next annual meeting.

Adjournment.

* * *

How Accidents Happen.—There comes to hand an interesting pamphlet issued by the Rochester (N. Y.) Chamber of Commerce on accident prevention, the text of which is "Make Haste Slowly." It is set forth in detail how accidents happen in unexpected places and at unexpected times, and much valuable advice is given for their avoidance. In substantiation of the general argument, there is included a tabulation of 100,000 accidents taken from the records of leading accident insurance companies and showing the number of accidents under various classifications and the amount paid by the insurance companies in benefits on account of these accidents. This tabulation is as follows:

100,000 ACCIDENTS.

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Classification.	Number.		Amount Paid.	
Travel accidents:				
Railroad	24,936		$1,962,022.84	
Street car	4,356	29,726	384,988.90	$2,432,245.60
Steamboat and steamship	434		85,233.86	
Falls on pavement	8,222		523,876.43	
On stairs or steps	3,101		235,569.99	
From ladders or chairs	1,946	18,367	143,432.86	1,273,559.73
Through trap doors	729		62,561.20	
Miscellaneous falls	4,369		302,119.25	
Carriage and wagon accidents	5,024		462,386.54	
Horse kicks or bites	1,520		79,281.81	
Horseback riding accidents	1,220	8,135	141,211.91	698,097.72
Horse stepped on foot	371		15,217.46	
Cut with edge tools or glass		4,678		128,471.53
Fingers crushed in various ways		4,217		111,245.91
Burns or scalds		2,969		224,462.67
Athletic sports, accidents		2,877		140,596.03
Falling of heavy articles		2,781		136,399.74
Bicycle accidents		2,771		189,525.10
Accidents while lifting heavy articles		2,417		87,522.51
Eye injuries		2,083		93,743.02
Septic wounds (blood poisoning)		1,895		155,092.77
Automobile accidents		1,620		313,000.11
Cuts or bruises from machinery		1,555		64,186.27
Feet injured by stepping on nails or glass		1,500		40,887.83
Toes crushed in various ways		1,419		44,045.53
Hands lacerated on hooks, nails or wire		1,238		34,047.81
Slips on rolling stones		903		45,177.37
Bites by dogs or insects		716		23,709.64
Bathing or drowning accidents		681		268,568.46
Gunshot wounds		579		357,461.30
Splinters in hands or feet		483		13,492.16
Assaults		394		47,842.19
House accidents (in contact with furniture)		385		40,054.74
Elevator accidents		291		83,990.65
Tripped over door mats or rugs		203		17,372.89
Fingers caught in electric fans		131		6,417.39
Motor boat accidents		96		7,622.83
Miscellaneous accidents		4,884		370,728.77
Totals		100,000		$7,455,568.27

* * *

Highest Court Upholds New Jersey Compensation Law.—The constitutionality of the New Jersey workmen's compensation law has been upheld by the State's Court of Errors and Appeals. It was the first time the State's highest court had passed on the measure. The case was that of Mrs. Elizabeth Sexton against the Newark District Telegraph Company. Her husband was killed while in the company's employ.

* * *

Mr. Senior to Manage Rating Board.—The Governing Committee of the Compensation Inspection Rating Board, of New York, announced yesterday the appointment of Leon S. Senior as manager of the board, the appointment to take effect immediately upon the acceptance of Mr. Senior's resignation as chief examiner of the Workmen's Compensation Bureau of the State Insurance Department. The board has appointed as assistant manager Charles S. Fowler, formerly Second Deputy in the State Insurance Department, and as Chief Inspector, J. A. McKinnon, who has had extensive experience as a safety engineer.

INSURANCE NEWS IN THE WEST

Delay Underwriters' Agencies' Fight.—Superintendent Rufus M. Potts, of Illinois, decided not to ask the Federal district court at Springfield to dismiss the petition for injunction filed by the fire insurance companies operating underwriters' agencies in Illinois. Had he moved to dismiss, the question of his right to put the underwriters' agencies out of business would have been fought out on that motion. As it is, he is expected to file an answer on July 20. It was originally arranged that if he answered the petition the case would be argued on July 27, but that plan may have to be changed as there is a probability that the presentation of the evidence would consume more time than the court can give to the case at that time.

* * *

Dismal Outlook for Legislation.—A prominent fire insurance manager of Chicago a few days ago was discussing the outlook for legislation the coming Winter. His view was rather pessimistic. He feels that at the present time the relations between the companies and the agents are such that the companies have not much to look forward to. In his opinion the legislation of next Winter will be dictated by the local agents, so far as any of the insurance interests have influence. If the agents and the companies differ as to what should be done, so much the worse for the companies, in his judgment. And unfortunately the differences at this time are marked. He said that if any agency could get the agents and the companies together, it would perform the most valuable service that fire insurance has received in some time. He believes—and he says many other managers do also—that the annex question and the practice of writing large lines and reinsuring a good part of them in foreign companies is at the bottom of the trouble, and he fears that agents in their efforts to gain their own wishes in regard to these questions are likely to start legislation which will prove detrimental to the companies.

* * *

Crucial Period for Casualty Agents.—Wade Fetzer, president of the National Association of Casualty and Surety Agents, has sent out a strong appeal to the members and to others engaged in the business to attend the annual meeting at White Sulphur Springs, W. V., from September 21 to 25. His call is based almost exclusively on the menace of monopolistic State insurance of workmen's compensation. He points out the States in which this system already is in force and the liability business of the agents is almost or quite ruined, and the States in which State insurance sentiment is strong and the danger that agents in those States will suffer a similar loss. He points out that casualty agents are on the eve of a great increase or a great decrease in business, by reason of the enactment of compensation laws, and calls upon them to get together through the association and by co-operation with the companies represented in the International Association of Casualty and Surety Underwriters, prepare to fight for their business in the most effective way possible.

* * *

Will Open Chicago Office.—The Hartford Accident and Indemnity will open a branch office at Chicago. This is the announcement made this week in Chicago, by General Manager Norman R. Moray, which will put at rest the various speculations as to the company's probable plans for the city. Mr. Moray says the company will open a branch office in the Insurance Exchange, where most of the brokers and local insurance agencies are located. Dugan & Carr, Western managers of the Hartford Fire, will be managers of the Chicago office, but they will not attempt to handle its details. It will be directly in charge of an experienced casualty and surety man as superintendent. It is for the purpose of selecting this superintendent that Mr. Moray visited Chicago at this time. The Chicago office will not be a Western department in the sense in which the fire company maintains a Western department. The larger agencies of the West will not report to Chicago, but to the home office. Yet the Chicago office will do the underwriting for the smaller agencies in considerable territory, although the exact field is not yet determined and it may not have exact geographical bounds. Mr. Moray says the company has taken more than six months to consider the best method for handling Chicago, as it wanted to make no mistake.

* * *

Accident Frills Costly.—Advices from Seattle point out the danger of accident policy frills. William H. Pierre had a $5,000 accident policy in the Kansas City Casualty. It provided for beneficiary insurance in event of death of the beneficiary under certain named conditions including being within a burning building. Mrs. Pierre was giving her baby a bath when her clothing caught fire and burned her so badly that she died. The fire also communicated to the furnishings of the room. Mr. Pierre made claim for $5,000 under the beneficiary clause, setting up that the beneficiary met her death on account of being in a burning building. The company contended that it was not the intent of the policy to cover such a case, but the jury decided in favor of the claimant and the supreme court of Washington has affirmed the verdict.

* * *

Drafting Compensation Law for Missouri.—The Missouri Workmen's Commission, which investigated the working of the compensation laws of the Far Western States last year, has just completed a tour of the Eastern States having such laws, and has now returned home to begin work on its draft of a bill for presentation to the legislature next Winter. There is much interest as to the form of law it will recommend, but very little information is available. There is said to be considerable State insurance sentiment in Missouri, and it also is reported that strong opposition to a workmen's compensation law of any kind exists among labor organizations in St. Louis. This is thought to have been instigated by some interests which would be adversely affected by such a law, presumably a class of lawyers.

* * *

May Change Washington State Law.—Considerable overhauling of the workmen's compensation law of Washington appears likely at next Winter's legislative session. The present law was enacted before that of other States, and its makers had not the advantage of the laws of other States as models. The industrial insurance board, which is in charge of its administration, has been making a careful study of it in the light of experience gained under its operation and expects to offer a number of amendments. It probably will seek for a medical aid provision, also a readjustment of rates on various classes and the merger of a number of classes under which there are so few risks insured that it is impossible to get an average on them. James F. Cassidy, a prominent labor unionist of Seattle, has come out in a bitter attack on the law, claiming that by reason of the flat rates prescribed, employers have no pecuniary object in expending money to prevent accidents, with the result that accidents have increased in the State 130 per cent since the compensation law went into effect. He says the laboring men do not get sufficient compensation under the law, that they are thrown upon the mercy of politicians who administer it, and that there is no hope for relief under it as it exists at present.

LA SALLE.

Chicago, July 17, 1914.

ITEMS OF INSURANCE NEWS.

The Massachusetts Legislature has passed a Metropolitan Fire Hazard Act which provides for the appointment by the Governor of a Fire Prevention Commissioner. All existing powers, in whatever officers, other than the courts, relative to the regulation and licensing of the storage of explosives, oils, etc., are to be vested in the commissioner, who in addition to these and other powers, is given power to make orders and rules relating to fires, fire protection and fire hazard binding throughout the metropolitan district, or any part of it. The words "Metropolitan District" as used in the act include the following cities and towns and the territory comprised in them: Arlington, Belmont, Boston, Brookline, Cambridge, Chelsea, Everett, Lynn, Malden, Medford, Melrose, Milton, Newton, Quincy, Revere, Saugus, Somerville, Waltham, Watertown, Winchester, Winthrop, and Woburn, but the act may apply to any other city or town which accepts its provisions.

The American Association of Accident Underwriters through its executive committee, has made Captain Samuel Clark, president of the Royal Casualty Company, a member of that committee, vice George E. Dickson, whom he succeeded as president. Ernest W. Brown, of the Inter-State Business Men's Association, was made chairman of the committee, succeeding E. T. Swobe, of the National Fidelity and Casualty of Omaha, who is retiring from the business. H. C. Pegram, secretary of the Midland Casualty; E. W.Brown and Arthur James, manager of the casualty department of the Wisconsin National Life, were named a committee to prepare plans for the proposed merger of the accident insurance organizations of the country.

The following committee appointments have been made by Clarence F. Low, president of the South Eastern Underwriters' Association: Executive committee, W. E. Chapin, chairman; G. W. Babb, Dowdell Brown, H. R. Bush, C. H. Coffin, Milton Dargan, R. N. Hughs, D. B. Harris, C. J. Holman, John H. Kelly, Joseph McCord, W. R. Prescott, H. E. Rees, Harry A. Smith, Edwin G. Seibels. Arbitration committee, Edward Milligan, chairman; R. M. Bissell, J. H. Brewster, C. L. Case, L. W. Crockett, A. W. Damon, George W. Dewey, J. J. Guile, H. W. Eaton, J. Montgomery Hare, E. C. Irvin, Joseph A. Kelsey, A. G. McIlvaine, John H. Stoddard and G. W. Babb.

A group insurance policy issued by the Connecticut General on the public school teachers of Syracuse, N. Y., which includes also those nurses who are engaged by the Board of Education in public school work, provides for the payment of $250 for death from any cause and $10 for disability from injury or sickness for twenty consecutive weeks, exclusive of the first two weeks of confinement. A rate of $10 per year is charged teachers between the ages of eighteen and fifty, and fifty-one to sixty, $12.60. Those between the ages of sixty-one and sixty-five are rated at $17. The premiums are payable annually. No medical examination is required.

The Connecticut Association of Life Underwriters has endorsed the campaign of the National Association of Life Unoerwriters for a war on the taxation of life insurance. Action will be taken to obtain more favorable tax laws for life insurance in Connecticut where the stock companies pay a one per cent tax on the market value of the stock while the mutual companies pay a tax of one-fourth of one per cent of the value of their assets, less statutory deductions.

The following have been appointed members of the health conservation committee of the World's Insurance Congress: E. E. Rittenhouse, chairman; Irving Fisher, professor of political economy, Yale University; Dr. Lee K. Frankel, head of nursing system, Metropolitan Life; Dr. Toulmin, medical director, Penn Mutual, and Dr. Theodore Cutting, medical examiner, Pacific Coast Casualty.

Conspiracy to defraud by use of the United States mails is the charge which will be prosecuted against the four Delaware mutuals, the Mercantile Fire and Marine, Home Fire and American Fire, all of Dover, and the Equitable Fire of Wilmington. United States District Attorney John P. Nields, of the Federal District Court at Wilmington, has the cases in hand.

Alleging that Rudolph Girouard, of Manville, R. I., was induced to become a bankrupt by the New England Casualty in order that the company could escape liability under an automobile accident policy, James A. Williams, trustee in bankruptcy for Girouard, has brought suit against the company for $5,000 indemnity under the policy carried by Girouard.

The regular triennial examination of the Home Life has been made by the New York Insurance Department, and the report shows admitted assets, December 31, of $29,181,999, and a net surplus of $1,979,941. The policyholders' surplus amounted to $2,104,941. The insurance in force has increased from $92,532,533 in 1909 to over $116,000,000 in 1913.

During June 966 cases under the Wisconsin Workmen's Compensation Law were adjusted and paid in full. The indemnity in these cases amounted to $71,756.91, or an average of $74.28 per case. In addition to indemnity, approximately $35.878 was paid for medical and hospital bills.

Joseph A. Sinn, for many years vice-president of the City Trust, Safe Deposit Surety Company of Philadelphia, and vice-president and manager of the Title Guaranty and Surety Company of Scanton, has been put in charge of the reinsurance department of the National Surety Company.

Iowa's "Blue Sky" law has been declared unconstitutional in the United States District Court on the grounds that it offends against the commerce clause of the Federal Constitution and that it grants privileges and immunities to citizens of Iowa denied citizens of other States.

The report of the Illinois Fire Marshal for June shows a fire loss for the month of $957,014 in 975 fires. Of these 285 were in Chicago, with a loss of $122,505, and 690 were outside, with a loss of $834,509. The damage to buildings was $545,669 and to their contents $411,345.

After several attempts the Ginners Mutual Fire of Houston has secured the approval of the Insurance Commissioner of Texas to its charter and by-laws. Until these were corrected the approval was withheld. A. E. Jones is president and L. A. Kurff is secretary.

In Alabama the Court of Appeals has upheld the State law which provides that all insurance premiums must be taxed regardless of whether the premiums are paid to local agents or sent direct to home offices of companies domiciled in other States.

To the end of securing greater co-operation among their members through a single organization as well as decreasing operating expenses, the Minnesota and North Dakota Fire Underwriters and the Minnesota State Fire Prevention Association have combined.

The delegates to the annual national convention of the United Norwegian Lutheran Church at St. Paul named a committee to investigate the advisability of organizing an insurance company for the benefit of the congregation and members of the church body.

One of the largest public official bonds written in New York State for some time was that for $100,000 written by the American Surety through its branch office at Syracuse on the State Treasurer, covering the State Workmen's Compensation Fund.

A veteran's Policyholders' League, comprising Metropolitan policyholders of twenty-five years' standing is being organized to celebrate the seventieth birthday of President Hegeman and his completion of forty-four years in the Metropolitan's service.

The American Life Convention will hold its ninth annual meeting at Dallas, Texas, October 8-10. The convention is now composed of 104 companies, representing thirty-two States and having more than $1,800,000,000 insurance in force.

The Mid-West Casualty Company is being organized at Peoria, Ill., to take over the business of the Illinois Benefit Association, which has been doing business about seven years and has a premium income of about $80,000 per annum.

A bill has been introduced in the Louisiana House requiring all fire insurance companies doing business in that State to furnish the Secretary of State with a detailed classified statement of premiums received and losses paid.

The New South Life Insurance Company has filed its charter with the department at Shreveport, La. Proposed capital $750,000 and $250,000 surplus. Charles A. Robertson is president. All the officers reside in Poplar Bluff, Mo.

In connection with the annual meeting of the National Association of Local Fire Insurance Agents at Minneapolis next month, a meeting of agents of the American Union Fire of Philadelphia will be held.

E. G. Halle, manager of the Germania Fire Company of Chicago, has been delegated a special commissioner to interest European insurance men in the World's Insurance Congress at San Francisco.

The Western Automobile Conference has appointed the following special committee on rates: Clare Osborn, chairman; John Gallagher, Fred J. Sauter, J. J. Powers and A. T. Graham.

After operating as a mutual since its organization in 1893, the Bankers Accident, of Des Moines, Ia., has become a stock company with $100,000 capital and $20,000 net surplus.

The Toledo Travelers Life Insurance Company has been organized at Toledo with a capital of $100,000 to take over the business of the Toledo Traveling Men's Association.

The Minnesota Supreme Court has sustained the constitutionality of the Workmen's Compensation Law enacted by the 1913 Legislature and effective October 1, 1913.

At the sixth annual conference of the Insurance Institute of America it was decided to hold their 1915 meeting in San Francisco at some time during the Exposition.

An effort is being made to organize the Federal Casualty and Surety Company at Washington, D. C., with a capital of $1,000,000 and a surplus of $500,000.

The city council of Pittsburgh has passed an ordinance creating a division of fire prevention, with a division chief at a salary of $2,400 a year.

An attempt will be made to amend the Robertson Investment law at the next session of the Texas Legislature.

The Standard Fire of Hartford has increased its capital to $1,000,000.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

NOTHING resembling the process of laying anew or strengthening the foundations of financial and business confidence can be seen in any of the principal events of the past week. On the contrary, it cannot be doubted that confidence has been further weakened by the revelation of political attitudes and by the disclosures, assuming scandalous proportions, of the conditions under which much corporate organization has been effected and conducted in recent years. With the threat of further receiverships for more large railroad systems, with more industrial enterprises confessing insolvency or accused of it, with so much encouragement supplied to a persistence of political radicalism instead of a reaction toward conservatism, the wonder is that trade volumes should be holding up at all and that values are not swept away in one overwhelming debacle and that anything in the nature of confidence in the future of values abides. Nor does Europe make any contribution of optimistic import, for affairs abroad exhibit a disappointing slackness and nervousness because of political and financial factors that are doubtful if not worse. The only conclusion to be drawn is that underlying all the economic turmoil of the times there is a large amount of fundamental soundness, and that the disturbing agitation which is witnessed is very largely superficial.

Something like omniscience would be required to tell whether or not what is going on in Wall Street, for example, marks the beginning of a new period of economic disintegration with an era of reintegration and recovery too far off to be described, or whether it is the culmination of a cycle of readjustment. For our own part we incline very much to the belief that we are regarding now the wreckage left by storms that have passed and not the tokens of coming hurricanes. For fully a half decade the world has been traveling down the hill of adversity into the valley of economic depression, and the chances are that the road ahead lies uphill however painful and troublesome the ascent. If that is the case we are now settling with the past in order to make a fresh start for the further journey. Is anything else more impressively signalized by the uncovering of corporate mismanagement, of financial extravagance and wickedness in the abuse of corporate power and opportunity? Is anything else denoted by the failure of politics to realize that the work of destruction is done and that nothing beneficial can be accomplished by the mere direction of abusive attention to the faults and follies that reared structures of value which could not stand when the winds of hard times began to blow?

Still it is not surprising that the revival of confidence is not even in its incipient form discernible when such a terrific document as the Interstate Commerce Commission's report on the history of the New York, New Haven & Hartford Railroad under the Mellen management furnishes a commentary of wide applicability to the financial era that is closed. As summarized by the Interstate Commerce Commission the Mellen-Morgan-Rockefeller conduct of New Haven affairs displays the following characteristics:

"Marked features and significant incidents in the loose, extravagant and improvident administration of the finances of the New Haven, as shown in this investigation, are the Boston & Maine despoilment; the inequity of the Westchester acquisition; the double price paid for the Rhode Island trolleys; the recklessness in the purchase of Connecticut and Massachusetts trolleys at prices exhorbitantly in excess of their market value; the unwarranted expenditure of large amounts in educating public opinion; the disposition, without knowledge of the directors of hundreds of thousands of dollars for influencing public sentiment; the practice of financial legerdemain in issuing large blocks of New Haven stocks for notes of the New England Navigation Company, and manipulating these securities back and forth; fictitious sales of New Haven stock to friendly parties with the design of boosting the stock and unloading on the public at the higher market price."

There is not much comfort to be extracted from the New Haven report by those who would seek to attribute to politics a major share of responsibility for the reversal which has overtaken American economic fortunes. Making all due allowance for the blatant viciousness of the political animosity which masquerades in the findings sanctioned by the Interstate Commerce Commission, for the ill-concealed purpose to capitalize to political advantage the whole hideous blunder of the corporate tragedy that the New Haven railroad has become, the report will still remain a blistering official indictment of men and ideas altogether too controlling in our financial and corporate activities since the opening of the twentieth century. Coming at the time it does the report could not fail to intensify the dejection of sentiment already resulting from the more or less scandalous aspects of the troubles of the St. Louis & San Francisco railroad, the Rock Island property, the Wabash and the Wabash Pittsburgh Terminal companies, and the Missouri Pacific, the Denver & Rio Grande and other railroad systems.

There is no need to extend the catalogue of distressed railroads which includes some whose hardships are represented chiefly by the payment of dividends in excess of the amount warranted by earnings, nor by referring to the numerous industrial corporations in the background of difficulty. The facts are in regard to these and other things that we are beginning to see now how much of our boasted prosperity in past years was owing to the inflation of business and financial bubbles, and that we are beginning to see this clearly is a circumstance of most hopeful augury. The great danger now is that for too long a time mere vengefulness will dominate political councils and that the processes of economic rehabilitation, which left to themselves would be conducted with a sane respect for the lessons that have been learned, will be interfered with by political clamor for punishments and for punitive measures which will place obstacles in the way of legitimate ambitions to resume the forward march of enterprise. So far as concerns the corporate collapses that have taken place or may be impending, it suffices to say that they are the necessary clearing away of debris to make room for renewed efforts at the material development and expansion indispensable to the accommodation of a growing population.

What is incumbent on politics to recognize now is that men are the creatures of the times which they help in turn to create, and that when so many men make so many grave mistakes as in the last ten years, the fault must have been less theirs than the fault of the whole people to whose average of intelligence and morality they were certainly not inferior. If we are going to go ahead at all we cannot afford to contemplate the past so much in the light

of the justification which it may supply for punishing men who committed its great mistakes, as for the instruction which may be derived from it for the establishment of an era of sounder progress than we have ever known.

There is not much to chose between the standards of ethics which permitted the corporate abuses which now engage so much inflated public notice and the motives which inspire self seeking politicians to raise themselves to official place in power or maintain themselves therein by exploitation and denunciation of corporate crimes and misdemeanors. There is altogether too much reason to believe that our politicians to-day do not see as clearly the needs of the times as does the financial and business community which has learned so bitter a lesson from harsh experience.

Crops continue to offer support against the depressing factors, but it is not as yet obvious that good crops can do more than prevent depression from becoming disaster. Such betterment of business as has been reported lately has been only of the kind that ministers to ordinary consumptive requirements and embraces nothing in the nature of new enterprise for which the prime requisite is a state of confidence that is now absolutely non-existent. The money market is distinctly harder although outwardly the banking position is one of so much comfort as to provoke curiosity regarding Secretary McAdoo's conceptions of Treasury policies as illustrated by his invitation to the banks to ask for deposits of public funds to assist in the movement of the crops. The prompt compliance of the banks of the interior in asking for such deposits is less curious because, as was proved a year ago, they always have plenty of paper assets which they are glad temporarily to liquify through the means of temporary Government purchases of the paper that they have discounted.

The conditions into which the commercial paper market has fallen since the Claflin failure have also undoubtedly accelerated the normal disposition of the country bankers to get their hands on some Government money. The facts that are coming out about the Claflin failure have made the disorganization of the general commercial paper market complete, and it must be said that the manner in which the Claflin paper was manufactured fits in very well with the past scheme of things in the business world as betokened by the evidences of corporate weakness cropping out in other quarters.

BROAD STREET.

[QUOTED PRICES OF BONDS AND STOCKS ON THE NEW YORK STOCK EXCHANGE WILL BE FOUND ON PAGES 91-95.]

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Ended July 4, 1914			Week July 11, 1914—		
	Banks	Trust Cos.	Both	Banks	Trust Cos.	Both
Loans	1,[illegible]	699.5	2,[illegible]	1,[illegible]	711.9	2,[illegible]
Deposits (net)	1,[illegible]	1,[illegible]	2,022.8	1,[illegible]	886.6	1,[illegible]
Cash reserves	[illegible]	[illegible]	[illegible]	[illegible]	71.1	[illegible]
Reserve ratio (%)	[illegible]	10.2	23.[illegible]	25.[illegible]	15.3	22.9

Actual Status.

	Week Ended July 4, 1914			Week Ended July 11, 1914—		
	Banks	Trust Cos.	Both	Banks	Trust Cos.	Both
Loans	[illegible]	[illegible]	[illegible]	1,[illegible]	639.0	2,[illegible]
Deposits (net)	1,[illegible]	[illegible]	2,[illegible]	1,[illegible]	881.5	1,[illegible]
Cash reserves	[illegible]	[illegible]	[illegible]	[illegible]	75.4	[illegible]
Reserve ratio (%)	[illegible]	[illegible]	[illegible]	25.[illegible]	17.6	22.[illegible]

Actual Status Non Member Institutions.

	1914			
	June 27.	July 4.	July 11.	
Loans	[illegible]	572.9	[illegible]	
Deposits (net)	[illegible]	575.6	[illegible]	
Cash reserves	[illegible]	53.9	[illegible]	
Other reserves	[illegible]	101.0	[illegible]	
Reserve ratio (%)	[illegible]	28.6	[illegible]	

Aggregate Statement Actual.

(Exclusive of Small National Banks. Not Reported Weekly.)

	1914			
	June 20.	[illegible]	[illegible]	July 11.
Loans	[illegible]	[illegible]	[illegible]	[illegible]
Deposits (net)	[illegible]	[illegible]	[illegible]	[illegible]
Cash reserves	[illegible]	[illegible]	[illegible]	[illegible]

PHILADELPHIA BANKS STATEMENT.

	1914			
	June 22.	June 29.	July 5.	July 13.
Loans	398.4	398.2	398.0	397.1
Deposits	459.7	453.1	459.2	452.8
Cash reserves	106.6	102.6	97.2	100.3

BOSTON BANKS STATEMENT.

	1914			
	June 20.	June 27.	July 3.	July 11.
Loans	239.7	239.2	242.6	242.5
Deposits (net)	224.0	221.6	230.4	222.2
Cash reserves	36.5	35.3	32.4	30.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,[illegible]04.2	918.3	1,003.2	997.1
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Aug. 9.	Oct. 21.	Jan. 13.	Mar. 4.
Loans	6,163.5	6,260.8	6,175.4	6,357.5
Deposits (individual)	5,761.3	6,051.6	6,072.0	6,111.3
Cash reserves	899.1	889.6	981.9	968.0
Other reserves	571.3	586.8	588.8	572.5
Reserve ratio (%)	29.75	26.54	21.74	20.62

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week of	1913			1914		
	New York.	Outside.	Total.	New York.	Outside.	Total.
July 11	1,747	1,121	2,868	1,912	1,490	3,402
July 4	1,891	1,380	3,271	1,996	1,394	3,390
June 27	1,671	1,314	2,985	1,657	1,328	2,985

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week of—	1913			1914		
	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
July 11	2½	3¼	6	3	2½	4
July 4	2	2¾	5½	2½	2½	4
June 27	2½	3½	5½	2	2¼	3¾

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
July 11	1,072,220	10,151
July 4	717,714	9,449
June 27	1,546,971	15,677

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	June 25.	July 2.	July 9.	July 16.
Deposits	62,389	71,621	56,368	55,803
Circulation	28,738	29,784	29,531	29,315
Gold	36,928	44,082	39,599	40,654
Securities	51,[illegible]	60,697	45,837	44,628
Reserve ratio (%)	45.10	49.13	50.58	52.28
Discount rate (%)	3	3	3	3

BANK OF FRANCE (In Thousands of Francs).

	1914			
	June 25.	July 2.	July 9.	July 16.
Deposits	1,[illegible]	1,332.3	3,019.2	1,218.9
Circulation	5,[illegible]	6,051.1	6,039.9	6,067.0
Gold	3,[illegible]	4,057.6	4,092.6	4,092.6
Silver	[illegible]	638.8	637.4	639.7
Discounts, etc.	1,[illegible]	1,791.8	3,079.3	1,606.8
Com to notes (%)	[illegible]	77.6	78.3	77.9
Discount rate (%)	3½	3½	3½	3½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	June 17.	June 25.	July 2.	July 9.
Gold and silver	1,702.1	1,722.3	1,586.8	1,596.4
Loans and discounts	813.6	819.3	1,284.3	1,026.0
Circulation	1,854.1	1,804.5	2,467.1	2,192.0
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	February.	March.	April.	May.
Loans on call	212.1	214.3	208.4	197.1
Loans, other	901.1	912.3	924.4	927.5
Deposits, demand	337.5	315.5	350.5	340.7
Deposits, other	760.1	760.6	767.0	759.3
Circulation	96.5	96.8	93.0	97.7
Cash reserves	112.6	112.7	113.2	133.3

THE COUNTRY'S COMMERCE

	April		May	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$146,194,461	$172,649,724	$133,723,713	$163,637,386
Exports	199,813,438	162,368,852	194,607,422	161,650,203
Specie				
Gold—Imports	1,113,537	3,162,141	4,561,260	1,972,411
Exports	5,010,369	117,386	12,467,192	16,835,902
Silver—Imports	2,867,655	2,213,529	3,093,063	1,755,062
Exports	5,172,387	1,542,543	5,329,354	4,844,244

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	55[illegible]	55[illegible]	5[illegible]	55[illegible]	55[illegible]	54[illegible]
London	25 11-16	25 11-16	25 7-16	25[illegible]	25[illegible]	25 1-16

COTTON

July 18, 1914.

COTTON has had in the main an idle week, and the volume of business both in the spot and in the futures markets has been of very small proportions. Net changes in prices have also been insignificant, and the end of the present week found contracts in New York selling at almost exactly the figures of the close of the week before. In the course of the week there had been a rise of about $1 per bale above the closing prices of Friday of last week, and this rise had been followed by a decline of about $1.75 per bale from the high point, but the resultant of all the forces at work was no price change at all for the week. The truth is that for different reasons there is virtually no business passing between cotton merchants and spinners, either in the United States or in Europe. The trouble in England and the countries of Continental Europe is the very great depression of the cotton industry there, the continued discussion of the advisability of going on short time, and the unremunerative prices offered for yarns and cloths for the coming season's deliveries. Sir Charles W. Macara, President of the International Federation of Spinners, is continually predicting dire consequences in Lancashire and elsewhere, unless the policy of short time is resolutely and promptly adopted. Yesterday, at a meeting of the Committee of the Federation held in Manchester, it was resolved to take a ballot of the members in all European countries, in the hope that the necessary 80 per cent of these may vote in favor of a shut-down of 150 hours, distributed over the coming three months. It will require some two weeks to take this ballot, and it is entirely possible that the necessary percentage of assenting votes may not be obtained. Nevertheless the urgency with which the proposal is pressed is certainly indicative of no very prosperous state of business, even though something must be allowed for the desire of spinners abroad to begin laying in their season's stocks of cotton at lower prices than now prevail. In the United States the difficulty is of a different character and may be called primarily political. American cotton manufacturers are not as a rule able to dispose of their goods on a basis profitable to their mills, yet the demand is excellent in volume and requires the use of a large amount of cotton monthly. This is shown by the Census Bureau's statement of the consumption in June, issued on Tuesday of this week (page 89), from which it appeared that despite the business uncertainty found everywhere, the American mills had to spin up during June, 445,635 bales of cotton, as compared with 441,157 bales in June last year. Again, mill stocks of cotton in this country are already some 50,000 bales smaller than at this time a year ago, and barely sufficient to take the mills through to the time when they can get new cotton; and they are growing relatively less with every passing week. The supply of cotton at American ports and interior towns is now composed to an almost unprecedented degree of very low-grade and undesirable cottons, which the spinners are unwilling to buy except under absolute necessity. The time has accordingly arrived when many spinners feel that some provision must be made for the needs of the first months at least of the new season. But they find themselves unable to make this provision, owing to the complete uncertainty in the minds of responsible cotton merchants, with regard to the effect upon the relative values of future contracts bought as "hedges" on the cotton exchanges, which will result from the enactment into law of the legislation about cotton exchanges now making its slow way through Congress. These merchants have been accustomed in the past to have on their books, by the middle of July, commitments to spinners to the amount of hundreds of thousands and often millions of bales of cotton, to be delivered all the way through from September to May. This year they have virtually no such commitments open, and with rare exceptions they decline flatly to make them saying that the risk is too great to be conservatively undertaken. This situation is, of course, highly uncomfortable for the spinners who are far from certain that the coming crop will be of sufficient size to meet the world's requirements, and who fear to make contracts ahead for their goods, without the protection of having the cotton for these goods contracted for at present prices, and not left to be bought at possibly very much higher prices when the crop begins to move. Naturally, moreover, the result of this deadlock is extreme contraction in the volume of business on the cotton exchanges, where hedge contracts are dealt in. Until the final form of the regulatory legislation is known, this state of things can hardly change, though it is obvious that a large amount of business is accumulating which will be put through as soon as this is possible. With regard to the condition of the growing crop, the prevalent belief is that it has very greatly improved during the past three weeks. It is granted that Texas, Oklahoma and parts of Arkansas and Tennessee now badly need rain; but stress is laid upon the excellent showers in the States East of the Mississippi River during the past ten days. Hence it was rather a shock to the trade yesterday when Miss Kate M. Giles issued her interim report on the condition of the crop as of July 10. The report indicated, not considerable average improvement, but a slight decline in condition for the period from June 25 to July 10. The actual figure was 78.8 per cent of normal on July 10, as compared with 79 per cent on June 25, 75.2 per cent on June 10, and 83.4 per cent on July 10, 1913 (all the figures being Miss Giles' own). This report was disquieting, to say the least; but it was passed off as having little present value, because of the more favorable weather in the Atlantic States since July 10.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	12.43	12.58	12.44	12.46	12.27	12.36
Low	12.43	12.40	12.34	12.25	12.18	12.25
Close	12.42	12.40	12.36	12.26	12.19	12.35
August—						
High	12.36	12.53	12.42	12.43	12.24	12.27
Low	12.27	12.37	12.32	12.18	12.10	12.16
Close	12.35	12.38	12.34	12.19	12.12	12.27
September—						
High	.....	12.41	12.31	.....	.....	12.14
Low	.....	12.35	12.31	.....	.....	12.14
Close	12.26	12.31	12.23	12.12	12.06	12.21
October—						
High	12.30	12.43	12.37	12.35	12.18	12.23
Low	12.20	12.32	12.23	12.11	12.04	12.12
Close	12.28	12.32	12.25	12.13	12.07	12.22
November—						
High	.....	.....	12.35	12.26	.....	.....
Low	.....	.....	12.35	12.26	.....	.....
Close	12.24	12.30	12.24	12.11	12.03	12.18
December—						
High	12.47	12.60	12.55	12.53	12.36	12.40
Low	12.37	12.50	12.40	12.31	12.20	12.27
Close	12.44	12.50	12.44	12.31	12.24	12.39
January—						
High	12.40	12.51	12.47	12.43	12.28	12.33
Low	12.29	12.42	12.31	12.22	12.14	12.20
Close	12.37	12.42	12.36	12.22	12.17	12.32
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
March—						
High	12.44	12.56	12.53	12.47	12.32	12.38
Low	12.34	12.47	12.37	12.26	12.20	12.26
Close	12.41	12.47	12.41	12.27	12.22	12.37
April—						
High	12.60	12.70	.....	.....	.....	.....
Low	12.60	12.70	.....	.....	.....	.....
Close	12.61	12.68	12.61	12.47	12.4	12.55
May—						
High	12.66	12.79	12.77	12.72	12.55	12.58
Low	12.60	12.72	12.63	12.52	12.43	12.47
Close	12.65	12.72	12.65	12.52	12.45	12.58
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs	Fri.
July—						
High	12.80	13.00	13.05	13.01	12.92	.....
Low	12.80	13.00	13.05	12.89	12.92	.....
Close	12.90	12.98	13.03	12.89	12.84	12.94
August—						
High	12.71	12.99	12.85	12.87	12.75	12.75
Low	12.70	12.85	12.83	12.71	12.67	12.71
Close	12.78	12.84	12.83	12.70	12.66	12.77
September—						
High	12.58	.....	.....	.....	12.47	.....
Low	12.58	.....	.....	.....	12.37	.....
Close	12.58	12.64	12.60	12.46	12.38	12.51
October—						
High	12.41	12.53	12.50	12.46	12.33	12.38
Low	12.31	12.44	12.36	12.27	12.29	12.27
Close	12.40	12.44	12.42	12.28	12.23	12.37
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	12.40	12.45	12.42	12.28	12.23	12.36
December—						
High	12.45	12.55	12.53	12.48	12.35	12.39
Low	12.34	12.46	12.38	12.29	12.22	12.29
Close	12.42	12.46	12.44	12.30	12.25	12.38
January—						
High	12.48	12.57	12.56	12.51	12.39	12.44
Low	12.38	12.50	12.45	12.33	12.27	12.33
Close	12.46	12.49	12.48	12.33	12.28	12.43
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	12.32	12.45
March—						
High	12.56	12.67	12.66	12.58	12.47	12.53
Low	12.48	12.58	12.50	12.42	12.38	12.43
Close	12.48	12.58	12.56	12.42	12.37	12.52

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	12.39	12.54
May—						
High	12.62	12.73	.....	12.64	12.49	12.49
Low	12.61	12.70	.....	12.64	12.49	12.49
Close	12.56	12.62	12.60	12.46	12.42	12.57
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, each day in the week, in pence and hundredths of a penny per pound, net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
July—						
Opening	7.17	7.19	7.22	....	7.14	7.14
12:30 p. m.	....	7.19	7.22	7.20	7.14½	7.13
Close	7.12½	7.22	7.18	7.20	7.15	7.16
July-Aug.—						
Opening	7.09	7.19	7.21	7.19	....	....
12:30 p. m.	....	7.19	7.21½	7.20	7.14	....
Close	7.12½	7.22	7.18	7.2	7.14½	7.15½
Aug.-Sept.—						
Opening	6.88	6.98½	7.00½	6.98	6.92	6.91
12:30 p. m.	....	6.98	7.01	6.98½	6.92½	6.89
Close	6.92	7.01½	6.96½	6.98	6.91½	6.90½
Sept.-Oct.—						
Opening	6.74	6.79½	6.79	6.76	6.70	6.69½
12:30 p. m.	....	6.78½	6.79	6.76½	6.70½	6.67½
Close	6.73	6.80	6.74½	6.76	6.70	6.69½
Oct.-Nov.—						
Opening	6.66	6.74½	6.73½	6.69	6.61½	6.63
12:30 p. m.	....	6.73	6.73	6.70	6.61	6.62½
Close	6.68	6.74½	6.68½	6.70	6.64	6.64½
Nov.-Dec.—						
Opening	6.59½	6.67½	....	....	....	6.57
12:30 p. m.	....	6.66	....	6.61	....	6.56½
Close	6.61½	6.67½	6.62	6.63	6.57½	6.58
Dec.-Jan.—						
Opening	6.60	6.67½	....	....	6.56½	6.56
12:30 p. m.	....	....	6.66	....	....	6.56
Close	6.61	6.67	6.61½	6.62½	6.57	6.57½
Jan.-Feb.—						
Opening	6.59	6.68	6.66½	6.63½	6.58	6.57
12:30 p. m.	....	6.66	6.66	6.63½	6.58	6.56½
Close	6.61	6.67½	6.62	6.63	6.57½	6.58
Feb.-Mar.—						
Opening	6.61	....	....	....	....	6.57
12:30 p. m.	....	6.67	6.67½	....	....	....
Close	6.62½	6.68½	6.63	6.61	6.58½	6.59
Mar.-Apr—						
Opening	6.61½	6.70	6.69½	6.66	6.59½	6.59½
12:30 p. m.	....	6.69	6.68	6.65½	6.60	6.58
Close	6.61	6.70	6.64	6.65	6.60	6.60
April-May—						
Opening	....	6.70½	....	....	6.59½	....
12:30 p. m.	....	....	6.68½	....	....	....
Close	6.61½	6.70½	6.64½	6.65½	6.60	6.61
May-June—						
Opening	6.62½	6.71	6.70	6.67	6.61	6.59
12:30 p. m.	....	6.69½	6.69	6.66½	6.61	6.59½
Close	6.65	6.71	6.65	6.66	6.61	6.61½

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues	Wed.	Thurs	Fri.
July	87½	....	....	88	87¼	86⅞
August	87½	....	....	86	85¼	85⅛
September	85½	....	....	84	83⅝	83¼
October	82⅝	....	....	82⅞	82¼	81⅞
November	81⅜	....	....	82	81⅜	81
December	81⅝	....	....	81⅝	81	80⅝
January	81	....	....	81¼	80⅝	80¼

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	13.25	13.25	13.25	13.25	13.25	13.25
New Orleans	13.5-16	13.5-16	13.5-16	13.5-16	13.5-16	13.5-16
Galveston	13⅞	13⅞	13⅞	13⅜	13⅜	13⅜
Mobile	13¼	13¼	13¼	13¼	13¼	13¼
Savannah	13⅞	13⅞	13⅞	13⅞	13⅞	13⅞
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	13½	13½	13½	13½	13½	13½
Baltimore	13¾	13¾	13¾	13¾	13¾	13¾
Augusta	14⅛	14⅛	14⅛	14⅛	14⅛	14⅛
Memphis	13¾	13¾	13⅞	13⅞	13¾	13¾
St. Louis	13⅝	13⅝	13⅝	13⅝	13⅝	13⅝
Houston	13.5-16	13.5-16	13.5-16	13.5-16	13.5-16	13.5-16
Little Rock	13⅛	13⅛	13⅛	13⅛	13⅛	13⅛

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	8.40	8.47	8.50	8.44	8.39	8.35
Good middling	7.92	7.99	8.02	7.96	7.91	7.87
Middling	7.40	7.47	7.50	7.44	7.39	7.35
Low middling	6.92	6.99	7.02	6.96	6.91	6.87
Good ordinary	5.96	6.03	6.06	6.00	5.95	5.91
Estimated spot sales..	3,000	4,000	4,000	6,000	7,000	5,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on each day of the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Fully good middling..	97	....	....	95	94¼	94
Fully middling	93¾	....	....	91¾	91	90¾
Low middling	86½	....	....	84½	83¾	83½

The MOVEMENT OF THE AMERICAN CROP.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	4,890	11,670	21,313	20,618
Overland to mills and Canada	3,252	6,367	7,023	2,539
So. mill takings, est., exclusive of takings from Southern ports.	15,000	20,000	25,000	10,000
Loss of stocks at interior towns	5,937	15,126	17,688	13,626
Brought into sight for week	17,205	22,911	35,648	19,531
Total Movement—				
Port receipts	8,525,799	11,856,630	9,808,255	20,377,781
Overland to mills and Canada	958,956	1,258,423	1,079,306	1,144,076
Southern mill takings..	2,180,000	2,650,000	2,735,000	2,840,000
Stocks at interior towns in excess of Sept. 1..	46,954	19,874	74,075	23,318
Brought into sight thus far this season	11,711,709	15,784,927	13,696,636	14,385,175

The total crop movement is respectively for 324 days, 323 days, 321 days and 320 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	8,898	3,792,656	35,509	7,028	3,320,158	62,889
New Orleans	2,661	1,424,102	34,376	6,282	1,864,789	57,031
Mobile	233	226,537	3,963	238	434,112	6,986
Savannah	3,718	1,277,069	26,251	679	1,811,487	12,330
Charleston	354	307,972	4,796	106	422,664	1,486
Wilmington	114	342,584	10,244	19	398,671	10,388
Norfolk	3,703	590,508	27,863	1,675	578,859	17,846
Baltimore	546	77,184	2,270	274	92,023	4,605
New York	295	15,242	33,213	29	6,632	110,617
Boston	41	45,575	6,624	149	20,609	6,849
Philadelphia	.....	8,262	652	.....	3,629	2,284
Newport News	676	112,417	.....	3,622	135,342	.....
Brunswick	.....	234,334	722	.....	289,816	.....
Pensacola	.....	124,899	.....	165	164,155	.....
Port Arthur	.....	138,642	.....	.....	46,238	.....
Pacific ports	.....	370,605	.....	350	256,783	.....
Texas City, etc.	24	705,140	2,108	2	502,642	2,357
Jacksonville, etc.	50	15,417	485	.....	29,192	145
Georgetown	.....	110	.....	.....	.....	.....
Totals	21,313	9,808,255	181,667	20,618	10,377,781	295,813

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	44	17,836	125	291	10	17,787	15	472
Dallas	5	133,149	1,166	2,569	.....	100,519	27	813
Shreveport	.....	140,962	35	3,256	14	194,978	320	4,141
Little Rock	163	181,376	1,025	12,872	118	189,716	1,163	11,627
Helena	.....	41,643	34	102	1	65,634	318	1,476
Vicksburg	16	29,353	50	744	3	34,325	.....	697
Columbus, Miss.	5	27,652	112	113	7	38,231	13	241
Natchez	.....	18,131	.....	525	.....	19,706	.....	1,271
Memphis	1,093	812,924	3,474	23,959	1,774	1,124,162	3,607	18,515
Nashville	15	7,822	.....	369	.....	10,084	.....	126
Selma	201	118,396	230	742	99	129,431	113	651
Montgomery	437	157,030	1,336	5,076	172	156,336	183	2,916
Eufaula	63	21,174	365	887	1	22,460	.....	721
Columbus, Ga.	40	75,171	373	8,411	13	81,174	725	2,511
Macon	.....	36,795	798	4,346	3	44,466	7	61
Albany	.....	23,961	28	679	.....	27,418	18	981
Atlanta	776	163,053	198	2,244	100	232,422	726	2,487
Rome	146	51,772	683	3,844	108	58,243	200	3,618
Augusta	490	336,510	4,068	14,891	521	374,404	830	12,234
Columbia	1,12	99,654	1,120	.....	1,121	83,861	1,121	.....
Newberry	151	18,397	161	.....	83	23,371	83	.....
Charlotte	70	14,852	70	.....	7	14,782	7	.....
Raleigh	90	11,172	100	70	51	14,935	75	39
St. Louis	2,123	586,004	4,587	16,854	2,259	571,445	2,877	16,128
Houston	3,108	3,109,205	8,077	35,671	3,045	2,761,033	8,884	33,566
Meridian	192	58,437	413	3,479	63	33,897	41	2,319
Cincinnati	2,075	229,188	952	23,322	1,168	249,558	1,079	13,650
Yazoo City	.....	22,176	385	2,376	.....	40,937	20	1,549
Totals	13,033	6,544,081	29,967	167,692	10,746	6,716,160	22,512	132,810

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	5,007	16,747	12,200
France	808	436	150
Continent	22,311	16,030	32,784
Mexico	.....	.....	.....
Japan	.....	.....	350
Totals	28,126	33,213	45,484
Since September 1.			
Great Britain	4,175,502	3,540,235	3,382,770
France	1,160,407	973,356	1,056,333
Continent	4,454,289	3,490,175	3,973,576
Mexico	14,689	20,888	27,447
Japan	514,623	385,955	346,325
Totals	10,319,510	8,410,609	8,786,451

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	800	800	3,000
Since September 1	7,256,828	7,455,386	7,608,796

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	1,250	199,750	.....	202,788	.....	223,890
To Manchester	.....	227,800	.....	203,112	4,500	221,915
To Continent	2,500	377,084	4,000	396,914	5,000	434,164
To America	4,000	115,175	.....	122,470	.....	84,503
Total exports	7,750	919,809	4,000	925,284	9,500	944,472

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	22,000	2,677,000	22,000	3,694,000
Exports to Great Britain	1,000	19,000	.....	70,000
Exports to Continent	4,000	438,000	10,000	1,188,000
Exp. to Japan and China	13,000	933,000	24,000	1,217,000
Afloat in harbor	15,000	.....	10,000	.....
	Exchange, 1s. 4 3-16.		Exchange, 1s. 4⅛.	

Receipts exclusive of —— American this week, 2,000 this season; —— this week last year, 27,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	835,000	645,000	882,000	655,000
London	3,000	.....	5,000	.....
Manchester, in wareh'ses	51,000	35,000	69,000	47,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	4,000	35,000	5,000
Bremen	267,000	264,000	333,000	326,000
Havre	157,000	149,000	262,000	231,000
Other ports—Continent	49,000	31,000	94,000	53,000
Alexandria	101,000	.....	118,000	.....
Bombay	630,000	.....	545,000	.....
U. S. interior towns	167,692	167,692	132,810	132,810
U. S. ports	188,102	188,102	295,813	295,813
Afloat for—				
Liverpool	66,000	37,000	84,000	49,000
London	.....	.....	.....	.....
Continent	190,000	65,000	329,000	103,000
Afloat in Bombay harbor	15,000	.....	10,000	.....
Coastwise to New York	5,000	5,000	6,000	6,000
Exports to day	.....	.....	.....	.....
Totals	2,739,794	1,590,794	3,200,623	1,903,623

Decrease in general visible supply for the week, 145,302, against decrease last year, 145,490. Decrease in American visible supply for the week 106,302, against decrease last year, 157,490.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	1,057,598
Crop in sight to date	13,696,630	14,385,175
Total supply	15,055,606	15,442,773
Less visible supply, American, to-day	1,590,802	1,915,088
World's takings, American, to-day	13,464,804	13,527,685
American Takings.		
Stocks at United States ports August 31	296,353	231,106
Returned from foreign countries	166	3,124
Receipts at United States ports to date	9,808,255	10,377,781
Total supply at ports	10,104,774	10,612,011
Deduct.		
Stocks at ports to-day	188,102	295,813
*Exports to date	8,415,609	8,792,451
Southern mill takings from ports	82,514	137,946
Burnt at ports	8	11,465
Totals	8,686,233	9,237,675
To Northern mills from ports	1,418,541	1,374,336
Overland to Northern mills	1,079,306	1,144,076
Total Northern mill takings	2,497,847	2,518,412
Southern mill takings	2,817,514	2,977,946
Total American mill takings, including Canada	5,315,361	5,496,358

*Includes 6,000 in transit between Southern ports and New York, against 6,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	45,925	5,815,361	28,315	5,496,358
Great Britain	71,717	3,194,069	42,200	2,925,768
Continent	75,466	4,548,531	54,938	4,731,787
Mexico	.....	20,888	.....	27,447
Japan and China	.....	385,955	350	346,325
Totals	193,138	13,464,804	125,833	13,527,685

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	50,000	52,000	29,000	29,000
Sales, American	41,000	44,000	23,000	20,000
Sales, speculation	4,000	2,000	1,000	1,000
Sales, exports	1,000	2,000	1,000	1,000
Forwarded	70,000	82,000	55,000	57,000
Imports, all kinds	15,000	30,000	36,000	26,000
Imports, American	5,000	18,000	14,000	9,000
Actual exports, all kinds	8,000	9,000	2,000	3,000
Stock, all kinds	889,000	835,000	915,000	882,000
Stock, American	758,000	645,000	689,000	655,000
Afloat for Great Britain, all kinds	59,000	66,000	82,000	81,000
Afloat for Great Britain, American	29,000	37,000	45,000	49,000

* * *

CENSUS BUREAU REPORT ON CONSUMPTION AND DISTRIBUTION OF COTTON IN JUNE

On Tuesday, July 14, the United States Census Bureau issued its monthly report (the tenth of the season of 1913-1914) on the consumption, distribution and supply of cotton in the United States for June, 1914. The figures, with comparisons for June, 1913, are given in the following tables,—round bales being counted as half bales and bales imported from foreign countries being reduced to equivalent 500-pound bales (net weight):

CONSUMPTION AND ACTIVE SPINDLES IN JUNE.

	Consumption		Active Spindles	
	1913. Bales.	1914. Bales.	1913, No.	1914, No.
In mills in the Cotton States	235,721	235,511	11,954,524	12,350,070
In mills in all other States	205,436	210,124	18,091,597	18,588,682
Totals for United States	441,157	*445,635	30,046,121	30,938,752

*Includes 16,805 bales of foreign cotton.

STOCKS OF COTTON AT MILLS AND IN WAREHOUSES ON JUNE 30.

	In Manufacturers' Establishments		In Independent Warehouses	
	1913. Bales.	1914. Bales.	1913. Bales.	1914. Bales.
In the Cotton States	471,767	465,115	498,742	436,336
In all other States	731,703	689,292	110,618	194,393
Totals for United States	1,203,470	†1,154,407	609,360	‡630,729

†Includes 66,378 bales of foreign cotton.
‡Includes 9,940 bales of foreign cotton.

IMPORTS AND EXPORTS OF COTTON IN JUNE.

Imports from	1913. Bales.	1914. Bales.	Exports to	1913. Bales.	1914. Bales.
Egypt	6,622	11,938	United Kingdom	88,906	121,687
Peru	572	1,010	Germany	60,804	80,633
China	617	2,122	France	7,935	11,423
All other countries	208	31,940	Italy	27,077	30,349
			All other countries	39,199	51,441
Total imports	8,019	47,010	Total exports	223,921	*295,539

*Includes 23,409 bales of linters.

In addition to cotton proper there were consumed in the United States, during June, 26,945 bales of linters (25,355 bales in June, 1913). Stocks of linters on June 30 were 88,819 bales at manufacturers' establishments (81,845 bales in June, 1913), and 33,185 bales in independent warehouses (40,877 bales in June, 1913). The consumption of linters for the ten months ended June 30, 1914, was 258,155 bales (251,629 bales for same period in 1913). Exports of linters for ten months were 249,966 bales.

The consumption of cotton proper (including foreign cotton) in the United States for the ten months ended June 30, 1914, was 4,745,390 bales, compared with 4,588,729 bales for the same period in 1913.

* * *

German Textile Companies' Dividends.—From figures gathered by the "Elsassisches Textil-Blatt" from the recent financial reports of 173 German stock companies engaged in various branches of the textile industries it appears that twenty-five in the cotton spinning industry with a total capital of $9,299,000 paid only 9.4 per cent, as compared with 9.6 per cent for 1912-1913. In cotton weaving, a reduction of .2 per cent is recorded. In cotton spinning

and weaving, the companies paid 7.2 for 1913-1914 and 8.0 the previous year. The drop in worsted spinning companies' dividends is from 9.1 per cent to 6.9 per cent, in woolen manufacturing from 9.4 per cent to 9.3 per cent, in silk weaving from 9.2 per cent to 6.1 per cent. In the linen and jute spinning branch, due to good business in the latter, an advance was made from 9.2 to 11.5 per cent.

* * *

Japanese Cotton Goods in Manchuria.—Mr. Edwin L. Neville, United States Consul at Dalny, writes that the only noteworthy feature of the Chinese customs returns for the quarter ended March 31, 1914, showing imports of merchandise via Dairen (Dalny) is the steady increase in receipts of Japanese cotton goods. This increase has been sufficient, in spite of the one-third reduction in duty allowed on goods brought by rail through Chosen, to double the revenue received by the customs. With the new decrease in freight rates allowed by the South Manchuria Railway on goods entering Manchuria by rail via Antung, it is expected that the increase in imports will be even greater.

Comparative statistics of imports of certain lines of cotton goods during the first three months of 1913 and 1914 follow:

Articles.	1913.	1914.
Shirtings, gray.	Pieces.	Pieces.
American	.....	480
English	801	1,595
Japanese	82	6,242
Sheetings:		
American	.....	7,700
English	.....	940
Japanese	7,598	807,581
Drills:		
American	.....	1,580
English	.....	30
Japanese	2,128	53,779
Jeans:		
American	.....	200
English	1,805	4,220
Japanese	.....	26,537
Japanese cotton cloth	*39,939	*1,966,196
T cloths, Japanese	10	236
Cotton flannel, Japanese	100	272
Cotton blankets, Japanese	4,823	19,119
Handkerchiefs, Japanese	†352	†2,979
Towels, honeycomb and huckaback, Japanese	7,416	14,878
Cotton yarn:		
English	.....	†28
Indian	.....	†30
Japanese	‡232	‡11,062

*Yards. †Dozens. ‡Piculs (133⅓ pounds).

Other leading imports of cotton goods at Dairen for the first quarter of 1914, the origin of which is not shown in the summarized returns, were: White shirtings, 26,929 pieces; fancy woven cottons, 271,199 yards; velvets and velveteens, 34,724 yards.

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in., 64 x 64s	3¾	3¾
Gray goods, 38 in., standard	5 3 16-5¼	5 3/16-5¼
Brown sheetings, Southern standard	8	8
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13½	13½
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	25-25½	25-25½
Southern 2-ply skeins, 60s	45	45
Southern single skeins, 20s	22-22½	22 -22½
Southern single chain warps, 20s	22½	22½
Southern 2-ply chain warps, 20s	22½	22½
Southern frame cones, 20s	22¾	22¾
Southern frame cones, 30s	25½-26	25½-26
Eastern carded cops, 20s	24	24
Eastern carded cops, 30s	28	25½-26
Eastern carded peeler warps, 30s	30	30
Eastern carded peeler warps, 50s	47	47

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 11	78¾	78	78⅝	77¾	81 9-16	80⅝
July 13	78⅛	77 1-16	78	76 15-16	81	80
July 14	77⅝	76⅝	77⅜	76½	80⅜	79⅝
July 15	78¼	77¼	77 13-16	77 3-16	80¾	80 3-16
July 16	79 9-16	77⅝	78⅞	77⅜	81⅞	80⅜
July 17	79¾	78⅞	79⅝	78⅜	82⅝	81 3-16

CORN (New Contract).

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 11	70⅛	69⅜	68¼	67¼	58¼	57¼
July 13	70¾	69⅛	68¾	67⅛	58	57¼
July 14	69⅝	68¾	67⅜	66¼	57¼	56¼
July 15	69¾	69½	67 5-16	66¾	57½	56¾
July 16	70½	69 7-16	66⅞	66½	56⅞	56¾
July 17	70¼	69⅝	67⅛	66⅛	56½	55 15-16

OATS.

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 11	39⅜	38 3-16	36 5-16	35 13-16	37 11-16	37 5-16
July 13	39½	37½	36 5-16	35¼	37 11-16	36 11-16
July 14	37¾	36¼	35¼	34 9-16	36¾	35⅞
July 15	36⅞	36⅝	35⅛	34¾	36⅜	36
July 16	37	36½	35 7-16	34⅝	36 13-16	35⅞
July 17	37⅛	36⅝	35¼	34¾	36 9-16	36⅛

LARD.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 11	10.15	10.15	10.30	10.27	10.37	10.35
July 13	10.25	10.25	10.40	10.35	10.45	10.42
July 14	10.27	10.25	10.40	10.37	10.45	10.42
July 15	.....	.....	10.42	10.40	10.45	10.42
July 16	10.32	10.25	10.45	10.37	10.47	10.40
July 17	.....	.....	10.45	10.40	10.47	10.42

RIBS.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 11	.....	.....	11.97	11.95	11.60	11.55
July 13	.....	.....	12.02	11.97	.....	.....
July 14	.....	.....	11.95	11.92	.....	.....
July 15	12.02	11.95	11.97	11.90	11.57	11.55
July 16	12.10	12.07	12.00	11.97	11.60	11.55
July 17	12.25	12.17	12.10	12.00	11.70	11.62

PORK.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 11	22.75	22.75	20.75	20.67	.....	.....
July 13	.....	.....	20.95	20.85	.....	.....
July 14	.....	.....	20.95	20.87	.....	.....
July 15	.....	.....	21.15	20.90	.....	.....
July 16	.....	.....	21.30	21.10	.....	.....
July 17	.....	.....	21.45	21.27	.....	.....

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	7.29	7.30	7.23	7.25	7.20	7.23
July	7.32	7.31	7.30	7.32	7.30	7.25
August	7.39	7.37	7.38	7.39	7.38	7.31
September	7.41	7.43	7.42	7.42	7.37	7.32
October	7.21	7.22	7.18	7.18	7.14	7.06
November	6.80	6.80	6.80	6.79	6.75	6.71
December	6.71	6.72	6.72	6.71	6.68	6.65
January	6.72	6.72	6.72	6.72	6.69	6.65
February	6.72	6.73	6.74	6.72	6.68	6.66

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	8.27	8.26	8.26	8.43	8.56	8.45
August	8.35	8.34	8.33	8.45	8.58	8.48
September	8.45	8.44	8.43	8.55	8.68	8.58
October	8.55	8.54	8.53	8.65	8.78	8.67
November	8.65	8.64	8.63	8.75	8.88	8.77
December	8.75	8.73	8.72	8.85	8.97	8.87
January	8.79	8.78	8.76	8.90	9.03	8.92
February	8.84	8.88	8.82	8.95	9.08	8.96
March	8.88	8.87	8.87	9.00	9.13	9.01
April	8.90	8.89	8.90	9.03	9.16	9.04
May	8.93	8.92	8.92	9.07	9.19	9.07
June	....	....	....	....	9.05	8.95
Spot Rio 7's	8¾	8¾	8¾	8¾	8⅞	8⅞

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.		Range for 1913 Low.		Bonds.	Maturity.	Interest Payable.	Saturday. July 11. High. Low.	Monday. July 13. High. Low.	Tuesday. July 14. High. Low.	Wednesday. July 15. High. Low.	Thursday. July 16. High. Low.	Friday. July 17. High. Low.
82⅞	Jan 3	73⅞	Dec 23	Adams Express 4s	1948	*M-S	....	....	79 - 79	....	....	....
88¾	Jan 23	83	June 10	Albany & Susque 3½s	1946	*A-O	....	....	86½- 86½	....	....	....
62	Sept 26	62	Sept 26	Allis-Chalmers 5s	1936	J-J*	....	....	....	....	....	....
101⅞	Jan 31	94	June 11	Am Ag Chemical cvt 5s	1928	*A-O	....	100⅝-100½	....	101 -100⅜	100⅛-100¼	....
97¼	Jan 15	95	May 27	Am Cotton Oil 4½s	No 1 1915	Q Feb	....	99⅛- 99⅛	....	....	....	....
102½	Jan 31	98¾	June 12	Am Hide & Leather 6s	1919	M-S*	....	....	....	102⅞-102⅞	....	....
80	Sept 26	70	July 10	Am Ice deb 6s	1925	*A-O	....	....	88 - 88	....	....	....
110	Jan 10	89¼	Dec 15	Am Tel & Tel conv 4s	1936	*M-S	....	....	....	....	....	....
97½	Feb 13	94	June 11	Am Tobacco Co 4s	1951	F-A*	....	....	....	....	....	....
120⅝	Feb 5	116	Aug 22	Am Tobacco 6s	1944	A-G*	....	....	....	....	....	....
79⅞	Jan 14	70	June 16	Ann Arbor 4s	July 1995	Q Jan	....	63½- 63	....	....	....	....
92	Jan 10	89	Dec 16	Armour & Co R E 4½s	1939	*J-D	93 - 92¾	92¾- 92¾	92¾- 92¾	92⅞- 92⅞	92¾- 92¾	92⅝- 92⅝
98⅛	Feb 5	91⅞	Dec 22	A T & S F gen 4s	1995	A-O*	95¾- 95¾	95¾- 95½	95⅝- 95½	95⅜- 95⅜	95½- 95½	95½- 95¼
88	Jan 2	83	Mar 24	A T & S F adj 4s stamp	July 1995	Nov	....	....	87 - 87	....	87 - 87	86½- 86½
105⅝	Jan 11	98	June 6	A T & S F conv 5s	1917	*J-D	....	101⅛-101	101 -101	....	....	101 -101
105⅜	Jan 13	92¼	Nov 6	A T & S F conv 4s	1955	*J-D	....	98 - 98	98 - 97¾	97½- 97½	97½- 97½	97¼- 96⅞
95¼	Jan 4	87	July 6	Atlantic Coast Line 4s	July 1952	M-S	93½- 93½	....	93¾- 93⅞	....	93¼- 93¼	93¼- 92¼
92½	Jan 11	85¾	Dec 18	Atl C L L & N col 4s	Oct 1952	M-N	....	91¾- 91½	....	....	....	....
91¾	Jan 13	88	June 11	Balt & Ohio prior 3½s	1925	J-J*	....	91¾- 91¾	91¾- 91⅜	91½- 91½	....	....
97⅞	Jan 31	89¼	July 25	Balt & Ohio gold 4s	July 1 1948	A-O	93⅞- 93⅞	93¾- 93½	93¾- 93⅞	93½- 93½	93¼- 93¼	....
90¼	Feb 11	82½	July 19	B & O P L E & W V 4s	1941	M-N*	....	86 - 86	86 - 86	....	....	86 - 86
90⅝	Feb 17	86½	June 30	B & O S W Div 3½s	1925	*J-J	91 - 91	....	....	90¾- 90¾	....	90⅜- 90½
96¾	Feb 4	92	Dec 3	Bethlehem Steel 1st 5s	1926	*J-J	99½- 99½	100 - 100	100 -100	100 - 99½	100 - 99⅞	....
92⅜	Jan 9	84⅝	June 10	Brooklyn Rap Tran cvt 4s	2002	J-J*	....	....	....	....	....	....
103¼	Jan 10	99¼	Dec 12	Brooklyn Rap Tran 5s	1945	A-O*	103¾-103¾	104 -104	103¾-103¾	....	....	....
101½	Jan 27	98½	Oct 30	Brooklyn Union El 1st 5s	1950	*F-A	....	....	....	102⅞-102⅞	102⅝-102⅝	....
106½	Jan 17	101½	July 28	Brooklyn Union Gas 5s	1945	*M-N	....	....	106 -106	....	....	106⅛-106⅛
110⅜	Jan 9	103	June 18	Buff Roch & Pitts gen 5s	1937	*M-S	....	....	....	....	....	....
109	Jan 29	102	June 10	Central of Ga con 5s	1945	M-N*	....	104½-104½	104½-104½	....	....	....
97⅝	Dec 31	91⅞	June 12	Central Leather 5s	1925	*A-O	99⅜- 99⅛	99¾- 99¾	99⅛- 99⅛	99⅛- 99	99⅛- 99	99⅛- 99
119⅜	Feb 5	112½	July 18	Central of N J gen 5s	1987	J-J*	....	....	....	....	117¼-117¼	....
90¼	Jan 30	80⅛	Oct 31	Central New England 4s	1961	*J-J	....	....	....	....	....	....
96½	Jan 25	89⅝	Dec 16	Central Pacific 1st 4s	1949	F-A*	93¾- 93¾	93½- 93½	93⅝- 93⅝	93½- 93⅜	93⅜- 93¼	93 - 93
110	Jan 3	103	June 18	Ches & Ohio con 5s	1939	*M-N	....	....	....	....	....	....
101	Feb 7	90⅜	Dec 19	Ches & Ohio gen 4½s	1992	*M-S	94 - 94	94 - 93¼	....	....	....	93⅛- 93¼
92⅝	Feb 6	77½	Dec 4	Ches & Ohio conv 4½s	1930	*F-A	78 - 77¾	78 - 76¼	76¾- 76¾	....	77 - 76½	....
68	Jan 22	60⅛	Dec 2	Chicago & Alton 3s	1949	A-O*	....	....	....	60⅛- 60⅛	....	....
63¾	Jan 30	50	June 16	Chicago & Alton 3½s	1950	J-J*	....	40⅛- 40	40 - 40	....	....	35 - 35
96⅛	Jan 25	89¾	Nov 18	Chi Bur & Quincy gen 4s	1958	*M-S	....	93¼- 93	93⅜- 93¼	93⅛- 93¼	93⅜- 93¼	....
96¼	Jan 6	93	June 16	Chi Bur & Quincy joint 4s	1921	*J-J	97¼- 97¼	97⅜- 97¼	97½- 97¼	97¼ 97⅛	97⅜- 97⅛	97¼- 97¼
85⅝	Jan 16	81	Nov 19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	....	85⅛- 85⅛	....	....	....	....
98¾	Feb 15	92	Dec 15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	95¾- 95¾	....	95½- 95½	....	....	95⅜- 95¾
97	Jan 14	93	July 9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	....	....	....	....	98 - 98	....
111	Jan 30	104⅜	Dec 27	Chicago & Erie 1st 5s	1982	*M-N	....	....	108 -108	108 -108	108 -108	....
77⅜	Jan 10	70	Dec 15	Chicago Great Western 4s	1959	M-S*	73¾- 73¾	73⅞- 73½	73⅛- 73⅛	73¼- 73	72½- 72½	73 - 73
99	Jan 18	89¼	Dec 1	C M & S P gen 4s, Series A	May 1989	J-J*	95¼- 95¼	....	95½- 95½	....	....	....
100¾	Jan 13	99½	June 16	Chi Mil & St P term 5s	1914	J-J*	....	....	....	....	....	....
91⅞	Jan 22	86	Apr 25	C M & St P deb 4s	1934	J-J*	....	91¾- 91¾	91¾- 91½	....	....	....
105¼	Jan 4	101¼	June 27	C M & St P C P & W 5s	1921	*J-J	....	104¼-104¼	....	....	....	104¼-104¼
85⅛	Feb 5	78⅛	Apr 30	Chicago & N W gen 3½s	1987	M-N*	....	....	....	83¼- 83	....	....
98¼	Feb 5	92¾	Apr 18	Chicago & N W gen 4s	1926	F-A*	....	....	....	....	95⅜- 95¾	....
94⅛	Jan 8	82½	Oct 23	C R I & P gen 4s	1988	J-J*	....	....	....	86¾- 86¾	87¼- 87	....
66¾	Jan 10	48¾	Dec 13	C R I & P col trust 4s	2002	M-N*	26¾- 26⅜	26¾- 26	26⅛- 25¾	25½- 24⅝	25¾- 24⅞	25⅜- 25¼
88¼	Jan 10	70	Dec 18	C R I & P ref 4s	1934	*A-O	77 - 77	77 - 76	....	75½- 75	74⅞- 74½	74¼- 73¾
120½	Feb 7	115⅝	Oct 30	C St P M & O 6s	1930	*J-D	....	....	....	....	....	....
92⅛	Jan 3	85	Nov 6	C C C & St L gen 4s	1993	*J-D	....	....	....	....	....	....
90	Mar 4	83	Dec 5	C C C & St L S L Div 4s	1990	M-N*	....	....	....	....	....	....
85	Feb 1	76	Dec 12	Col Industrial 5s	1934	F-A*	....	....	....	....	....	....
36¼	Feb 3	15	Dec 29	Col Midland 1st 4s	1947	J-J*	....	....	....	....	....	....
94⅞	Jan 7	89	June 7	Col Southern 1st 4s	1929	*F-A	....	....	....	....	90⅛- 90⅛	90¼- 90¼
94½	Jan 6	90¼	June 17	Col South ref & ext 4½s	1935	*M-N	....	....	....	....	85 - 85	....
97¼	Feb 17	95½	July 9	Con Tobacco 4s	1951	*F-A	....	....	....	....	....	....
98	Jan 11	95½	June 12	Del & Hudson conv 4s	1916	*J-D	....	99 - 99	....	....	....	99 - 99
99⅛	Jan 9	95½	July 22	Del & Hud ref 4s	1943	*M-N	97¼- 97¼	....	....	....	....	....
89½	Jan 31	80½	July 9	Den & Rio Grande con 4s	1936	*J-J	....	....	....	77 - 77	....	....
84¼	Jan 10	67	June 12	Den & Rio G 1st ref 5s	1955	F-A*	50 - 45½	44 - 43⅝	47 - 44½	46½- 46	46½- 45¼	45⅞- 45⅝
70	Jan 4	54½	May 28	Distillers' Securities 5s	1927	*A-O	....	59 - 59	58½- 58½	58¾- 58½	58½- 58½	58½- 57¾
109⅝	Jan 14	104⅝	Oct 10	E T V & G con 5s	1956	M-N*	....	....	....	108⅛-108⅛	....	....
106	Feb 25	103	June 26	E T V & G Div 5s	1930	J-J*	....	....	....	....	....	....
87	Jan 3	81⅞	Dec 11	Erie prior lien 4s	1996	*J-J	....	84½- 84½	....	....	....	....
76	Jan 13	66⅞	June 12	Erie general lien 4s	1996	*J-J	....	73 - 73	73 - 72¾	72¾- 72¾	73 - 73	72¾- 72¾
82¼	Jan 30	66	June 11	Erie conv 4s A	1953	*A-O	....	....	71½- 71½	71½- 71½	....	70 - 68⅝
77⅛	Jan 10	65	June 11	Erie conv 4s B	1953	*A-O	....	....	....	70½- 70¼	70½- 70¼	70¼- 70
90	Jan 20	85⅜	July 23	Erie (Pa) col 4s	1951	*F-A	89⅛- 89⅛	....	....	....	....	....
101½	July 8	98⅞	Mar 13	E & T H 1st gen 5s	1942	*A-O	....	....	....	....	....	....
108	Jan 15	102	July 29	Ft W & D C 1st 6s	1921	J-D*	....	....	....	....	....	....
76½	Jan 24	63½	Nov 21	Ft W & R G 1st 4s	1928	J-J*	....	....	....	....	....	....
105½	Jan 16	101	Nov 12	General Electric deb 5s	1917	*J-D	....	106⅛-106	....	....	....	106⅜-106⅜
17½	Jan 28	11	June 10	G B & West deb B		Ann.-Feb.	....	....	....	....	....	....
101¾	Jan 30	96	Apr 23	Hocking Valley 4½s	1999	*J-J	....	....	100 -100	....	100⅛-100⅛	....
93	Mar 7	92	Mar 10	H & T Central gen 4s	1921	*A-O	....	....	....	....	....	....
96½	Mar 6	90	Oct 20	Illinois Central 4s	1952	*A-O	....	....	....	....	....	....
96	Sept 8	87	Nov 3	Illinois Central 4s	1953	M-N*	....	....	....	....	....	....
96	Jan 22	88½	July 24	Illinois Central ref 4s	1955	M-N*	....	....	....	....	....	92½- 92½
66⅛	Jan 9	56½	June 7	Inter Mer Marine 4½s	1922	A-O*	52⅛- 52	51¾- 50¾	49½- 49½	49 - 49	47⅞- 47⅞	47¼- 47⅛
81¼	Jan 9	71	June 10	Inter-Met 4½s	1956	*A-O	77½- 77⅜	77⅜- 77	77¼- 77	77 - 77	76⅞- 76¾	76⅞- 76¾
98½	Oct 22	98	Oct 23	Interborough R T 5s	1952	M-N*	99 - 99	99 - 98⅞	99 - 98⅞	99 - 98⅞	99 - 98⅞	99 - 99
105	Jan 30	100	May 20	International Paper 1st 6s	1918	*F-A	....	....	....	....	....	100 -100
91¾	Jan 16	80	Dec 18	International Pap conv 5s	1935	*J-J	....	....	....	....	....	....
88¾	Jan 10	57	Nov 26	Inter Steam Pump 5s	1929	*M-S	48⅛- 48	47¾- 47¾	....	47¼- 47¼	47 - 47	47 - 46
99⅜	Jan 24	86¾	Dec 22	Iowa Cent 1st 5s	1938	*J-D	....	....	....	....	....	....
64¼	Jan 9	50	Nov 11	Iowa Cent ref 4s	1951	*M-S	....	48 - 47	....	....	....	....
78	Jan 23	65	May 28	Kan City Ft S & M 4s	1936	A-O*	74 - 74	73¼- 73¼	73½- 73½	....	....	73½- 73½
72	Jan 21	68	May 28	Kan City South 3s	1950	*A-O	....	....	....	69¾- 69¾	69¾- 69¾	....
99	Jan 4	94¼	Nov 26	Kan City South ref 5s	Apr 1950	J-J	95¾- 95¾	....	95¼- 95¼	95¼- 95¼	....	....
96¾	Apr 1	90⅛	Dec 5	Lackawanna Steel 5s	1923	*A-O	....	91⅛- 91⅛	....	91 - 91	91 - 91	....
102½	Feb 10	99½	June 27	Laclede Gas of St L 1st 5s	May 1919	Q-F	....	....	....	....	....	....
106½	Jan 17	101⅛	May 15	Lake Erie & W 1st 5s	1937	*J-J	....	....	....	101 -101	....	....
102¾	Feb 3	97	Mar 21	Lake Erie & W 2d 5s	1941	J-J*	....	....	....	....	....	....
88½	Feb 7	85½	Aug 21	Lake Shore gen 3½s	1997	*J-D	....	....	85½- 85½	85⅜- 85¾	85½- 85	....
93½	Sept 3	88½	Dec 19	Lake Shore deb g 4s	1928	M-S*	94 - 94	94¼- 94¼	94⅛- 93¾	93⅞- 93⅞	93⅞- 93¾	93½- 93½

Range for 1913 High.			Range for 1913 Low.			Bonds.	Ma-turity.	Interest Payable.	Saturday. July 11. High.	Saturday. July 11. Low.	Monday. July 13. High.	Monday. July 13. Low.	Tuesday. July 14. High.	Tuesday. July 14. Low.	Wednesday. July 15. High.	Wednesday. July 15. Low.	Thursday. July 16. High.	Thursday. July 16. Low.	Friday. July 17. High.	Friday. July 17. Low.
92⅝	Feb	3	88	Dec	20	Lake Shore deb g 4s	1931	*M-N	.....	.....	93½	93½	.....	.....	93½	93⅜	93½	93⅜	.....	.....
89⅛	Feb	19	84	Aug	9	Long Island unified 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94	Jan	4	86	July	17	Long Island gen 4s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96	Apr	23	89½	Aug	22	Long Island ref 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99½	Jan	13	91½	June	11	Louis & Nash unified 4s	1940	J-J*	96	95⅞	96⅜	96⅜	96¼	96	96	96	96	96	96	95⅞
95	Jan	14	86½	July	1	Manhattan con 4s	1990	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	92½	92½	92½	92½
95½	Jan	22	87¼	June	19	Man Ry 4s stpd tax exempt	....	....	.....	.....	.....	.....	93	93	.....	.....	92⅝	92⅝	92½	92½
95¼	Jan	8	86½	Oct	22	M K & T 1st 4s	1990	*J-D	86¼	86¼	85½	85½	83¾	83¾	83½	83½	83½	83½	83	83
81¾	Jan	8	71	Nov	21	M K & T 2d 4s	June	1990 F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99¾	Sept	11	95½	Nov	12	M K & T ext g 5s	1944	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
77½	Feb	3	67¼	June	23	M K & T ref 4s	2004	M-S*	.....	.....	.....	.....	63	63	.....	.....	.....	.....	60	60
7.	Jan	2	70½	July	7	M K & T gen 4½s	1936	*J-J	.....	.....	.....	.....	71½	71½	.....	.....	.....	.....	70	69¾
100¼	Jan	17	97	Aug	26	M K & T of Tex 5s	1942	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
100	Feb	18	95	Dec	1	Mo Pac col tr 5s	Jan 1917	M-S	.....	.....	93	92	92¼	92¼	.....	.....	92	92	92¼	92⅛
99⅝	Jan	13	91	July	14	Mo Pac col tr 5s	1920	F-A*	.....	.....	88	86½	.....	.....	.....	.....	87½	87½	87½	87½
70⅜	Jan	9	62	Dec	29	Mo Pac 4s	1945	*M-S	42½	41¾	42¼	41½	43⅞	42⅜	45	43½	43¾	43½	44½	43½
85⅞	Jan	14	79⅝	Dec	16	Mobile & Ohio gen 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	Jan	7	73	Dec	9	Nassau Electric 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88½	Jan	4	52	Dec	17	Nat Rys of M per lien 4½s	1957	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	Jan	9	76¼	Dec	28	Nat Rys of M con 4s	1977	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102½	Feb	11	101½	Nov	8	Nash Chatt & St L con 5s	1928	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	Jan	6	96½	Dec	17	N Y Air Brake con 6s	1928	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87¼	Jan	30	80	Dec	10	N Y Central ref 3½s	1997	J-J*	.....	.....	.....	.....	82¾	82¾	82¾	82⅜	82½	82½	.....	.....
91½	Jan	9	83	Dec	29	N Y Central deb 4s	1934	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87	May	14	76½	Dec	23	N Y Central L S 3½s	1997	J-J*	.....	.....	78¼	78	.....	.....	.....	.....	.....	.....	.....	.....
80	May	22	71	Dec	5	N Y Central M C col 3½s	1998	*F-A	.....	.....	.....	.....	74½	74	.....	.....	.....	.....	.....	.....
94½	Jan	2	93½	July	18	N Y C & St L 1st 4s	1937	A-C*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88½	Jan	10	80	Nov	5	N Y G E L H & P 4s	1949	*F-A	.....	.....	87⅞	87⅞	87⅞	87⅞	87	87	.....	.....	.....	.....
107⅞	Sept	29	100⅝	June	14	N Y G E L H & P col tr 5s	1948	J-D*	.....	.....	104⅞	104⅞	.....	.....	.....	.....	.....	.....	.....	.....
126	Jan	3	103¾	Dec	17	N Y N H & H con deb 6s	1948	*J-J	107½	107½	107	107	106½	105½	105	99	102¼	102	103	101⅞
87	Jan	23	68	Nov	12	N Y N H & H deb 3½s	1956	*J-J	68¾	68¾	.....	.....	68	67	.....	.....	66½	66	.....	.....
92¼	Jan	20	81	Dec	23	N Y Ont & W 1st ref 4s	June	1992 M-S	81	80⅛	79⅞	79⅞	.....	.....	.....	.....	80⅜	80⅜	.....	.....
79	Jan	10	72½	June	10	N Y Rys ref 4s	1942	J-D	.....	.....	.....	.....	.....	.....	.....	.....	76½	76½	.....	.....
61	Dec	30	51⅞	June	10	N Y Rys adj 5s	1942	J-D	54¼	54⅛	54½	54¼	54½	54	54½	54	54⅛	54	54¼	54
99	Jan	31	88	June	11	N & W con 4s	1996	A-O*	95⅞	95⅞	95¾	95⅜	.....	.....	.....	.....	95⅞	95⅞	95	95
10.	Jan	10	87	Dec	20	N & W div 1st lien 4s	1944	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	90¼	90¼	.....	.....
104⅞	May	26	102¼	Nov	5	N & W conv 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
92	Jan	13	83	June	23	N & W P C & C joint 4s	1941	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98⅝	Jan	10	91½	July	7	North Pac prior 4s	Jan 1997	Q-J	95⅜	95⅜	95¼	95¼	95¼	95¼	95¼	95⅛	95¼	95	95	95
9.	Sept	20	63½	June	5	North Pac gen 3s	Jan 2047	Q-F	67	67	66⅞	66⅞	67	67	.....	.....	67⅛	67	.....	.....
94	Feb	25	86	Nov	6	Oregon Ry & Nav 4s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	92¾	92¾	.....	.....
112⅜	Jan	11	108½	July	17	Oregon Short Line 1st 6s	1922	*F-A	110½	100½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
109	Jan	16	103½	June	19	Oregon Short Line cons 5s	1946	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93⅛	Jan	7	86½	June	13	Oregon Short Line ref 4s	1929	J-D*	.....	.....	91½	91¼	90¾	90¾	90½	90½	.....	.....	.....	.....
101½	Feb	3	98	July	16	Pacific Coast 1st 5s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100⅛	100⅛
101	Jan	11	95	June	11	Pacific Tel & Tel 5s	1922	*J-J	97	97	96⅞	96⅞	.....	.....	96⅝	96½	.....	.....	97	97
102	Feb	5	98	Nov	29	Penn con 4s	1948	M-N*	.....	.....	100½	100½	.....	.....	.....	.....	.....	.....	.....	.....
97½	Jan	7	95⅞	July	18	Penn con 3½s	Oct 1 1915	J-D	99⅛	99⅛	99⅛	99	99	99	99	99	99	99	99	99
80	Jan	2	79	June	27	Peoria & E 1st 4s	1940	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
40¾	Feb	20	35	June	4	Peoria & E income 4s	Apr 1990	Ann.	.....	.....	.....	.....	.....	.....	22	22	.....	.....	.....	.....
97½	Jan	25	9. ⅜	Dec	19	Reading gen 4s	1997	*J-J	95	95	95⅜	95⅛	95⅜	95¼	95½	95⅜	95½	95⅜	95⅜	95¼
96¾	Mar	12	91½	June	16	Reading Jersey Cent col 4s	1951	*A-O	94⅝	94⅝	94¾	94¾	94⅞	94½	94¾	94¾	.....	.....	.....	.....
103	Oct	11	102	Sept	30	Rep Iron & Steel col 5s	1934	A-C*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85¼	Jan	13	78	Oct	15	Rio Grande W 1st 4s	1939	J-J*	79¾	79¾	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	Jan	23	67½	Dec	17	Rio Grande W col tr 4s	1949	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
84	Jan	31	75¼	Dec	10	St J & G I 1st 4s	1947	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106	Jan	10	100	June	26	St L & I M gen 5s	1931	*A-O	.....	.....	.....	.....	102½	102	102	101¾	101¾	101¾	101¾	101¾
82⅝	Jan	31	74	Dec	22	St L & I M ref 4s	1929	J-J*	73¾	73¾	72	72	72	72	.. ..	.....	.....	.....	68	68
83½	Jan	3	76½	Dec	9	St L & I M Riv & G Div 4s	1933	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
76¾	Jan	8	65	May	29	St L & S F R R ref 4s	1951	J-J*	70⅛	70	70	70	70⅛	70⅛	70⅜	69¾	70	69⅜	69½	69¼
82¾	Jan	7	50½	July	18	St L & S F R R gen 5s	1927	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	38	38	.....	.....
90	Jan	6	83¼	Dec	22	St L S W 1st 4s	1989	M-N*	.....	.....	.....	.....	83¼	83	.....	.....	82⅝	82⅝	.....	.....
80	Jan	3	78	Feb	17	St L S W 2d income 4s	Nov 1989	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	Jan	7	75	Nov	26	St L S W consol 4s	1932	*J-D	.....	.....	68¾	68¾	.....	.....	.....	.....	.....	.....	.....	.....
104½	Jan	13	100¼	July	16	St P M & M con 4½s	1933	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	103⅛	103⅛
96¼	Apr	4	92	July	21	St P M & M Mont ext 4s	1937	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85¾	Jan	2	75	Nov	19	San Antonio & A P 4s	1943	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79	Jan	13	72½	Oct	15	Seaboard A L ref 4s	1950	A-O*	.....	.....	73⅞	73¾	73¾	73¾	.....	.....	.....	.....	73¾	73¾
86	Jan	23	79½	July	7	Seaboard A L stamped 4s	1950	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
77¼	Jan	20	66½	June	12	Seaboard A L adj 5s	1949	F-A*	77¼	77¼	77¼	77	77	76½	76¾	76¾	76½	76	76¼	75¾
94⅛	Feb	4	87	June	12	So Pac ref 4s	1955	*J-J	9. ¼	92¼	92⅛	92⅛	92⅛	92	92⅛	92	92⅛	91¾	91¾	91¾
98	Feb	7	87⅞	June	27	So Pac col 4s	Aug 1949	J-D	.....	.....	90	90	.....	.....	.....	.....	.....	.....	.....	.....
93⅝	Feb	1	84	June	10	So Pac conv 4s	June 1929	M-S	86⅛	86	86¼	86	86	86	86	85⅝	86	85⅝	86	85¾
107⅛	Jan	10	101	June	24	So Ry 5s	1944	J-J*	.....	.....	104¾	104⅝	104⅝	104⅛	104¾	104¾	.....	.....	104½	104⅜
78½	Jan	2	72¼	Dec	1	So Ry col tr 4s	1956	*A-O	.....	.....	73	72¾	73	72¾	73	73	73	73	73¼	72½
86½	Jan	21	78½	June	20	So Ry M & O Div 4s	1938	M-S*	81	81	.....	.....	.....	.....	.....	.....	80	80	.....	.....
88½	Jan	8	79⅛	Aug	12	So Ry St L Div 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	Jan	11	96	Dec	18	Tenn Coal & Iron gen 5s	1951	*J-J	102⅝	102⅝	.....	.....	.....	.....	... .	.....	.....	.....	.....	.....
89¾	May	10	88	Oct	16	Term Ass'n St L ref 4s	1953	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
107¼	Jan	3	99	Nov	24	Texas Pac 1st 5s	2000	*J-D	.....	.....	.....	.....	100¼	100⅛	.....	.....	.....	.....	.....	.....
82⅝	Jan	10	77½	June	10	Third Av ref 4s T R ctfs std	2000	*J-J	.....	.....	.....	.....	83¾	83¾	83¾	83¾	83¾	83	.....	.....
81½	Dec	31	80	Dec	18	Tol St L & W 3½s	1925	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
69	Aug	29	47½	June	9	Tol St L & W 1st 4s	1950	*A-O	.....	.....	51	51	.....	.....	.....	.....	.....	.....	53	50
96	Sept	26	92½	May	13	Underground London 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅜	Jan	14	91	Dec	2	Union Pacific 1st 4s	1933	*J-J	98⅝	98⅛	98¾	98¼	98⅝	98½	98⅜	98	98⅜	98⅛	98⅛	98⅛
97	Jan	2	86⅝	June	12	Union Pacific conv 4s	1927	J-J*	91	91	.....	.....	90⅞	90⅞	91	91	.....	.....	90¾	90¾
95½	Jan	7	87⅞	June	19	Union Pacific ref 4s	June	2008 M-S	.....	.....	95	95	.....	.....	.....	.....	.....	.....	.....	.....
67	Jan	3	50½	Nov	24	United Rys San Fran 4s	1927	*A-C	.....	.....	.....	.....	53⅝	53½	.....	.....	.....	.....	.....	.....
89	Jan	10	79	Nov	29	U S Realty & Imp 5s	1924	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
27	May	8	25	Jan	2	U S Reduc & Ref 6s	1931	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103¾	Feb	8	100	Mar	13	U S Rubber 6s	1930	*M-N	102⅝	102¾	102⅞	102¾	102¾	102⅝	102⅝	102¾	102¾	102⅝	.....	.....
102	Jan	7	96⅝	June	10	U S Steel 5s	1939	*F-A	102⅞	102¾	103	102¾	103	102⅞	102⅞	102¾	102⅞	102⅝	102¾	102⅝
98	Jan	13	90¼	July	1	Va-Car Chemical 1st 5s	1918	J-D*	.....	.....	97½	97½	.....	.....	.....	.....	97½	97½	96¾	96¾
106½	Jan	9	101	June	5	Wabash 1st 5s	Apr 1936	M-N	.....	.....	.....	.....	102¼	102¼	.....	.....	.....	.....	.....	.....
99½	Jan	14	92½	Dec	2	Wabash 2d 5s	1923	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
61⅞	Jan	2	46½	June	12	Wabash ref & ext 4s	1956	J-J*	.....	.....	.....	.....	49	49	50	49	49	48½	48	46
27½	Jan	2	10	Dec	19	Wab-Pitts T 1st Cen tr c	1954	*J-D	7¾	7¾	7½	7	.....	.....	.....	.....	.....	.....	.....	.....
3	Aug	18	½	June	13	Wabash-Pitts T 2d tr c	1954	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
83⅞	Feb	6	75	June	11	West Maryland 4s	1952	A-O*	62¾	61½	62	57¾	59	58⅛	59¼	58½	59¼	59	59½	58½
107¼	Feb	11	103	Sept	8	West N Y & P 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102½	Feb	4	95	Nov	22	West Union col tr 5s	1938	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	97½	97½	.....	.....
96½	Jan	15	87½	Dec	4	West Union R E 4½s	1950	*M-N	.....	.....	91½	91½	.....	.....	.....	.....	.....	.....	92	92
98¼	Jan	13	90	Nov	22	West Shore 4s	2361	*J-J	93¼	93	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94	Jan	7	87	Dec	18	Westinghouse E & M 5s	1931	*J-J	.....	.....	95¾	95⅔	95¾	95½	96⅛	96	96	96	96	96
80⅝	Jan	29	70	July	17	Wheeling & L E con 4s	1949	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
91⅝	Jan	11	84	June	25	Wisconsin Central 4s	1949	J-J*	.....	.....	88	88	.....	.....	.....	.....	88	88	88	88

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 11. High.	Saturday. July 11. Low.	Monday. July 13. High.	Monday. July 13. Low.	Tuesday. July 14. High.	Tuesday. July 14. Low.	Wednesday. July 15. High.	Wednesday. July 15. Low.	Thursday. July 16. High.	Thursday. July 16. Low.	Friday. July 17. High.	Friday. July 17. Low.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	92	92	.....	.....
24¾	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	.....	.....	27	25⅝	27¼	26⅝	27⅛	26⅝	27⅛	26⅞	27½	26⅝
9	Dec	26	7⅝	Dec	16	Allis-Chalmers	..	.....	.....	.....	10¼	10	.....	.....	9	9	10	9⅞	.....	.....
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	.....	.....	.....	.....	.....	.....	41	41	.....	.....	.....	.....
80½	Sept	16	61⅝	June	10	Amalgamated Copper	6	Q May	70⅜	69¾	70½	68⅞	70½	69	70	68¾	69⅝	68⅞	70⅛	69⅛
57	Jan	3	41¼	Sept	5	Am Agr Chemical	4	Q May	.....	.....	.....	.....	.....	.....	55½	55½	.....	.....	54⅞	54⅞
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Apr-Oct	.....	.....	.....	.....	94	94	.....	.....	.....	.....	.....	.....
50½	Jan	2	19¾	June	10	Am Beet Sugar	..	.....	25	24¾	25	25	24½	24¼	24	24	23¾	23¾	23⅛	23
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96¼	Jan	4	89½	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
136⅝	Jan	6	127¾	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....	.....	.....	.....	.....	.....	138	138	.....	.....	.....	.....
46⅞	Jan	31	21	June	11	Am Can	..	.....	27⅛	27	27½	26⅝	27⅝	27¼	27⅛	26¾	27	26¼	26¾	25⅞
129½	Jan	30	80½	June	10	Am Can pfd	7	Q Jan	.....	.....	91	90⅜	90	90	90	89⅞	.....	.....	.....	.....
56⅜	Jan	2	36½	June	10	Am Car & Fdry	2	Q Jan	51⅝	51½	51⅜	51⅛	51	50½	51½	51¼	51¼	51	51½	50⅛
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	.....	.....	118½	118½	118⅜	118⅜	.....	.....	.....	.....	118½	118½
48¾	Jan	6	33¼	July	2	American Cities	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78½	Jan	2	60¼	June	28	American Cities pfd	6	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
57⅜	Jan	2	33½	June	12	Am Cotton Oil	..	.....	39	39	39	38½	38⅝	38⅝	39⅛	38⅝	39	39	39	38¾
98	May	6	92½	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....	.....	.....	.....	.....	.....	.....	.....	94	94	.....	.....
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	101	101	102¾	102¾	103	103	.....	.....	.....	.....	.....	.....
5⅛	Jan	3	3½	July	9	Am Hide & Leather	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28¼	Feb	10	15⅛	June	10	Am Hide & Leather pfd	..	.....	21⅛	21⅛	.....	.....	21	20⅞	.....	.....	.....	.....	.....	.....
27¾	Apr	4	17	June	10	Am Ice Securities	..	.....	.....	.....	29½	28¼	28	28	28¼	28¼	.....	.....	28⅛	28
12⅛	Nov	7	6⅞	June	10	Am Linseed	..	.....	9	9	8¾	8¾	.....	.....	.....	.....	8¾	8¾	.....	.....
33⅜	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	.....	.....	27½	27	27½	27½	27	27	.....	.....	.....	.....
44½	Jan	6	27	June	10	Am Locomotive	..	.....	29½	29½	30	30	30	30	29½	29½	29⅜	29⅜	29¾	29¾
106¾	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	98	98	97⅛	97⅛	.....	.....
13	Jan	3	5¼	Oct	17	Am Malt	..	.....	.....	.....	.....	.....	.....	.....	5	5	.....	.....	.....	.....
61½	Jan	3	41⅞	Oct	24	Am Malt pfd	4	May-Nov	.....	.....	39	39	.....	.....	35	34½	34	34	.....	.....
86	Jan	9	79½	June	12	Am Smelting pfd B	5	Q Mar	.....	.....	.....	.....	.....	.....	82½	82½	.....	.....	.....	.....
74¾	Jan	30	58½	June	10	Am Smelting & Refin	4	Q Jan	65⅞	65½	66½	64⅞	65	64½	65¼	64¼	66¼	65¼	66⅝	65½
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	103⅛	103⅛	103¼	103¼	102½	102⅜	103½	103½	.....	.....	103⅛	103⅛
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	.....	.....	.....	.....	163½	163½	163⅜	163⅜	.....	.....	.....	.....
105	Jan	21	100	June	6	Am Snuff pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
40½	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	.....	.....	.....	.....	.....	.....	31¼	31	.....	.....	.....	.....
118	Jan	31	99⅞	Dec	9	Am Sugar Ref	7	Q Jan	106½	106½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
116⅝	Jan	28	110⅛	June	12	Am Sugar Ref pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	112⅝	112⅝	.....	.....	.....	.....
66⅛	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	120⅝	118⅛	119¼	118¼	119¼	118⅞	119¼	118	119	118½	119⅛	119
294¾	Jan	10	200	June	6	Am Tobacco Co	20	Q Dec	.....	.....	230	230	.....	.....	228¼	228¼	229	228¼	229⅞	228
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	.....	.....	108	108	107	106¾	106½	106½	.....	.....	106½	106½
23½	Sept	27	15	Dec	1	Am Woolen	..	.....	.....	.....	.....	.....	14	13¾	.....	.....	.....	.....	.....	.....
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....	.....	74⅞	74⅞	.....	.....	.....	.....	.....	.....	74¼	74
32¼	Jan	2	11⅞	Nov	14	Am Writing Paper pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
41½	Jan	2	30⅞	June	10	Anaconda Copper	2	Q Jan	30¾	30⅝	31⅛	30¾	31	30⅝	30⅞	30½	30¾	30¾	30⅞	30¾
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43¼	Feb	19	42¼	Jan	30	Associated Oil	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106¾	Jan	6	90¼	Nov	10	Atch Top & Santa Fe	6	Q Mar	99	98¾	99	98½	98⅝	98⅛	98⅞	97⅛	98¼	97¾	98¼	97¼
102¼	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	.....	.....	100	99⅞	99¾	99¾	.....	.....	.....	.....	99¾	99¾
133¾	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	120	120	.....	.....	119⅜	119⅜	119	118¼	.....	.....	.....	.....
52½	Jan	8	36½	Dec	13	Baldwin Locomotive Co	2	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	106⅞	106⅞
105½	June	6	100¼	June	25	Baldwin Locomotive Co pfd	7	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	85¼	83⅜
106⅜	Jan	22	90⅝	June	10	Baltimore & Ohio	6	Mar-Sept	91½	90¾	91¼	89½	89⅝	88¼	88⅛	87	87⅛	84⅞	75½	75⅛
88	Jan	10	77¼	June	18	Baltimore & Ohio pfd	4	Mar-Sept	.....	.....	.....	.....	80½	80½	80	77⅜	77	75¼	40⅝	40
41½	Jan	9	25	June	10	Bethlehem Steel	..	.....	41	41	41½	40	40¼	40⅛	41	40⅝	.....	.....	.....	.....
74	Aug	12	62¼	June	10	Bethlehem Steel pfd	5	Q Mar	.....	.....	.....	.....	84¾	84¾	.....	.....	85	85	.....	.....
92¾	May	26	83¾	June	10	Brooklyn Rapid Transit	6	Q Jan	91½	91¼	92	90⅝	90⅞	90⅝	91	90½	90½	90¼	90⅞	90⅛
137⅞	Jan	27	120	Oct	17	Brooklyn Union Gas	6	Q Jan	.....	.....	.....	.....	.....	.....	123	123	.....	.....	121	121
116	Jan	30	100½	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....	.....	.....	.....	.....	.....	100	100	.....	.....	.....	.....
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
56½	Feb	3	16	Oct	22	California Petroleum	..	.....	.....	.....	20	19¼	22	21¼	22⅝	20½	22	21⅜	22⅝	22
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	.....	.....	55½	55½	59½	56½	59¼	58	59	59	.....	.....
63	Feb	13	58½	May	13	Canada Southern	3	Feb-Aug	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
266¾	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	190⅞	190⅛	190	185⅝	187½	185⅜	186⅜	183⅞	186¾	185¼	187⅞	186
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
30⅛	Feb	5	17	June	10	Central Leather	2	Jan	36	35¾	36¼	35¾	37	35½	36⅝	36	36⅜	36	36	35½
97¼	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	103	103	103	103	103¾	103⅛	104	104	.....	.....	103	103
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	.....	.....	.....	.....	300	300	.....	.....	.....	.....	.....	.....
80	Jan	2	51⅛	July	11	Chesapeake & Ohio	4	Q Mar	47	45½	47	46	47⅜	46¼	47½	46⅜	46¾	45⅛	46½	45¼
18	Jan	2	7½	June	12	Chicago & Alton	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
25¾	Feb	25	17¼	Aug	21	Chicago & Alton pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
17⅞	Jan	9	10⅛	June	4	Chicago Great Western	..	.....	.....	.....	13½	13½	13¾	13½	13⅝	13⅛	.....	.....	13⅜	13⅜
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	37¼	37¼	37	36½	36½	36½	36¼	35¾	36	35¾	35½	35½
116¼	Jan	9	96¾	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	99	98½	99	98	98⅝	97½	98¾	97¾	99	98⅛	98¾	97½
145	Jan	30	131½	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	.....	.....	.....	.....	133	133	.....	.....	132	132	.....	.....
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	.....	.....	131	131	.....	.....	.....	.....	131	130½	131¼	131⅛
188	Mar	3	171¼	Nov	19	Chicago & N W pfd	8	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
125	Mar	8	119½	Aug	25	Chicago St P M & O	7	Feb-Aug	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
150½	Jan	21	130⅛	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
47⅝	Jan	2	30⅜	June	10	Chino Con Copper	$3	Q Jan	40½	40½	40¾	40½	40¾	40⅜	40⅝	40½	40½	40¼	40	39¾
54	Jan	21	34⅞	Aug	26	C C C & St L	..	.....	.....	.....	.....	.....	.....	.....	25	25	.....	.....	22	22
94¾	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
41½	Feb	3	24½	June	10	Colorado Fuel & Iron	..	.....	25½	25½	25	25	25½	25½	.....	.....	25¼	25	25	25
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
33	Jan	3	23¾	June	12	Colorado Southern	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	22½	22⅜	22	21⅞
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	41	41	.....	.....	.....	.....
65¼	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102¼	Feb	25	102¼	Feb	25	Consolidation Coal	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
142⅜	Jan	9	125⅛	June	10	Consolidated Gas	6	Q Mar	129	129	128	128	128	128	128	127½	127½	.....	.....	.....
17⅛	Jan	31	7⅜	June	10	Corn Products Ref Co	..	.....	8¾	8¾	.....	.....	.....	.....	8¾	8½	8¼	8¼	8¼	8⅛
79¼	Jan	31	61½	June	10	Corn Products Ref Co pfd	5	Q Jan	62½	62½	61¾	61¾	61¾	61¾	61½	61½	.....	.....	.....	.....
100⅛	Jan	16	91¼	Dec	27	Deere & Co pfd	7	Q Dec	93¾	93¾	93½	93¼	.....	.....	93	93	.....	.....	92⅞	92¾
167	Jan	8	147½	June	11	Delaware & Hudson	9	Q Mar	146¼	146¼	148¾	148¾	.....	.....	147	146½	.....	.....	.....	.....
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	400	399
23⅛	Jan	9	13⅜	June	11	Denver & Rio Grande	..	.....	6⅞	6⅞	6⅞	5⅞	7	6¼	6½	6½	6¼	4¾	5	4⅞
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	11½	11½	11¾	11⅜	13¼	11½	13¼	12¾	12⅞	9¾	10½	8⅝
20⅝	Feb	4	6⅞	June	3	Detroit United Railway	6	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
21¼	Jan	2	9¾	June		Distillers' Securities	..	....	14¾	14½	14½	14¼	14¼	14⅛	14⅛	14	.....	.....	14	14

Sales for Week	Range for Year 1917 High		Low		Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 11. High. Low.	Monday. July 13. High. Low.	Tuesday. July 14. High. Low.	Wednesday. July 15. High. Low.	Thursday. July 16. High. Low.	Friday. July 17. High. Low.
	Jan	2	Dec		Detroit S S & Alt	..	.....	....	....	....	....	....	....
	Jan	2	Jan		Detroit S S & Alt pfd	..	.....	....	....	....	....	....	....
	Jan	5	July		Erie	..	.....	28⅛ - 28⅛	28⅝ - 27½	28¼ - 27½	28⅛ - 27⅛	27½ - 27⅛	27½ - 25½
	Jan	2	June		Erie 1st pfd	..	.....	....	43¼ - 42⅝	....	42½ - 42	42 - 41½	42½ - 39½
	Jan	29	Aug		Erie 2d pfd	..	.....	....	....	....	....	35 - 35	31¾ - 31¾
	Jan	22	Dec		Federal Min & Smelt	..	.....	....	....	....	....	....	....
	Jan	9	Mar		Federal Min & Smelt pfd	6	Q Mar	....	....	....	....	....	....
	Apr	5	Jan		General Chemical	6	Q Mar	....	....	....	....	....	....
	Jan	9	Jan		General Chemical pfd	6	Q Jan	....	....	....	....	....	....
	Jan	2	June		General Electric	8	Q Jan	149 -149	148½-147⅞	148 -148	147 -146½	148½-148½	....
	Aug	18	May		General Motors	..	.....	92 - 92	....	....	....	91 - 91	91 - 91
	Sept	13	May		General Motors pfd	7	May-Nov	....	....	92 - 92	....	....	....
	Jan	11	May		Geo W Helme Co	..	.....	....	....	....	....	....	....
	Jan	2	Nov		Goodrich (B F) Co	..	.....	26½ - 26½	26½ - 26	26 - 25½	26 - 25½	25½ - 25½	25⅞ - 25
	Jan	7	Nov		Goodrich (B F) Co pfd	7	Q Jan	....	....	....	....	....	....
	Jan	9	June		Great Northern pfd	7	Q Feb	122⅝-122¼	123 -122⅜	122¼-122	122⅛-122	122¼-122	122¼-121¾
	Aug	3	June		Great Northern Ore subs	$1.50	Ap-Se-De	....	31 - 31	31⅝ - 30⅞	....	....	30½ - 29½
	Jan	7	July		Guggenheim Exploration	14	Q Jan	54½ - 54½	54½ - 53¼	53⅝ - 53¼	54 - 53⅛	....	54 - 53
	Jan	6	Oct		Havana Electric Ry	5	Q Dec	....	....	....	....	....	....
	Jan	8	Nov		Havana Electric Ry pfd	6	Q Feb	....	....	....	....	....	....
	Jan	4	June		Hocking Valley	6	Q Mar	....	....	....	....	....	....
	Sept	26	July		Homestake Mining	65c	Monthly	....	....	....	....	....	....
	Jan	5	Dec		Illinois Central	5	Mar-Sept	....	112 -112	....	111½-111½	....	....
	Jan	11	June		Inter Agricultural Corp	..	.....	....	....	9½ - 9½	....	....	....
	Jan	3	Dec		Inter Agricultural Corp pfd	..	.....	....	....	....	....	....	....
	Jan	30	June		Interborough-Met	..	.....	14¼ - 14¼	14⅜ - 13⅝	14 - 14	14 - 13⅛	14 - 13⅝	13⅝ - 13⅝
	Jan	30	June		Interborough-Met pfd	..	.....	63½ - 63¼	63½ - 62⅝	63 - 62½	63⅛ - 63⅛	63¼ - 62⅞	62½ - 62½
	Sept	17	June		International Harv	5	Q Jan	....	....	....	104 -102½	....	....
	Sept	19	May		International Harv pfd	7	Q Mar	....	....	....	....	....	118 -118
	Jan	2	June		Int Mercantile Marine	..	.....	....	3 - 2⅜	2⅜ - 2⅜	....	2⅝ - 2⅝	2¼ - 2
	Jan	7	June		Int Mercantile Marine pfd	..	.....	....	....	9¼ - 8¾	8½ - 8½	8¾ - 7⅝	....
	Jan	30	Oct		International Paper	..	.....	....	....	....	7¾ - 7¾	....	....
	Jan	30	Oct		International Paper pfd	2	Q Jan	....	....	....	33½ - 33½	33½ - 33½	33½ - 33½
	Jan	9	Dec		Inter Steam Pump	..	.....	....	....	....	....	....	....
	Jan	9	Dec		Inter Steam Pump pfd	..	.....	....	....	....	12 - 12	....	....
	Jan	20	July		Iowa Central	..	.....	....	....	....	....	....	....
	Jan	2	June		Iowa Central pfd	..	.....	....	....	....	....	....	....
	Feb	3	Dec		Kan City Ft S & M pfd	4	Q Jan	....	....	....	....	....	....
	Jan	2	Oct		Kansas City Southern	..	.....	28 - 28	....	27 - 26¾	....	....	27 - 25¾
	Jan	7	Sept		Kan City Southern pfd	4	Q Jan	....	....	59⅜ - 59⅜	....	....	60⅛ - 59½
	July	18	June		Kayser (Julius) & Co	6	Q Nov	....	....	....	....	....	....
	Jan	7	June		Kayser (Julius) & Co pfd	7	Q May	....	....	....	....	....	....
	Sept	15	June		Kresge (S S) Co	3	Jan	....	....	....	97 - 97	....	....
	Jan	4	June		Kresge (S S) Co pfd	7	Q April	....	103½-103½	....	....	....	....
	Feb	4	June		Lackawanna Steel	1	Jan	....	....	....	....	....	30½ - 30½
	Jan	8	June		Lachede Gas	7	Q Mar	....	93 - 93	....	....	....	....
	Feb	5	May		Lake Erie & Western	..	.....	....	....	....	....	....	....
	Jan	6	Nov		Lake Erie & Western pfd	..	.....	....	....	....	....	....	....
	Jan	2	June		Lehigh Valley	10	Jan-July	137⅜-137	137½-135	137⅞-135½	137½-135¾	136¾-135½	136¾-135½
	Mar	6	June		Liggett & Myers	12	Q Jan	....	....	....	....	....	210 -210
	Jan	23	July		Liggett & Myers pfd	7	Q April	....	....	....	....	....	....
	Jan	6	June		Long Island	..	.....	....	....	....	....	....	33 - 33
	Jan	28	June		Lorillard (P) Co	10	Q April	....	....	170 -170	....	....	168 -167¼
	Jan	22	June		Lorillard (P) Co pfd	7	Q April	....	....	....	....	....	....
	Jan	10	June		Louisville & Nashville	3	Feb-Aug	....	138 -137¾	137¾-137¾	138 -138	....	c134 c134
	Jan	21	July		Mackay Companies	5	Q Jan	....	....	79½ - 79½	....	....	....
	Apr	7	Dec		Mackay Companies pfd	4	Q Jan	69 - 69	....	....	....	....	....
	Feb	7	June		Manhattan Elevated	7	Q Jan	....	....	....	....	....	....
	Jan	2	Oct		May Department Stores	5	Q June	....	60¾ - 60½	....	....	....	....
	Jan	2	June		May Dept Stores pfd	7	Q Jan	....	....	....	....	....	....
	Feb	4	Nov		Mexican Petroleum	..	.....	61½ - 61¼	61½ - 60½	61½ - 66⅞	....	64¾ - 62	64 - 63⅛
	Jan	9	Nov		Mexican Petroleum pfd	..	.....	....	....	....	....	....	....
	Jan	4	June		Miami Con Copper	$2	Q May	22½ - 22½	22⅜ - 22⅜	22½ - 22¼	22¼ - 22¼	22¼ - 22¼	22¼ - 22⅛
	Jan	2	June		Minn & St. Louis	..	.....	....	12½ - 12½	....	....	....	....
	Jan	30	Dec		Minn & St. Louis pfd	..	.....	....	....	....	....	....	....
	Jan	9	June		M St P & S S M	7	Apr-Oct	122¼-122¼	122 -122	121¾-121¾	122 -120	....	122 -122
	Apr	8	Nov		M St P & S S M pfd	7	Apr-Oct	....	....	....	....	....	132¾-132¾
	Mar	5	Dec		M St P & S S M 1d line	4	Apr-Oct	....	....	....	....	....	....
	Jan	2	June		Missouri Kan & Tex	..	.....	15¼ - 15	15 - 11⅛	14⅜ - 13⅞	14⅛ - 13⅞	13⅞ - 13½	13½ - 9
	Apr	11	June		Missouri Kan & Tex pfd	..	.....	34¾ - 34	34 - 32¾	....	32½ - 32½	32 - 32	33 - 27½
	Jan	9	Dec		Missouri Pacific	..	.....	10⅝ - 9¼	10⅝ - 9⅞	12 - 10¼	12 - 10⅝	11¼ - 10⅜	11¼ - 10⅜
	.....	.....	.....	.....	Montana Power	2	Q Apr	....	49¼ - 48¾	49 - 49	....	49 - 48½	48½ - 48½
	.....	.....	.....	.....	Montana Power pfd	7	Q Apr	....	....	....	....	....	101¾-101¾
	Jan	14	June		Nashville Chatt & St L	7	Feb-Aug	....	....	....	....	....	....
	Sept	13	June		National Biscuit Co	7	Q Jan	....	....	....	130 -130	....	131 -131
	Jan	8	Dec		National Biscuit Co pfd	7	Q Feb	....	....	....	....	....	....
	Jan	30	June		National Enameling	..	.....	....	10½ - 10¼	10¼ - 10¼	....	....	....
	Jan	30	Oct		National Enameling pfd	7	Q April	....	....	....	....	....	....
	Jan	2	Oct		National Lead Co	2	Q Mar	....	....	....	....	45⅛ - 45⅛	46 - 46
	Oct	4	Oct		National Lead Co pfd	7	Q Mar	....	....	107½-107½	....	....	....
	Mar	3	Dec		Nat Rys of Mex 1st pfd	..	.....	....	....	....	....	....	....
	Jan	2	Dec		Nat Rys of Mex 2d pfd	..	.....	....	....	....	....	11⅛ - 11⅛	....
	Jan	2	June		Nevada Con Copper	$1.50	Q Mar	13⅝ 13⅝	13⅜ - 13⅝	13⅜ - 13⅜	13⅞ - 13⅜	13⅝ - 13⅝	13⅝ - 13½
	Jan	8	July		New York Air Brake	6	Q Jan	....	....	....	64 - 64	....	....
	Jan	30	Dec		New York Central	5	Q Jan	89⅜ - 88½	89⅜ - 86⅜	88 - 86¾	88¼ - 83⅝	85½ - 83¾	85¼ - 84
	Jan	15	Dec		N Y Chicago & St L	4	Mar	....	....	....	....	....	....
	Oct	14	Nov		New York Dock	..	.....	....	....	....	....	....	....
	Jan	10	Dec		N Y N H & Hartford	..	.....	59½ - 55½	57¼ - 55½	57⅜ - 54¼	56 - 49¾	52⅜ - 49⅝	53⅛ - 51½
	Jan	11	June		N Y Ont & West	2	Aug	23⅜ - 19½	2 1 - 19⅛	20¼ - 19¾	20¼ - 20⅛	20⅛ - 20⅛	20 - 20
	Apr	5	Dec		Norfolk & Southern	..	.....	....	....	....	....	26½ - 26½	....
	Jan	3	June		Norfolk & Western	6	Q Mar	105 -105	104¾-104¼	104 -103¾	104¼-103¾	104¼-104¼	104 -103⅞
	Feb	12	Apr		Norfolk & Western pfd	4	Q Feb	....	....	....	....	....	....
	Jan	9	June		North American	5	Q Jan	....	75 - 75	....	....	....	....
	Jan	15	Dec		Northern Ctr & Light	5	Q Mar	....	....	....	....	....	....
	Jan	6	June		Northern Pacific	7	Q Feb	110¼-110⅛	110⅜-109¾	110 -109½	109⅞-108¾	109 -108½	109 -108⅝
	Jan	10	June		Pacific Mail	..	.....	....	23 - 23	....	....	22¼ - 22¼	22¼ - 22
	Jan	4	Nov		Pacific Tel & Tel	..	.....	....	....	....	....	22½ - 22	22 - 22
	Feb	19	Dec		Pacific Tel & Tel pfd	6	Q Jan	....	....	....	....	....	....
	Jan	7	Dec		Pennsylvania Railroad	6	Q Feb	112 -112	112 -111⅜	111¾-111¼	112 -110¼	111 -110	110⅞-109⅜

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 11. High. Low.	Monday. July 13. High. Low.	Tuesday. July 14. High. Low.	Wednesday. July 15. High. Low.	Thursday. July 16. High. Low.	Friday. July 17. High. Low.
129¾	Sept	23	104	June	10	Peoples' Gas & Coke.....	8	Q Feb	120½-120½	120 -120	119¾-119½	....	....	120 -120
99⅞	Jan	29	85	Sept	12	Philadelphia Co.....	7	Q Feb	....	....	....	....	....	....
104	June	11	77⅛	Dec	11	P C C & St Louis.....	..	.....	....	70¼- 70	....	69 - 69	....	68 - 66
100	June	25	100	June	25	P C C & St Louis pfd.....	2	Q Jan	....	....	....	....	....	....
24⅜	Jan	2	14½	June	11	Pittsburgh Coal.....	..	.....	....	19⅝- 19	20 - 20	20½- 19	....	....
95	Jan	9	73	June	11	Pittsburgh Coal pfd	5	Q Jan	90 - 90	90 - 89	88⅞- 88⅝	c88⅛-c88⅛	88⅝- 88⅝	89½- 88½
100	Jan	6	90	Nov	12	Pittsburgh Steel pfd	7	Q Jan	....	....	....	....	....	....
36	Jan	7	18½	June	10	Pressed Steel Car	3	Q Mar	43¼- 43¼	43⅜- 42⅞	42¾- 42½	42⅜- 42¼	42 - 42	42¼- 42⅛
101⅛	Jan	7	88½	June	10	Pressed Steel Car pfd	7	Q Feb	....	....	....	....	....	....
118	Jan	21	105	Dec	12	Public Service Corp N J ..	6	Q Mar	....	....	....	....	....	....
165	Jan	2	149	Sept	5	Pullman Co.....	8	Q Feb	....	155½-155½	....	....	....	....
4⅜	May	16	1	Dec	11	Quicksilver Co	..	.....	....	....	....	....	1 - 1	....
8	May	17	2	Dec	11	Quicksilver Co pfd.....	..	.....	....	....	....	....	....	1⅝- 1⅝
35	Jan	9	22¼	June	11	Railway Steel Spring	..	.....	....	....	....	....	....	....
100	Jan	13	90¼	June	10	Railway Steel Spring pfd..	7	Q Mar	....	....	....	....	....	....
22	Jan	2	15	June	10	Ray Consol Copper $1.50		Q June	21¼- 21⅛	21⅜- 21	21 - 21	21 - 20¾	20⅞- 20⅝	20¾- 20⅝
171¾	Dec	26	151⅜	June	10	Reading	8	Q Feb	164 -163½	164 -161⅝	163 -162	163¼-161	162⅜-161⅜	162⅜-160½
92½	Apr	10	82½	Oct	14	Reading 1st pfd	4	Q Mar	....	89¼- 89¼	....	....	....	86 - 86
95	Apr	10	84	June	10	Reading 2d pfd	4	Q Jan	....	....	....	....	....	....
28⅜	Jan	31	17	June	10	Republic Iron & Steel	..	.....	....	21¾- 21¾	22¼- 21¾	22 - 21⅝	21⅝- 21⅝	21⅝- 21
92¼	Sept	13	72	June	11	Republic Iron & Steel pfd..	7	Q Jan	....	....	....	....	....	....
24⅞	Feb	4	11⅝	Oct	17	Rock Island	..	.....	....	1½- 1¼	1⅛- 1⅛	1⅜- 1	⅞- ⅞	1 - 1
44¾	Jan	2	17½	Oct	17	Rock Island pfd	..	.....	2⅝- 2½	2⅝- 2½	2½- 2½	2⅜- 2⅛	2⅛- 1⅞	2¼- 1⅞
92¼	Jan	7	14	Nov	24	Rumely (M) Co.....	..	.....	....	10 - 10	....	10 - 10	....	....
99¾	Jan	4	33	Dec	18	Rumely (M) Co pfd.....	..	.....	....	....	....	27⅛- 27	....	....
20¾	Apr	1	14½	June	10	Seaboard Air Line.....	..	.....	18⅜- 18⅜	18½- 18½	18½- 18½	18 - 18	....	17¾- 16½
49⅜	Sept	23	38	June	12	Seaboard Air Line pfd.....	4	Q Nov	53¾- 53¾	53½- 53½	53¼- 53¼	53¾- 53¾	53¾- 53¾	54 - 52¾
19¾	Jan	11	2¾	June	17	St L & San Fran	..	.....	....	....	....	2¼- 2¼	2½- 2¼	....
59	Feb	11	13	June	28	St L & San Fran 1st pfd...	..	.....	....	....	....	....	....	....
29	Jan	11	5½	June	17	St L & San Fran 2d pfd....	..	.....	....	4 - 4	....	....	4 - 4	3¾- 3¾
96½	May	15	96½	May	15	St L & S F C & E I pf ctf..	6	Q Jan	....	....	....	....	....	....
35½	Jan	13	20	Dec	19	St Louis S W.....	..	.....	20¼- 20¼	21 - 19⅞	....	20¼- 20	....	....
75	Jan	9	56¼	Dec	20	St Louis S W pfd.....	..	.....	....	40 - 40	....	....	39 - 38¾	....
213½	Jan	2	154¾	June	12	Sears-Roebuck	7	Q Feb	....	192 -191⅛	192 -191¾	192⅛-191½	....	....
124½	Jan	2	116	June	19	Sears-Roebuck pfd.....	7	Q Jan	....	....	123 -123	....	....	....
45½	Jan	28	23	July	8	Sloss-Sheff St & I Co.....	..	.....	....	....	....	....	....	....
93¼	Feb	8	88	Apr	30	Sloss-Sheff St & I Co pfd..	7	Q Jan	....	....	....	....	....	....
110	Jan	30	83	Nov	10	Southern Pacific	6	Q Jan	97⅛- 96⅝	97½- 95¾	96⅞- 95⅝	96⅝- 95½	96¼- 95⅝	96⅝- 95⅝
28⅝	Jan	2	19⅛	June	12	Southern Railway	..	.....	....	24¼- 22¾	23 - 22⅜	23 - 22⅜	22⅞- 22	22⅛- 20⅜
81½	Mar	26	72	June	10	Southern Railway pfd.....	5	Apr-Oct	....	79½- 78½	78¾- 78⅜	....	78¾- 78¼	78¼- 77
40½	Jan	31	31	Dec	9	Standard Milling	..	.....	....	....	....	....	....	....
66⅞	Feb	4	52½	May	1	Standard Milling pfd.....	5	Apr-Oct	....	....	....	....	64 - 64	64 - 64
36	Feb	6	15¾	Dec	1	Studebaker	..	.....	31¾- 31¾	31⅜- 31⅜	31 - 30½	....	30¾- 30¾	31 - 30
93¼	Jan	13	64½	Nov	10	Studebaker pfd.....	7	Q Mar	....	....	....	....	....	....
39½	Jan	4	26¾	June	10	Tennessee Copper	$3	Q Mar	....	33 - 32⅛	32¾- 32½	32½- 32¼	....	....
132½	Dec	31	89	June	10	Texas Co	10	Q Mar	142 -142	142 -141¾	141½-141	141 -139½	140½-139½	139½-139
22⅝	Jan	28	10¼	June	4	Texas Pacific	..	.....	....	....	....	....	14⅞- 14½	14 - 14
97	Jan	18	93	June	4	Texas Pacific Land Tr....	..	.....	....	....	....	....	....	....
43⅜	Sept	23	27⅞	June	10	Third Avenue R R.....	..	.....	....	40⅝- 40½	40½- 40	41 - 40⅝	40½- 40½	41 - 40
3	Jan	14	2	June	4	Toledo Railways & Light..	..	.....	....	....	....	....	....	....
13	Jan	9	7⅛	July	9	Toledo St L & W.....	..	.....	....	7 - 6	5½- 5½	....	....	6 - 6
29¾	Jan	9	15¼	June	4	Toledo St L & W pfd.....	..	.....	12¼- 12¼	12 - 11	....	....	11 - 11	11⅛- 11
109	Sept	6	101⅛	June	6	Twin City Rap Tran.....	6	Q Jan	....	102 -102	....	102 -102	101½-101½	....
7¾	Jan	3	4	Nov	14	Union Bag & Paper Co....	..	.....	....	....	5 - 5	4⅞- 4⅞	....	4¾- 4½
41¾	Jan	3	18½	Nov	20	Union Bag & Paper Co pfd	..	.....	....	....	....	....	....	21 - 21
99½	Jan	3	78	June	10	Underwood Typewriter	4	Q Jan	75 - 75	74 - 74	....	....	....	....
113	Jan	21	104	July	10	Underwood Typewriter pfd	7	Q Jan	....	....	....	....	....	....
162¾	Jan	6	137¾	June	11	Union Pacific	8	Q Jan	155⅝-154⅞	156 -153¾	155¼-153¾	156½-154⅜	156½-155⅜	156⅝-156
93½	Jan	6	79¾	June	10	Union Pacific pfd.....	4	Apr-Oct	....	....	....	82⅞- 83¼	\82½- 82½	82½- 82⅛
50½	Feb	7	40¼	June	10	United Cigar Mfg Co.....	4	Q Nov	....	....	46 - 45	....	....	....
103	May	7	96	Sept	3	United Cigar Mfg Co pfd..	7	Q Mar	....	....	....	....	....	....
101	Jan	8	87	July	2	United Dry Goods.....	..	.....	....	....	....	....	....	....
105½	Jan	14	95	Dec	16	United Dry Goods pfd....	..	.....	75 - 74	76 - 76	76⅞- 76	74 - 68	67½- 66⅞	68 - 68
35½	Jan	3	16	June	11	United Rys Invest Co.....	..	.....	....	....	11½- 11½	....	....	11 - 11
63½	Jan	3	30	June	11	United Rys Invest Co pfd..	..	.....	....	....	31¾- 31¾	....	....	32 - 32
16¾	Jan	30	9¼	June	10	U S Cast Iron Pipe.....	..	.....	....	....	....	....	....	....
56¾	Jan	31	40	Dec	31	U S Cast Iron Pipe pfd....	..	.....	....	....	....	....	....	31⅛- 31⅛
44	Jan	6	25	June	9	U S Industrial Alcohol	..	.....	....	....	....	....	....	....
97	Mar	4	85	June	18	U S Industrial Alcohol pfd.	7	Q Jan	....	....	....	....	....	....
77	Jan	9	49¾	Nov	28	U S Realty & Improv.....	5	Q Feb	....	....	....	....	....	....
1⅞	Jan	16	½	Sept	25	U S Reduc & Refin.....	..	.....	....	....	....	....	....	....
4	Jan	10	3	Apr	25	U S Reduc & Refin pfd....	..	.....	....	....	....	....	....	....
69½	Apr	4	51	Nov	10	U S Rubber	6	Q Mar	....	59 - 58⅛	59 - 58¼	c57 -c56	56½- 56⅛	56½- 56
109¾	Apr	9	98	June	10	U S Rubber 1st pfd.....	8	Q Jan	....	....	103⅞-103	....	101⅝-101½	....
81½	Jan	9	78¾	Feb	13	U S Rubber 2d pfd.....	6	Q Jan	....	....	....	....	....	....
69⅛	Jan	2	49⅞	June	11	U S Steel	5	Q Mar	61½- 61⅛	61⅞- 59⅞	61 - 60	61 - 59⅝	60½- 59¼	60⅝- 59¼
110¾	Jan	30	102½	June	10	U S Steel pfd.....	7	Q Feb	109½-109½	109¾-109⅝	109⅝-109⅜	109⅝-109⅜	....	109⅞-109⅞
60⅝	Jan	2	39⅝	June	10	Utah Copper	$3	Q Mar	57⅜- 57⅛	57½- 56½	57 - 56½	57⅛- 56½	56⅞- 56½	56⅝- 56⅜
43⅛	Jan	3	22	July	1	Va-Car Chemical	..	.....	28⅞- 28¾	29 - 28¼	28⅝- 28½	28½- 27¾	28 - 28	....
114	Jan	3	93	June	30	Va-Car Chemical pfd.....	8	Q Jan	....	....	100 -100	....	....	100 -100
54	Jan	28	36	Dec	15	Va Iron Coal & Coke.....	..	.....	....	....	....	....	....	....
58	Feb	13	51	Jan	7	Va Ry & Power.....	3	Apr-Oct	....	....	49 - 49	....	....	48¾- 48¾
90¾	Dec	11	89	July	24	Va Ry & Power pfd.....	5	Jan-July	....	....	....	....	....	....
21¾	Jan	24	11¼	Aug	8	Vulcan Detinning	..	.....	....	....	....	....	....	....
90	Jan	6	49	Oct	1	Vulcan Detinning pfd.....	..	.....	....	....	....	....	....	....
6	Aug	12	2	June	11	Wabash	..	.....	¾- ⅝	½- ½	¾- ½	....	....	....
17⅛	Aug	13	6⅛	July	8	Wabash pfd	..	.....	....	2½- 2⅜	2¼- 2¼	2⅝- 2⅝	....	2½- 2½
123	Jan	6	85¼	Dec	18	Wells-Fargo Express.....	10	Jan-July	....	91 - 91	....	....	....	....
46	Jan	2	28⅞	Dec	12	Western Maryland Ry.....	..	.....	17¾- 16½	16¼- 13⅞	15¾- 14⅜	15 - 15	15 - 15	15 - 15
65	Jan	27	53½	June	18	Western Maryland Ry pfd.	..	.....	....	....	32¾- 32¾	....	32¾- 32¾	....
75⅛	Jan	9	54⅛	Dec	22	Western Union Tel.....	3	Q Jan	59½- 58⅝	59½- 58¾	58⅞- 58⅝	58¾- 58⅜	58¾- 58	58⅞- 58¼
79¼	Jan	2	53⅝	June	10	Westinghouse E & M.....	4	Q April	78¾- 77⅞	78⅜- 77½	78¼- 77	79 - 78	79 - 77⅞	78⅜- 77½
119¾	Jan	7	107⅞	June	13	Westingh'se E & M 1st pfd	7	Q Jan	....	....	....	....	....	....
8	Jan	3	3¾	Oct	24	Wheeling & L E.....	..	.....	....	....	....	....	3½- 3½	3½- 3½
28⅛	Jan	13	13	June	11	Wheeling & L E 1st pfd...	..	.....	....	....	....	....	14 - 13	....
14	Jan	3	5⅝	Dec	19	Wheeling & L E 2d pfd....	..	.....	....	....	....	....	6½- 6	....
58½	Apr	23	40⅛	June	11	Wisconsin Central	..	.....	....	....	....	....	38½- 38½	38½- 38½
112	Jan	2	81½	June	20	Woolworth (F W) Co.....	5	Q Dec	97½- 97½	96 - 95½	....	96½- 95¾	....	95¾- 95⅜
115½	Jan	3	109	June	14	Woolworth (F W) Co pfd..	7	Q Jan	....	....	....	....	....	....

c Ex. dividends. e Ex. rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Cables	487.95	487.80	487.60	487.50	487.45	487.35
Demand	487.50	487.45	487.30	487.15	487.05	486.95
Sixty days	485¼	485¼	485¼	485¼	484¾	484¾
Ninety days	484¼	484¼	484¼	484¼	483¾	483¾
Francs—						
[illegible]	5193⅛—1-16	5193⅛—1-16	5193⅛—1-16	5193⅛—1-16	520	520—1-16
Ninety days	5205⅛—1-16	5205⅛—1-16	5205⅛—1-16	5205⅛—1-16	521¼	521¼
Reichsmarks—						
Sixty days	94 11-16	945⅛	945⅛	945⅛	94 9-16	94 9-16
Ninety days	94½	94 7-16	943⅛	943⅛	94 7-16—1-32	94 7-16—1-32

Chilian Mineral Production.—Figures just published show that Chile produced minerals during 1912 valued at $136,021,902, of which nitrate of soda supplied $108,405,000; copper, $12,410,000; coal, $[illegible]; borax, $2,194,000, and the balance scattered between thirteen other minerals. There were 21,217 mining claims in force in Chile in 1912, from which the Government received $195,[illegible] in dues. According to the best information obtainable, the mineral production for this country during 1913 was fully 10 per cent more than that of 1912, with a bright outlook for 1914.

QUOTED PRICES OF STOCKS OF NEW YORK INSURANCE COMPANIES

American Surety	*170	176	Metropolitan Life	*160	...
Commonwealth	300	...	National Surety	185	193
Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...	*Per cent price.		

THE STATISTICAL POSITION OF COFFEE AS OF JULY 1, 1914

Furnished to THE MARKET WORLD AND CHRONICLE by Steinwender, Stoffregen & Co.

	1914.	1913.	1912.	1911.	1910.
World's visible supply (decrease since June 1, 275,410)	11,302,194	10,285,316	11,048,311	11,070,422	13,719,530
Santos receipts from July 1 to July 1	10,855,000	8,564,000	9,994,000	8,110,000	11,495,000
Rio receipts from July 1 to July 1	2,961,000	2,894,000	2,497,000	2,438,000	3,449,000
Total receipts from July 1 to July 1	13,816,000	11,458,000	12,491,000	10,548,000	14,944,000
Afloat from Santos for United States	326,000	102,000	263,000	136,000	1,000
Afloat from Rio for United States	36,000	23,000	21,000	17,000	25,000
Afloat from Victoria for United States	9,000	15,000	15,000	12,000	6,000
Afloat from Bahia for United States	nil.	nil.	nil.	nil.	nil.
Total afloat for United States	371,000	146,000	299,000	165,000	32,000
Stocks, Santos	726,000	1,240,000	1,559,000	745,000	2,077,000
Stocks, Rio	216,000	161,000	319,000	352,000	133,000
Stocks, Europe	7,904,663	6,474,129	6,316,187	7,037,010	8,363,749
Stocks, United States	1,654,531	1,848,187	2,184,124	2,371,412	3,021,781
Arrivals—Principal ports of Europe during June	685,881	639,794	565,756	720,782	440,132
Arrivals—Principal ports of Europe from July 1 to July 1	12,491,174	10,245,595	10,040,981	8,950,539	11,276,476
Arrivals—Principal ports of U. S. during June	534,233	301,857	471,606	485,245	133,403
Arrivals—Principal ports of U. S. from July 1 to July 1	7,351,826	6,339,871	6,575,476	6,364,952	6,573,932
Deliveries—Principal ports of Europe during June	883,937	821,401	653,151	982,852	771,644
Deliveries—Principal ports of Europe from July 1 to July 1	11,027,557	10,144,806	10,712,193	10,432,532	10,811,074
Deliveries—Principal ports of U. S. during June	536,587	472,062	541,499	555,274	444,266
Deliveries—Principal ports of U. S. from July 1 to July 1	7,545,482	6,675,808	6,762,764	7,015,321	7,287,400
Milreis price per 10 kilos exchange standard (d.) No. 4 Santos	5$700	5$900	8$850	7$000	4$500
Milreis price per 10 kilos exchange standard (d.) No. 7 Santos	5$000	5$050	8$050	6$500	4$000
Milreis price per 10 kilos exchange standard (d.) No. 7 Rio	5$050	5$725	8$775	7$650	4$550
Rio Exchange (par value 27d.) (d.)	16 1-16	16⅛	16 7-32	16 3-16	16 23-32
Bid price of July option closing July 1	8.39	9.16	13.57	11.20	6.65
Bid price for June option during that month { Highest	9.07	10.50	13.75	11.04	6.65
Bid price for June option during that month { Lowest	8.29	9.00	13.23	10.54	6.10
Spot quotations of Rio Exchange Standard No. 7	8¾	9⅝	7[illegible]	13⅛	8⅜

Production and Consumption of All Kinds of Coffee for the Last Twenty Years

Crop Year.	Production (Crops)—Rio & Santos.	Production (Crops)—All Others.	Production (Crops)—Total.	Consumption (Deliveries)—Total.	Production Over Consumption.	Consumption Over Production.		World's Visible Supply on July 1.	Price of Spot Rio 7s on July 1
[illegible]	6,795,000	5,069,000	11,764,000	11,212,851	551,149	.....	1895	3,115,680	15¾
[illegible]	[illegible]	4,991,000	10,377,000	11,142,813	.....	765,813	1896	2,588,193	13
[illegible]	8,000,000	5,238,000	13,918,000	12,244,204	1,673,796	.....	1897	3,975,880	7⅜
[illegible]	10,462,000	5,596,000	16,058,000	14,571,902	1,486,098	.....	1898	5,435,974	6¼
[illegible]	8,771,000	4,985,000	13,756,000	13,480,904	275,096	.....	1899	6,200,013	6⅛
[illegible]	[illegible]	4,842,000	13,801,000	14,972,690	.....	1,171,690	1900	5,840,561	8 15-16
[illegible]	[illegible]	4,178,000	15,100,000	14,329,925	770,075	.....	1901	6,867,627	6
1901-02	[illegible]	4,240,000	19,735,000	15,516,663	4,218,337	.....	1902	11,261,331	5¼
1902-03	[illegible]	4,340,000	16,664,000	15,966,498	697,502	.....	1903	11,900,173	5 3-16
1903-04	[illegible]	5,575,000	15,983,000	16,133,707	.....	150,707	1904	12,361,454	7⅛
1904-05	[illegible]	[illegible]	14,448,000	16,163,353	.....	1,715,353	1905	11,265,510	7¾
1905-06	[illegible]	[illegible]	14,792,000	16,741,215	.....	1,949,215	1906	9,636,563	7 15-16
1906-07	[illegible]	[illegible]	23,814,000	17,544,750	6,269,250	.....	1907	16,399,954	6⅜
1907-08	[illegible]	[illegible]	14,834,000	17,525,418	.....	2,691,418	1908	14,126,227	6¼
1908-09	[illegible]	1,448,000	16,918,000	18,649,602	.....	1,731,602	1909	12,841,057	7¾
1909-10	[illegible]	[illegible]	19,125,000	18,078,474	1,026,526	.....	1910	13,719,530	8⅜
1910-11	[illegible]	[illegible]	14,524,000	17,314,772	.....	2,790,772	1911	11,070,422	13⅛
1911-12	[illegible]	[illegible]	17,409,000	17,218,002	190,998	.....	1912	11,048,311	14¾
1912-13	[illegible]	4,[illegible]	16,373,000	16,780,945	.....	407,945	1913	10,285,316	9⅝
1913-14	[illegible]	[illegible]	19,612,000	18,556,883	1,055,117	.....	1914	11,302,194	8¾

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By
ARTHUR R. MARSH

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The Market World and Chronicle

NEW YORK, SATURDAY, JULY 25, 1914

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A. R. MARSH, Editor
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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

IT will, of course, be the general impression that the Government will have an easy time of it in its suit against the New York, New Haven and Hartford Railroad, under the Sherman Anti-Trust Act, decided upon by President Wilson and Attorney General McReynolds this week. We are ourselves not so sure of it. The courts are places very different from the halls of Congress, and the law is something very different from the rough and ready conclusions and the unrestrained opinions of the members of the Interstate Commerce Commission. The public mind is now filled with notions of the utter lawlessness of everybody connected with the New Haven Railroad; prima facie evidence of many inexcusable doings of some at least who were in control of the railroad's affairs, has certainly been produced; and it is easy to assume that all was of one piece, all unregardful of the plain dictates of the law, and all infected with some taint of criminality. The new management of the road has itself seemed to lend color to this interpretation of the situation, through it manifest desire to arrive at a composition with the Government, without going to court, even though the composition might involve yielding real rights. The effect of all this upon the minds of the majority of persons has undoubtedly been to breed the conviction that the directors and executive officers have come to realize that there was an element of guilty purpose in all their important actions of the past decade or so; and that they have now arrived at the conclusion that it is best for them to conform to the law, as asserted in any and all demands of the officers of the law upon them. On the whole, they have had little sympathy this week in the stand they have made against accepting the utterly unlawful, though legally adopted, imposition upon them by the Massachusetts Legislature of an unexpected and indefensible requirement with regard to the stock of the Boston and Maine, of which they were preparing to divest the New Haven. To most this refusal to accept an unwarrantable burden and a derogation of the rights of the stockholders of the New Haven has appeared pure quibbling, seeing that the matter was small, in comparison with the great whole. This has been the view of President Wilson, and the mass of the public has agreed with him. The general thought has been that persons patently guilty of many crimes and misdemeanors should not stand upon small and pettifogging points, but should yield and accept whatever is meted out to them, even though there be some element of injustice in a part of it. The Directors of the New Haven, however, have decided that they are entitled to justice, even in a lesser matter, and that their duty to the stockholders whom they represent compels them to stand out for this justice. Hence the entire subject is to be brought into court, where the law as it is, rather than as it is popularly supposed to be, will determine in how far each particular operation of the New Haven's managers in the past twenty years has been in violation of the Sherman Anti-Trust Act. The question before the courts will be in every case, not whether the transaction was improvident and ill-advised, but whether in and for itself or in conjunction with other transactions it was a violation of the Sherman Law. It cannot be set up by the Government, for instance, that inasmuch as an extravagant price was paid for the Rhode Island trolley lines, therefore the managers of the New Haven were guilty of monopoly and restraint of trade.

We are not favorably impressed by such portions of the complaint of the Government in this case as have been published in the newspapers. It may, of course, be that the complaint as a whole is stronger than any of its parts, and that its cumulative effect, when taken in its entirety, is more impressive than is the effect of quotations from it. This does not often happen with documents of this character, but it cannot be denied that it may have happened in this particular case. Still, the best we can do, without having the whole complaint before us, is to assume that the parts published by the press are fairly representative of the whole. And these parts, as we read them, are neither strong and convincing in themselves, nor indicative of unhesitating conviction on the part of the persons who drew the complaint or directed the drawing of it. Having no interest in the matter save that of the citizen and the publicist, we should say that the Department of Justice felt itself to be treading on very thin ice in more than one portion of its attempt to define precisely what the New Haven has done, which is in contravention of the Sherman Anti-Trust Act.

The complaint is drawn wholly under the Sherman Anti-Trust Act, and its allegations are, in brief, that the New Haven Railroad, other railroads in New England and New York allied with it, various holding companies and certain trust companies, as well as some twenty-nine individuals

(directors of the New Haven), conspired to obtain and did obtain a monopoly of the transportation facilities of the greater part of New England, and that they conspired to bring about and did bring about and are maintaining a restraint of the interstate trade and commerce of the larger part of New England. The enormity of the offense charged is illustrated by the allegation that, beginning with an unlawful agreement made in 1893 between the New Haven and the Boston and Maine as to a division between them of the traffic territory of New England, the New Haven unremittingly pursued the policy of adding to its system, first, the other railroad systems of New England, and, second, virtually all of the trolley lines in the territory covered by its lines. As a result of this policy, by June 30, 1910, the New Haven had acquired control of 6,541 miles, out of 8,233 miles in all, of the main railroad lines in New England; and its annual earnings from passenger and freight traffic were $121,069,411, out of a total for all of New England of $130,389,195. Only 411 miles of main line in all New England remained in actual competition with the New Haven. Furthermore, the New Haven had obtained control of twenty-two of the coastwise steamship lines of New England and only six independent lines remained in competition with the New Haven. In addition to all this, the New Haven had set about obtaining control of all the trolley lines in Southern New England, and acquired about 1,500 miles of such lines, west of Providence and south of the Boston and Albany Railroad, out of a total of 1,625 miles. The New Haven's rail lines earn about 91 per cent of the gross freight revenue and about 95 per cent of the gross passenger revenue of all the steam railroads in New England; its trolley lines have about 91 per cent of the trolley traffic of the territory in which they are situated.

On the face of it, this is monopoly with a vengeance, and it might be assumed that restraint of interstate trade and commerce would result in a thousand forms. Curiously enough, however, when an attempt is made in the complaint to enumerate the specific consequences of the described state of things, whether in the way of the exercise of the power of monopoly or in the way of actual restraints upon trade and commerce, almost pitiful weakness is disclosed. Here is the portion of the complaint to which we had particular reference, when we said that we were not favorably impressed with the complaint, as setting forth a strong and undeniable cause of action. For the specified manifestations of monopoly and restraint of trade are the following: Unreasonable delay in delivering freight; the use of inferior and unsafe rolling stock; the lack of proper signal systems and safety devices; the destruction of the autonomy in rate making of the units now combined; the suppression of competition among these units; the diversion of freight traffic to the New Haven Company; an effort to increase freight rates; and arbitrary methods in dealing with patrons.

We have not the slightest desire to express approval of the general programme of development and consolidation under unified control of the railways and trolleys of New England, which has obviously been the policy of the managers of the New Haven. As we said editorially last week, we believe that this programme, borne as we think in the mind of the late J. P. Morgan and intended by him for the welfare of New England, was yet fore-doomed to failure. The project was a business mistake, because it was bound to encounter obstacles in the feeling and opinion of the community which would make its success impossible. By some means the great whole, even if initially created, was certain in no long time to be torn to pieces. But facts are facts and justice is justice, no matter how mistaken the leaders of affairs may be in their thinking or how angry the public and the politicians may become when the mistakes yield their inevitable results. A mistake is not a misdemeanor, nor is miscalculation a crime. The present question, to be fought out in the courts, is whether the directing spirits of the New Haven have conspired to produce and have produced a monopoly; and whether the results of that monopoly are restraints of trade. Looking at the matter from this angle, we are forced to say that we have never seen a more pitiful list of things characteristic of monopoly or of restraints of trade resulting from monopoly than is the list which we have just given from the complaint lodged by the Department of Justice against the parties defendant in this New Haven case.

To us it is a thoroughly reasonable supposition, in view of the complaint as now drawn, that the Department of Justice has been embarrassed in the most serious way, in dealing with the New Haven question, by the definition of "monopoly." This word will be construed by the courts in its common law sense, not in the sense of its vague popular use. And the common law sense of "monopoly" is not the mere ownership and management of property, but the ownership of virtually the entire supply of a given kind of property, *accompanied by the unrestrained power to do what one will with it.* He who obtains the ownership of virtually the entire supply of cotton in the country and then proceeds to exact from those who must buy it such price as he sees fit is guilty of monopoly, in the common law sense. But if there were in existence a Governmental power authorized to fix the price and regulate the distribution of the cotton, there could be no monopoly, in a common law sense, even though a person or group of persons bought up every bale of cotton in the land.

This is the difficulty which the prosecutors of the New Haven Railroad are, in our opinion, encountering, though as yet they are saying nothing about it. The steady enlargement of the power of the Interstate Commerce Commission, through decisions of the Supreme Court upholding the plenary character of the authority of Congress and of the administrative instruments of this authority, with regard to the fixing of rates of interstate transportation, the conditions of service for interstate carriers, the minutest details of the management of these carriers, has now brought matters to a point where there virtually can be no monopoly, in the common law sense, on the part of a railroad or group of railroads. It may be said that the recent Intermountain Rate decision, declaring the power of the Interstate Commerce Commission to fix the prices of transportation, dealt a *coup de grace* to the doctrine that it is within the range of possibility for a railroad system to possess a monopoly. The essence of monopoly,—i. e. the power to fix prices for a controlled commodity at will,—is now destroyed, in so far as the railroads of the United States are concerned.

It will be asserted, of course, that the Northern Securities Case and the more recent Union Pacific Case stand in direct opposition to this contention. In both these cases the Supreme Court decisively held that the common ownership of naturally competing railroad lines was a combination in restraint of trade. But the Supreme Court is not a legis-

lative body, laying out a consistent plan of future policy. It is not bound by its own decisions until it makes them; and the logic of a new construction of a power of the Federal Government does not become compulsive, until an actual case has arisen and the Supreme Court has ascertained and stated the logic that must govern the decision of it. When the Northern Securities Case and the Union Pacific Case were decided, it was not yet the law that the Interstate Commerce Commission has plenary authority over the prices which interstate carriers may charge for transportation. That principle became a part of the law only with the Intermountain Rate decision. Henceforth, it will be a refuge, as well as a rule of regulation, for the managers of our railroads.

In the light of this, it may be seen how trivial are the allegations of evidences of monopoly and restraint of trade contained in the complaint against the New Haven. There is not one matter among those enumerated over which the Interstate Commerce Commission has not now full control. If there is monopoly and restraint of trade in the New Haven to-day, the fault is that of the Interstate Commerce Commision, and not that of the owners and managers of the road. It can compel the unreasonable delay in the delivery of freight to be stopped; it can force the replacement of inferior and unsafe rolling stock, and the installation of proper signal systems and safety devices; it can compel freight to be properly routed; it can even order the arbitrary methods in dealing with patrons to cease. As for the "destruction of the autonomy in rate making of the units now combined," these units, in the light of the Intermountain Rate decision, possess no autonomy to be destroyed. They have not a vestige of power to make rates, and such rates as they do make are mere suggestions to the Interstate Commerce Commission, the ultimate authority, which may permit them or refuse them, as it sees fit. Nor can there be, as things now are, any such thing as the "suppression of competition among the units"; these units possess no ultimate power of action; they are cut off from competition in a legal sense by the ever-present authority of the Interstate Commerce Commission to pass upon and modify all their acts. Finally, it is a contention of a completely trivial character to allege that "an effort to increase freight rates" on the part of any railroad or combination of railroads is indicative of either monopoly or restraint of trade. No one can be held guilty of a crime which he is powerless to commit.

These are the considerations that lead us to believe that the way of the Department of Justice in dealing with the New Haven situation may prove to be far less smooth than is generally expected.

Arthur Richmond Marsh

Reasons for the Prevailing High Price of American Cotton

By John A. Todd*

Professor of Economics, University College, Nottingham, England

THE most important question in the cotton trade at the present moment is that of the increase of supply. Rapid as the development of the world's crops has been within recent years, it has not kept pace with the increase of consumption, which even the marked rise of prices has not been sufficient to check. We frequently hear it said just now that the trade requires a 15,000,000-bale American crop this season if serious scarcity is to be avoided. It is certainly remarkable, when we recall the history of even the last five years, that such a crop should now be spoken of as almost a matter of course, a thing which has only to be demanded in order to be supplied; for it is only five years since our last ten million bale crop, which was followed by one of twelve. A ten million bale crop now would be an unthinkable disaster.

All this points to the existence of an idea in the minds of the cotton trade that the American cotton crop can be increased to order, and that it will go on increasing in the future if and when we require it. That such a continued increase will be required for at least the next few years is generally accepted. It seems worth while, therefore, at this stage to consider the possibilities of the American cotton crop for further extension.

As far as the area available for cotton growing is concerned the facts are certainly reassuring. The area of the cotton belt is enormous—about 700,000 square miles, as against the total area of the United Kingdom, 121,400 square miles. Of this area considerably less than one-tenth part is under cotton, the figures being, in 1913, 35,622,000 acres, or only a little over 55,000 square miles.† While, of course, a large part of the total area never will be suitable for cotton growing, it is perfectly certain that the present figure is very far short of the limit of possible development. As far as the mere supply of land is concerned, the American crop could be doubled in a year. Texas alone could grow a crop as large as the present total.

That being so, it may be asked why the area under cultivation does not increase more rapidly than it does. The average rate of increase for the last ten years has only been about 2½ per cent per annum, yet it is generally believed in Lancashire that at present prices cotton ought to be an exceedingly profitable crop. The explanation is to be found in the existence of several limiting factors which are seriously retarding the extension of the crop.

The first is boll weevil. Found in Mexico in 1862, it made its appearance in Texas in 1894, and since then it has steadily spread over the cotton belt until in 1912, 278,000 square miles out of the total of 700,000 were infected. In the South many districts along the Gulf coast line have been entirely denuded of cotton; there is now hardly a cotton field within a day's ride of New Orleans, which used to be surrounded by cotton. In the Central States it practically wiped out the long-staple crop, and it is now gradually eating its way into the Eastern States, which have hitherto been

*Professor Todd is perhaps the best-known economic student of cotton and everything connected with cotton, in England. He has been entrusted with important missions to study the possibility of increasing the supply of cotton, both of the "bread and butter" and of the long staple varieties. His work in Egypt, in connection with the extension of cotton culture in that country, is well known. He has also within the past two years made an exhaustive study in the United States of the causes of the diminishing supply of American long staple cottons and of the increasing irregularity and loss of staple length of American cotton as a whole. The present article is reprinted from the July issue of "Worrall's Monthly Textile Gazette," Oldham, Eng.

†[The United States Department of Agriculture corrected this estimate to 37,458,000 acres, or 58,500 square miles.—Editor.]

ommon and where it threatens the Sea Island crop with a similar fate. There is no real hope yet of any cure. Many things can be done to mitigate its damage, such as picking up and burning the affected squares. The clearing out of its Winter quarters may reduce its numbers, for it hibernates in the dead stalks of various plants wherever there is wooded country or undergrowth, and only a very severe frost will kill it under these conditions. Its depredations may be evaded by cultivating early-maturing varieties which will ripen a fair proportion of their crop before the weevil appears in large numbers in August and September. There is always a possibility of discovering a really efficient parasite, which would keep it under control, if not entirely extirpate it; but in the meantime the boll weevil must be accepted as a very serious factor, especially in keeping down the average yield per acre, which over the whole belt is only about 200 pounds, as compared with the Egyptian average of over 150 pounds.

But the main reason why the boll weevil is not more efficiently tackled is just the one thing that is in itself a more serious hindrance to the development of the cotton crop, namely, the lack of labor, and the extraordinary figure to which the labor cost of the crop is now rising. On a visit to the cotton belt last Summer the writer obtained from a reliable source a careful calculation of the various items of the cost of cotton growing in Texas. The result is almost incredible, for it showed that the mere cost of labor on the farm in question, which seldom produces so good a crop as half a bale an acre, was no less than 11.25 dollars per acre. Picking alone cost on the average over the whole season about 85 cents per 100 pounds of seed cotton, 2½ cents per pound of lint. The total value of the crop, assuming the yield to be half a bale an acre, and that the cotton was classed as middling, at say 12 cents per pound, and including the value of the cotton seed at 20 dollars per ton, was only 35 dollars per acre, so that the labour cost alone was nearly one-third of the gross value of the crop, at an outside figure.

It is, of course, true that the cost of labour is lower in other parts of the belt—the cost of picking in the Mississippi Valley, for instance, may be nearer 1½ cents per pound than 2 cents, but this is offset by the fact that the yield of half a bale per acre, on which the above calculation is based, is distinctly above the average, and that the price of 12 cents per pound is far above the average realized by most of the small planters. It is on the small planter, whose yield may not exceed one-third of a bale per acre of low-grade cotton, that the heavy labour cost tells most hardly, and the only way he can make ends meet at all is by having most of the work done by himself and his family. This is all very well for the small negro cultivator, but it will not do at all for the white planters, who are very numerous in Texas, and who under more favorable conditions would have been the most hopeful factor for the improvement and extension of the crop. It must be remembered that Texas and Oklahoma alone account for more than 75 per cent of the increase of area in the last ten years, and between them they now produce about 6,000,000 bales per annum.

All this is a striking commentary on the history of the Civil War, for the chief argument of the planters in favor of slavery was that cotton was a cheap labor crop, and could not possibly be cultivated without slave labor. The descendants of the liberated slaves could now earn a dollar a day all the year round if they were willing to work steadily, while a good picker in the height of the season can earn as much as two or three dollars in a day. In certain parts of the belt, especially Texas, the labor supply even at such prices is hopelessly inefficient. The steady flow of immigrants of almost every nationality under the sun is swallowed up as fast as it comes, and the labour question shows no sign of becoming any less pressing. This difficulty was especially felt last year owing to the Mexican War, which interfered with the usual supply of transitory labor from across the border, and it is probable that this shortage will be at least as marked during the coming season.

But labour is not the only item of cost which has increased seriously in recent years. Farm implements, horses or mules, and food of all kinds, both for man and beast, have gone steadily up in a way which goes far to explain the recent revulsion of feeling in America against protection. It is said that the general level of prices in America has increased during the last fifteen years nearly 50 per cent as compared with 25 per cent in this country; and the cost of living has become burdensome in the extreme.

The result is that the supposed enormous profits of the cotton grower are a very doubtful quantity; it is questionable whether the growers are any better off now with cotton round about 12 cents per pound than they were in the old days with half the price. For it must be remembered that the basis price in Liverpool and the average price which the ordinary small grower gets for his crop, taking it all over, are very far apart. In the first place, the uncertainty of the climate during the picking season, and the impossibility, owing to lack of labor, of taking advantage of a good spell of weather to get the whole crop gathered in good condition, frequently result in serious deterioration of a large proportion of the crop. Heavy rain in Autumn not only deteriorates the character of the lint directly, but it also splashes the mud up into the open bolls, producing tinged or stained cotton, with the result, for example, that the planter, whose figures are quoted above, actually received only 6 cents per pound for a considerable part of his crop. It is this state of affairs which is largely responsible for the noticeable increase in low-grade cotton during the last few years. The tradition in Lancashire that a big crop meant a good crop was ruthlessly upset in 1911-12 for the simple reason that the crop was so enormous that it could not be picked. There was cotton still hanging unpicked on the plants in the following March. As one large planter put it to the writer, "We are growing a 20,000,000 bale crop and only harvesting 15,000,000, and a large part even of that in bad condition."

Again, when the crop is havested the buying system is none too favorable to the small grower. Most of the large export houses are, of course, above suspicion; but, in addition to their representatives throughout the belt, there is an army of small middlemen who buy cotton in the country towns and villages and resell it to the shipping houses, from whom they receive the fair market value of the cotton. Their only chance of a profit, therefore, is to pay the farmer less than the market value, and as the average small planter knows too little of the grade of his cotton to question the buyer's valuation, it becomes simply a question of bargaining power, in which the seller on the whole is likely to prove the weaker party.

Taking all these things into account, cotton growing, especially for the small farmer, is by no means a gold mine, and many of them would clear out of it if they could. Making all due allowance for the traditional grumbling propensity of the farmer, the present position of the cotton grower is nothing like so satisfactory as people in this country suppose; it is certainly not sufficiently attractive to produce the large and rapid increase of supply which Lancashire at present requires.

The remedy is easier to point out than to enforce. Failing the invention of a really satisfactory mechanical picker, the labor difficulty will not be overcome for many years, and the only way to meet it is to increase the value of the crop by improving both the

average yield and the quality of the staple. There is no doubt at all that this could be done if the farmers were in a position to take advantage of all the facilities for improvement that are now available, and were encouraged to do so. Anyone who has gone through the belt with his eyes open must be convinced that the present condition of affairs could be very materially improved in many respects, and that the planter might be much better paid for his work without really costing the spinner anything, for Lancashire has never grudged to pay a better price for a superior article. There is great need of closer communication between producer and consumer, whose interests are in the long run far less irreconcilable than they seem.

THE GROWTH OF BANKING

SIR GEORGE PAISH, editor of "The Statist" of London, contributes to the Foreign Banking Section, an annual feature of that publication, a characteristically interesting and informative review of the growth of the world's banking. "Comprehensive data," he says, "do not exist for making exact calculations of the total accumulation of capital in all countries, and the manner in which it is rendered available for productive purposes by public and private investments; nevertheless, the available information as to the productions of foodstuffs, of raw textiles, of minerals, and of manufactured goods shows clearly that both wealth and income are everywhere growing with amazing rapidity, and that the increasing well-being of the world is bringing about a vast growth both in international commerce and in national trade. One of the best guides we possess to the expansion in production and in consumption is the growth of banking, the primary object of which is to finance trade and commerce between producer and consumer. The extension of banking and the expansion in trade are, indeed, closely related. If production does not increase, trade does not expand and banking deposits do not become greater; whereas a great expansion in production and in trade invariably brings with it a corresponding growth of banking. In these days the one cannot expand without the other. Hence a complete survey of the expansion in the world's banking would give a fairly accurate conception of the growth of the world's trade. It is true that the amount of banking money required by trade fluctuates in some degree with the movement in the prices of commodities; in periods of dear commodities more banking accommodation is needed than in periods of low prices. Nevertheless, the growth of banking is a very good indication of the expansion in production and in trade. The index-number of forty-five commodities in 1880 was eighty-eight, while in the past year it was eighty-five, a difference slightly in favor of the earlier year, and in this period the deposits of the banks of the United Kingdom have grown from £450,000,000 to £1,138,000,000, an expansion of no less than £688,000,000, or over 150 per cent, in a single generation of thirty-three years. We would point out that this comparison is an accurate one, as we have made allowance for the deposits of private bankers whose businesses have been absorbed by joint-stock banks since 1880."

It is shown that deposits in German joint-stock banks increased from £23,000,000 in 1876 to £468,000,000 in 1912, while deposits in German savings banks grew from £93,000,000, in 1875, to £1,000,000,000 in 1913. Deposits in French savings banks increased from £21,480,000, in 1872 to £228,484,000 in 1911. Deposits in all classes of banks in the United States increased from £440,000,000 in 1880 to £3,604,000,000 in 1913. Deposits in chartered banks of Canada, increased from £18,100,000, in 1880, to £241,500,000 at the end of 1913. Deposits in the ordinary and savings banks of Australia, aggregated, increased from £28,834,000 in 1871 to £269,643,000 in 1913.

"No statement that can be presented," says the review, "will strike the imagination more forcibly than one which gives the individual deposits of all the great banks of the world possessing deposits of £20,000,000 and over. If it be borne in mind that a generation ago the number of great banks with deposits of this sum and over could be counted on one's fingers, that the greatest of them in those days had deposits of no more than £36,000,000, that at the present time there are no less than sixty-one banks with deposits exceeding £20,000,000, and that the deposits of individual banks in these days range up to £126,000,000, some conception can be gained of the influence now exerted by banking on the world's affairs. It is true that the great increase in deposits of individual banks has come in some measure from contributions and absorptions. But while this circumstance explains in part the really enormous growth in the deposits of certain banks, it does not affect the great increase in the number of banks possessing deposits of over £20,000,000 per institution. Indeed, had there been no amalgamations the number of banks possessing this amount of deposits would probably have been still greater than sixty-one. The growth in the size of deposits of individual banks in itself reflects the spirit of the time—the desire to act in co-operation and in combination with others. In the old days people with money favored the private banker, who was entrusted with the secrets of his customers and who guided them with his advice. In these days the private banker has almost ceased to exist, the great banks offering a much greater measure of security to depositors and performing many other services for them at small or no charge. Just as thousands of persons will in these days entrust themselves to the care of the captain of a single great ship and derive an increased measure of safety and protection, so multitudes of persons entrust their cash balances to the care of a single institution, believing their money to be safer and more secure the greater the institution. This tendency to combine and co-operate for mutual advantage has extended to every country, and all over the world great banks have arisen which gather together money that would otherwise lie idle in tills and in boxes, and thus render the sums of great value not only to those who possess them, but to the whole community, by employing them to finance both national trade and international commerce. In fact, trade and commerce could not have expanded to their existing vast proportions but for the growth of banking, the introduction of the cheque and the bill, and the ability to send money by telegraph and by cable in a few minutes or in a few hours from town to town and from country to country. But not only does banking now provide the greater part of the world's currency in the cheque and in the bill; it also provides the machinery for the whole credit system. Moreover, from time to time the growth of trade is seriously hampered by the unwillingness of investors to provide the necessary capital for its expansion, and banking plays a powerful part in preventing a breakdown of the system until investors regain their confidence. Sometimes, however, the situation is reversed. Bankers suffer from nervousness, and are unwilling to lend banking money freely, while investors maintain their confidence and supply capital for purposes for which banking money would normally be employed.

"Thus the great monetary stringency which arose in 1913, came in part from the desire of bankers in many countries not to extend their loans in a period of uncertainty. But any disturbance to credit was prevented by the continued confidence of British investors, who supplied investment money to the whole world with a freedom never witnessed before, and thus enabled numbers of

persons and undertakings in many countries to repay loans obtained from bankers.

"One of the advantages derived from the credit system in these days lies in the fact that the savings and the cash balances of nearly everyone, apart from persons in the backward countries who hoard their money, are rendered available in the shortest possible space of time for use in any part of the world in which they are needed. In the old days, when affairs were governed by a policy of distrust and isolation, each country had to rely entirely upon itself for the capital with which to develop its resources, and for the cash needed to get through any temporary trouble or disaster. In these days, however, when the interests of each country are knit with all other countries, and of each individual with all other individuals, the capital resources of the whole world are rendered available for expanding the productive power of each and every country, and the money of all the world is placed at the disposal of every country which lives up to the world's standard of honor and fair dealing.

"Beyond the powerful assistance rendered to world production by British investors and to international commerce by the employing of a large part of the funds of purely British banks in the discount of the bills of all nations, a host of Anglo-Indian, Anglo-Colonial and Anglo-Foreign banks operate in all parts of the world. The capital of these banks is provided in this country, and no inconsiderable amount of their deposits is also British. Beyond placing a great deal of money at the service of the countries in which they do business, these banks provide the machinery by means of which other countries are able to obtain large quantities of additional banking money and of capital from Great Britain. In the present special number will be found particulars of all Anglo-Indian, Anglo-Colonial and Anglo-Foreign joint-stock banks working abroad with British capital and under British direction. Space has compelled us to restrict our description of purely foreign banks to the great banks of each country whose affairs are of special interest to our readers, either from the point of view of their great power and influence on international monetary conditions, or because of their relations and connections with international banks in general, and the banks of this country in particular. The following is a statement of the world's banks with deposits of over £20,000,000:

DEPOSITS OF THE WORLD'S GREAT BANKS, END 1913 AND IN 1880.

		Deposits and Current Accounts. 1913.	1880.
1	Imperial Bank of Russia	£125,928,000	£37,971,000
2	Lloyds Bank	104,306,000*	5,785,000
3	London City and Midland Bank	93,834,000	.....
4	Crédit Lyonnais	89,399,000	16,484,000
5	London County and Westminster Bank	88,314,000	.....
6	Deutsche Bank	79,002,000	3,215,000
7	Société Générale (Paris)	72,513,000	13,353,000
8	Bank of England	71,357,000	33,809,000
9	National Provincial Bank of England	67,882,000	29,138,000
10	Hongkong & Shanghai Banking Corporation	61,554,000	4,726,000
11	Barclay and Co.	60,806,000	.....
12	Comptoir National d'Escompte de Paris	56,574,000	.....
13	Bank of Spain	56,316,000	23,751,000
14	Direction der Disconto-Gesellschaft	50,000,000†	3,228,000
15	Dresdner Bank	47,920,000	4,752,000
16	Banco de la Nacion Argentina	47,264,000	.....
17	National City Bank, New York	44,266,000	3,249,000
18	Parr's Bank	43,669,000	3,137,000
19	Russian Bank for Foreign Trade	43,018,000	2,055,000
20	Union of London and Smiths Bank	42,084,000	13,358,000
21	Bank of France	40,318,000	25,011,000
22	Capital and Counties Bank	39,958,000	3,465,000
23	Canadian Bank of Commerce	39,769,000	2,318,000
24	Imperial Bank of Germany (Reichsbank)	39,694,000	8,663,000
25	Bank of Montreal	39,100,000	.....
26	London Joint Stock Bank	37,637,000	12,645,000
27	Oesterreichische Credit-Anstalt fur Handel und Gewerbe	36,005,000	6,920,000
28	Continental and Commercial National Bank, Chicago	35,840,000	.....
29	Banque Internationale de Commerce à St.-Pétersbourg	35,252,000	1,601,000
30	Bank of New South Wales	34,281,000	9,039,000
31	Volga Kama Commercial Bank (Russia)	34,126,000	5,085,000
32	Guaranty Trust Co. of New York	33,386,000	.....
33	Russian Commercial and Industrial Bank	32,668,000	.....
34	Banca Commerciale Italiana	32,491,000	.....
35	Darmstadter Bank	30,384,000	1,457,000
36	Banque Russo-Asiatique	30,000,000	.....
37	National Bank of Commerce, New York	29,745,000	3,446,000
38	Allgemeine Oesterreichische Boden Credit Anstalt	28,771,000	15,393,000
39	Royal Bank of Canada	28,500,000	.....
40	First National Bank, Chicago	28,441,000	2,654,000
41	Bankers' Trust Company, New York	27,448,000	.....
42	Manchester and Liverpool District Bank	25,917,000	10,825,000
43	Chase National Bank, New York	24,816,000	.....
44	London and River Plate Bank	23,432,000	2,849,000
45	National Park Bank, New York	23,138,000	.....
46	Farmers' Loan and Trust Co., New York	23,045,000	2,031,000
47	Hanover National Bank, New York	22,673,000	1,620,000
48	Oesterreichische Länderbank	22,341,000	1,522,000
49	Oesterreichische Ungarische Bank	21,869,000	9,506,000
50	London and South Western Bank	21,521,000	1,787,000
51	Union Bank of Australia, Ltd. (Aug. 30)	21,335,000	6,767,000
52	Central Trust Company, New York (June 30)	21,293,000	1,054,000
53	First National Bank, New York	21,210,000	3,272,000
54	Commercial Banking Company of Sydney	21,156,000	.....
55	Yokohama Specie Bank	21,077,000	.....
56	Standard Bank of South Africa	20,900,000	6,082,000
57	Anglo-Austrian Bank	20,786,000	1,049,000
58	Bank of Liverpool	20,277,000	3,462,000
59	London and Provincial Bank	20,246,000	2,491,000
60	Yorkshire Penny Bank	20,160,000	.....
61	Bank of Scotland (Feb. 28, 1914)	20,061,000	12,508,000

*Including Wilts and Dorset. †Approximate.

NATIONAL BANKS IN THE UNITED STATES WITH GROSS DEPOSITS IN EXCESS OF $25,000,000

Forty-nine National banks in the United States reported gross deposits of more than $25,000,000 each on June 30, 1914, the date of the Comptroller of the Currency's last call for condition. This number compares with forty-eight at the previous call on March 4, 1914, and includes seventeen New York, five Chicago, six Philadelphia, three Boston and three St. Louis banks. Following is the list:

	Gross Deposits. June 30, 1914.
City, New York	$274,114,000
Continental and Commercial, Chicago	175,315,000
Commerce, New York	155,020,000
Chase, New York	151,037,000
First, New York	124,893,000
Mechanics and Metals, New York	122,662,000
First, Chicago	116,658,000
Hanover, New York	119,802,000
Park, New York	111,294,000
Shawmut, Boston	98,225,000
First, Boston	83,159,000
American Exchange, New York	75,320,000
Corn Exchange, Chicago	61,251,000
Philadelphia National, Philadelphia	56,994,000
Irving, New York	56,478,000
Mellon, Pittsburgh	47,469,000
Fourth Street, Philadelphia	47,274,000
First, Detroit	45,917,000
Marine, Buffalo	45,796,000
Commerce, St. Louis	43,647,000
Girard, Philadelphia	41,716,000
Merchants, Boston	40,512,000
Bank of California, San Francisco	37,798,000
New York, New York	37,678,000
First, Cleveland	35,941,000
Franklin, Philadelphia	35,612,000
Seaboard, New York	35,506,000
Fr. Dearborn, Chicago	35,267,000
Liberty, New York	33,587,000
Third, St. Louis	32,919,000
Northwestern, Minneapolis	32,042,000

	June 30, 1914. Gross Deposits
Mechanics American, St. Louis	31,471,000
Anglo-London-Paris, San Francisco	30,499,000
Chemical, New York	29,745,000
Merchants, New York	28,509,000
City, Chicago	28,326,000
Farmers Deposit, Pittsburgh	28,073,000
Importers and Traders, New York	27,498,000
First, St. Paul	27,484,000
Corn Exchange, Philadelphia	27,392,000
Chatham and Phenix, New York	27,140,000
Citizens Central, New York	27,035,000
First, Philadelphia	26,692,000
Bank of Pittsburgh, Pittsburgh	26,425,000
Wells Fargo Nev., San Francisco	25,963,000
First, Kansas City	25,941,000
Commercial, Albany	25,798,000
Manufacturers and Traders, Buffalo	25,679,000
First, Minneapolis	25,564,000

INDUSTRY, COMMERCE AND FINANCE

Foreign Commerce of the United States for the Fiscal Year, 1913-1914.—Preliminary figures have just been issued by the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce for the foreign commerce of the United States for the fiscal year ended June 30, 1910. These figures show that, during 1913-1914, the imports into the United States aggregated in value $1,894,169,180, an increase of $81,160,946, or 4.47 per cent, over the value of the imports for 1912-1913. The exports of domestic goods from the United States during the past fiscal year were of the value of $2,329,731,886, a decrease of $98,774,472, or 4.07 per cent, from the previous year. Foreign goods re-exported were of the value of $34,894,669, or $2,483,122 less than for 1912-1913. Combining these figures it is found that the total foreign trade movement of the country in 1913-1914 was of the value of $4,238,795,735, a decrease of but $20,096,648, or less than one-half per cent, from 1912-1913, which established the high record for our foreign commerce. The highest previous record was exceeded in 1913-1914 by $401,208,392.

For the month of June, imports aggregated $157,772,973, an increase of $26,527,096 over June of last year; being, however, $6,436,542 below May, $16,122,803 below April, and $24,782,331 below March of the current year. Total exports during June were valued at $157,119,451, a decrease of $6,285,465 compared with June, 1913, and being $4,613,168 below May, $5,433,119 below April, and $30,379,783 below March of the current year. For the month of June, imports exceeded exports by $653,522, compared with an import excess of $2,476,896 in May and $11,339,544 in April.

About 59½ per cent of the imports in June and the fiscal year which ended with June, entered free of duty, against 54½ per cent in the year before.

The excess of exports over imports for the year ended June 30, 1914, was $470,457,375, against an excess of $652,875,915 in the year ended June 30, 1913, $551,057,475 in the year ending June 30, 1912, $522,094,094 in the year ended June 30, 1911, $188,037,290 in the year ended June 30, 1910, and $351,090,880 in the year ended June 30, 1909.

Gold imports aggregated $66,538,659, and gold exports, $112,038,529; while silver imports aggregated $30,326,604, and silver exports $54,965,022 during the year.

* * *

Operating Revenues and Expenses of Railways in the United States, 1912-1913.—According to the belated statistics compiled and issued by the Interstate Commerce Commission, the operating revenues of the railways in the United States (average mileage operated, 242,657.12 miles) for the fiscal year ended June 30, 1913, were $3,125,135,798, and the operating expenses were $2,169,968,924. For the fiscal year 1911-1912 (average mileage operated, 238,220.11 miles), the corresponding figures were: Operating revenues, $2,826,958,366, and operating expenses, $1,959,094,658. It is to be remembered that these figures do not include, on the one side, income derived from sources other than operation proper,—i.e. interest or dividends on securities held, rentals, profits on sales of property, etc.,—nor, on the other side, expenses in the way of interest paid on indebtedness, dividends on stock, taxes, depreciation, etc. They afford, therefore, only an approximate idea of how the railways fared.

The details of the operating revenues and expenses for 1912-1913, by main classes of both, are shown in the following table:

OPERATING REVENUES FOR 1912-1913.

Freight revenue	$2,198,930,565
Passenger revenue	695,987,817
Excess baggage revenue	7,607,802
Parlor and chair-car revenue	715,566
Mail revenue	50,789,212
Express revenue	79,717,266
Milk revenue (on passenger trains)	9,057,591
Other passenger revenue	6,110,252
Switching revenue	33,248,734
Special service-train revenue	1,980,362
Miscellaneous transportation revenue	6,861,901
Total revenue from operations other than transportation	31,628,843
Joint facilities—Dr.	1,054,003
Joint facilities—Cr.	3,553,890
Total operating revenues	$3,125,135,798

OPERATING EXPENSES FOR 1912-1913.

Maintenance of way and structures	$421,232,395
Maintenance of equipment	511,561,363
Traffic expenses	62,850,113
Transportation expenses	1,096,252,745
General expenses	78,072,308
Total operating expenses	$2,169,968,924

* * *

British Trade in June.—The British Board of Trade returns for June show that the imports into Great Britain during that month were of the value of £58,272,042, or less by £37,477 than those of June last year. The exports show a larger decrease, the total being £39,872,976, against £42,836,568 last year, a difference of £2,963,592. For the six months ended with June the imports totalled £375,883,290, as against £378,746,000 for the corresponding half of 1913, showing a decrease of £2,862,710. The exports for the same period amounted to £255,457,611, as against £257,055,808, or a decrease of £1,598,197.

* * *

Estimated Population of the United States, July 1, 1914.—An estimate of the population of the United States,—both Continental United States and its Territories,—as of July 1, 1914, has been prepared by C. S. Sloane, geographer of the Department of Commerce; and the main results have been published in the journal "Science", issue of July 17, 1914. In the form of a bulletin the study will shortly be issued by Wilbur J. Harris, Director of the Bureau of the Census, of the Department of Commerce. The particular purpose in preparing the estimate (or estimates) is to provide the Bureau of the Census wih a basis for the computation of death rates and other per capita averages in the years between the decennial census years proper. The starting point of the calculations was, of course, the stated census of 1910. The method adopted, as having been found by experience to yield the most accurate results, was the simplest of all for such computations,—i. e. the purely arithmetical method. It was assumed that the increase of population each year since the census

equal to the average annual in-

This assumption, of course, presup-

that there has not been a suf-

true, the death rate and the immigra-

material effect upon the results obtained.

the method the conclusion has been arrived at

population of the United States (including

Continental United States) was on

July 1, 1914, a total of 109,021,992 persons, as compared with

101,738,261 persons in 1910, a gain of 7,273,723 persons. The

population of the Continental United States,—i. e. the forty-

eight States and the District of Columbia,—is estimated at 98,-

781,324 persons in 1914 as compared with 91,972,266 persons in

1910. The following table gives the estimated population of each

of the forty-eight States and of the District of Columbia on July

1, 1914, with the corresponding figures of the decennial census

proper, taken on April 15, 1910:

State.	Population—Estimated, July 1, 1914.	Population—Census, April 15, 1910.
Alabama	2,269,945	2,138,093
Arizona	239,053	204,354
Arkansas	1,686,480	1,574,449
California	2,757,895	2,377,549
Colorado	909,537	799,024
Connecticut	1,202,688	1,114,765
Delaware	209,817	202,322
District of Columbia	353,378	331,069
Florida	848,111	752,619
Georgia	2,776,513	2,609,121
Idaho	395,407	325,594
Illinois	5,986,781	5,638,591
Indiana	2,779,467	2,700,876
Iowa	2,221,755	2,224,771
Kansas	1,784,897	1,690,949
Kentucky	2,350,731	2,289,905
Louisiana	1,773,482	1,656,388
Maine	762,787	742,371
Maryland	1,341,075	1,295,346
Massachusetts	3,605,522	2,366,416
Michigan	2,976,030	2,810,173
Minnesota	2,213,919	2,075,708
Mississippi	1,901,882	1,797,114
Missouri	3,372,886	3,293,335
Montana	432,614	376,053
Nebraska	1,245,873	1,192,214
Nevada	98,726	81,875
New Hampshire	438,662	430,572
New Jersey	2,815,663	2,537,167
New Mexico	383,551	327,301
New York	9,899,761	9,113,614
North Carolina	2,339,452	2,206,287
North Dakota	686,966	577,056
Ohio	5,026,898	4,767,121
Oklahoma	2,026,534	1,657,155
Oregon	783,239	672,765
Pennsylvania	8,245,967	7,665,111
Rhode Island	591,215	542,610
South Carolina	1,590,015	1,515,400
South Dakota	661,583	583,888
Tennessee	2,254,754	2,184,789
Texas	4,257,854	3,896,542
Utah	414,518	373,351
Vermont	361,205	355,956
Virginia	2,150,009	2,061,612
Washington	1,407,865	1,141,990
West Virginia	1,332,910	1,221,119
Wisconsin	2,446,716	2,333,860
Wyoming	168,736	145,965
Totals	98,781,324	91,972,266

* * *

Six Months' Building Operations.—Reports to Bradstreet's from 150 cities of the United States show that during the first half of 1914 building permits were issued to the number of 145,026, as against only 141,767 permits in the like period of 1913, a gain of 2.3 per cent. These figures would indicate that more structures were built this year than last, but the estimated value of the building done or permitted to be done was $438,769,000 this year for six months, as against $472,667,000 in 1913, a decrease of 7.1 per cent. The summary of the six months' building for the years 1914 and 1913 follows:

(Three figures omitted in values.)

	Number of Cities.	No. Permits—1914.	No. Permits—1913.	Expenditures—1914.	Expenditures—1913.
New England	24	9,275	10,106	$38,572	$39,248
Middle	34	32,484	32,462	153,850	164,507
Western	34	40,344	39,179	127,526	127,075
Northwestern	14	11,435	10,094	35,701	29,057
Southern	23	21,185	21,501	36,051	44,144
Far-Western	16	30,303	28,425	47,069	68,636
Total United States	150	145,026	141,767	$438,769	$472,667
New York City	1	8,799	8,324	$78,003	$84,777
Outside New York	149	136,227	133,443	360,766	387,890

* * *

The Trade of Ireland.—The total import and export trade of Ireland in 1912, according to statistics recently made available by the Department of Agriculture and Technical Instruction of Ireland, was valued at $685,035,972, as compared with $642,143,478 in 1911, an increase of $42,892,494. The imports were valued at $355,931,522, and the exports at $329,104,450. These statistics include the direct trade between Ireland and all other countries outside of Great Britain, the direct trade of Ireland with these same countries via Great Britain, and the local trade between Ireland and Great Britain.

Of the total value of the imports into Ireland, for 1912, 36 per cent represented articles of food and drink, 49 per cent manufactured goods, and 15 per cent raw materials. Although Ireland is largely devoted to agriculture, approximately $107,000,000 worth of farm products were imported.

Of the exports out of the country, 52 per cent represented articles of food and drink, 41 per cent manufactured goods, and 7 per cent raw materials.

The direct imports of foreign and colonial goods into Ireland during 1912 were valued at $85,159,818, whereas the direct exports amounted to $6,507,829, of which $4,549,199 consisted of re-exports of foreign and colonial goods. But as regards the direct foreign and colonial trade of Ireland which passes to and from the Irish ports via those of Great Britain, especially Liverpool and London, there are at present no means of distinguishing this from the foreign and colonial trade of that country. Consequently the total trade of Ireland with countries outside of Great Britain can not at present be ascertained.

* * *

Belgian Cement Exports.—Belgian cement exports for the first quarter of the present year aggregated 145,683 tons, contrasted with 224,179 tons during the corresponding period of 1913, the decrease being 78,496 tons, or 35 per cent. Exports to Argentina showed a particularly heavy decline, amounting to 30,766 tons, as compared with 67,944 tons in 1913, a decrease of 37,178 tons, or nearly 55 per cent.

* * *

Area and Population of Servia.—Before the recent wars with Turkey and Bulgaria, Servia was divided into eighteen districts. The area of the country was 18,644 square miles, with a population of 2,911,701. Servia acquired as a result of the wars, territory to the extent of 14,668 square miles, with a population of 1,481,614. The total area of the country to-day is, therefore, 33,312 square miles, with a total population of 4,393,315. The new territory has been divided into twelve administrative districts, making a total of thirty administrative districts in the whole country.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

IT is the fashion in these days to take a shot at the New York, New Haven and Hartford Railroad. The heavy firing comes from the Interstate Commerce Commission and the Department of Justice. United States Senators and Congressmen keep up a more or less continuous fusilade in their speeches. The sensational newspapers serve as irregulars, and fire at will at whatever head is shown. There are also what we have come to know, since the affair at Vera Cruz, as "snipers." One of these last is the Superintendent of Insurance of Illinois, Mr. Rufus M. Potts. From the recesses of his annual report upon the condition of insurance and of insurance companies doing business in Illinois, Mr. Potts aims his official gun at the New Haven Railroad. He declares that he has discovered that forty-three fire insurance companies doing business in Illinois are holders of stocks and bonds of the New Haven itself, to say nothing of investments in many of the corporations subsidiary to the New Haven. The value put by the fire insurance companies upon the New Haven stocks and bonds they hold is almost $7,000,000. In Mr. Potts' words: "The companies have reported this worthless stock to the Department at the above figure." The companies most culpable are those of New England and New York,—the strongest and best managed fire insurance companies in the country, though Mr. Potts does not say this. He forgets also to say that if he had examined the investments of the New England and New York life insurance companies, casualty and liability insurance companies, surety companies, etc., he undoubtedly would have found bonds and stocks of the New Haven Railroad to a much larger amount than $7,000,000. We should not be surprised if he found the New Haven holdings of all these companies,—or such of them as do business in Illinois,—nearer $50,000,000 than $7,000,000. At any rate, in one respect Mr. Potts has done his full duty: he has reported what he has found in the fire insurance companies to the United States Government's investigators of the New Haven Railroad, and has requested them to make a special point of ascertaining the investment relations of the companies with the railroad, i. e. the inner meaning of "their enormous so-called investments."

It is an unfortunate fact that insurance companies have to invest the funds contributed to them by their insured and held by them as trustees to be paid over upon the occurrence of the eventualities against which insurance is taken out. It is only in this way that real cheapening of insurance is possible and, at the same time, that insurance as a whole is able to play a beneficent double part towards society, that of providing indemnities for losses and that of serving as reservoirs of capital for the constructive requirements of the community. Though we can never be quite sure of the slant that Mr. Potts' mind will take as regards any matter, we presume that even he would object to having the insurance companies taking in premiums and lock them up in safety deposit vaults until they should be needed for the payment of losses. But however Mr. Potts may view the matter, it can scarcely be doubted that the sane public expects the executives and directors or trustees of insurance companies to invest the funds entrusted to them and to make them earn as much as possible, to the end that insurance premiums may be as low as possible. But investment means risk, just as much as insurance itself does. There are no risk-proof investments. Even Government, State and municipal securities can do strange and wonderful things. Thus the British, French and German insurance companies have, within the past decade, lost something like one-quarter of the capital value of their investments in the public securities of their respective countries. Had it not been for the artificial value given to United States Government bonds by the operation of the National banking system, insurance companies investing in them fifteen years ago would by now have lost probably 40 per cent of the capital value of their investment. The insurance companies' holdings of the bonds of New York City issued in the late 90's have lost about 20 per cent in capital value since they were purchased. Such is the uncertainty of the very cream of "so-called investments." What has Mr. Potts to say to this? Who, in his opinion, should investigate the relations of the buyers of these securities with the governments and the municipalities that issued them?

The truth is, of course, that insurance executives and directors or trustees must invest and invest in those securities which, in their judgment, are the safest and best of those offering. But it is a foregone certainty that some of these investments will go wrong, just as it is a foregone certainty that fire insurance companies will have occasional conflagrations to pay for, life insurance companies occasional epidemics to lift their death rate above the normal, and liability companies occasional catastrophes calling for the payment of abnormal losses. Investment is a matter of average, just as much as insurance is; and wise investment provides so wide an average that losses here and there, like those now being undergone with the securities of the New Haven Railroad, produce no crippling effect. It is worth noting, by the way, that not one of the forty-three New England and New York fire insurance companies which Mr. Potts holds suspect for owning $7,000,000 worth of New Haven bonds and stocks appears to be in financial straits or in any danger of being unable to fulfill its contracts of insurance to the letter.

THE primacy of the United States among all the countries of the world in the matter of life insurance has once more been illustrated by the publication this week by the Superintendent of Insurance of New York of the portion of his annual report dealing with the life insurance companies admitted to do business in this State. The figures are truly enormous, though they fall somewhat below the figures for virtually all the life insurance companies doing business in the United States, as compiled by our contemporary, "The Spectator" [See THE MARKET WORLD AND CHRONICLE, April 11, 1914, page 459]. According to Superintendent Hasbrouck's statistics, however, the vast excess of aggregate and per capita life insurance in this country over that in any other country on the globe clearly appears. This can best be brought out by comparing the premium income of the companies doing business in the State of New York with the premium income of life insurance companies in the chief countries of Europe. According to the present report the premium income of the American companies in 1913 was $628,650,211 (according to "The Spectator's" figures for all companies in the country, $712,865,815). Now the total premium income of the fifty-one German life insurance companies, in 1913, was 734,171,000 marks [$174,732,698]. In Great Britain the official Blue Book for 1914, issued by the Board of Trade, gives as the life premium income of seventy-six companies writing life insurance the sum of £46,819,196 [$228,477,566]. These figures, however, are derived only from the latest

[illegible] for 1912 and some for [illegible] the French, the premium income for 1913 is not at hand, but the [illegible] reported by the fifteen French companies in that year [illegible]29 francs [$121,259,228], as compared with [illegible] alone of $1,856,464,981 written by the [illegible] in the State of New York. The premium [illegible] companies doing business in Italy in 1912 was [illegible] [$7,389,509]. In Spain, in 1912, the premium income of [illegible] three companies was 24,258,405 pesetas [$4,681,872]. In Holland, with her extraordinary number of small life companies,—no less than eighty,—the total premium income in 1912 was about 60,000,000 florins [$24,120,000]. Finally, in Austria-Hungary, where the 1913 premium income is not yet made public, the new business for that year amounted to 930,335,331 kronen [$188,858,077], or about one-tenth of the new "ordinary" business written by the companies doing business in New York. Such are the extraordinary disparities between life insurance in the United States and in the most important countries of Europe.

AN ADVOCATE OF FEDERAL REGULATION OF INSURANCE TAKES "SCRUTATOR RERUM" TO TASK

To the Editor of The Market World and Chronicle:

SIR: In your issue of July 11 a Perplexed Observer of Things presents dubieties on the current movement to nationalize the supervision of insurance. The Joint Resolution looking to this end, now in Congress, was prepared by me and introduced in January of the present year by a Massachusetts Senator and a Representative of this Commonwealth. My interest in insurance supervision antedates my former connection with the "Journal of Insurance Economics," as associate editor. Having dabbled to some extent in Constitutional law, it has appeared to me that, to be obtained at all, Federal supervision must come through a Constitutional Amendment, giving Congress express power to regulate the business. In the "Insurance Press," of November 2, 1910, I expressed the opinion that the supposed difficulties in the way of securing an amendment to the Constitution which shall give Congress exclusive power to legislate for insurance regulation are not so great as is commonly supposed; and I predicted that such an amendment might be secured in less than a decade. After the Deer Lodge County decision of November last [New York Life Insurance Company vs. Deer Lodge County, Montana], the time seemed ripe to consider the "commerce clause chapter" closed and to begin the agitation for a Constitutional Amendment. With characteristic promptness President Kingsley at once took an active interest in the proposal and addressed a circular letter to the Nation's insurance executives, asking for their views on urging the adoption of a Constitutional Amendment. My own proposed amendment reads as follows:

"Article I, Sec. 8, Clause 19. The Congress shall have power to regulate the business or commerce of insurance throughout the United States and its territories and possessions."

A Joint Resolution embodying the amendment is now in the hands of the Judiciary Committee of each house of Congress. There it is understood, a call for a hearing for public hearings. President Kingsley is inviting the cooperation of insurance companies before beginning the campaign actively in Congress.

It is an amazing and somewhat melancholy fact that American Constitutional history is [illegible] read by people in general. As a consequence, incorrect views of the fundamental organization of our Government [illegible] and are accepted, without a thought of challenge save by a few students here and there. In the present instance, "Scrutator Rerum" says: "Mr. Kingsley is using every means within his power to overthrow, or at least to circumvent, the time honored decision of the United States Supreme Court in the case of Paul vs. Virginia, wherein the court decided once, and apparently irrevocably, that a contract of insurance is not commerce, hence cannot under any circumstances be interstate commerce and so fails to come within any of the enumerated powers of the Federal Government." Please observe that it is the function of the Court to interpret the Constitution. In so doing it has decided that insurance is not commerce and therefore not within the scope of Article I, Sec. 8, Clause 3, viz., (Congress shall have power) "to regulate commerce with foreign nations and among the several States and with the Indian tribes." This decision, while binding until the fundamental law is changed, is merely the view of the Court and not at all "irrevocable." It may not even be in accordance with the actual fact. In all European countries where Government takes cognizance of insurance at all, it is regarded and treated as commerce. The Constitution of 1898 of the Commonwealth of Australia vests the control of interstate insurance in the Central Government, while in France, after a thorough consideration of the subject in 1903, the insurance business of that country was placed under the control of the Minister of Commerce. Only in the United States does there remain a decentralized system of many separate departments supervising a business which would be much better taken care of by a single thoroughly organized and ably equipped department. The Supreme Court is not sovereign and makes no pretensions that it is. It is not even given the power to construe acts of Congress by the Constitution itself; but since Chief Justice Marshall's opinion in Marbury vs. Madison it has assumed the power to construe acts of Congress and the people have acquiesced. That is all there is to the matter. The practical result, however, is that until the people see fit to deprive the Court of its assumed function it remains the authoritative interpreter of the Constitution. Therefore the elaborate decision in the Deer Lodge County case definitely closes the agitation to have insurance classed as commerce under *the present Constitution*. But there is no sacrilege involved in changing the Constitution. The makers of the Constitution refused to proceed with their work until an adequate provision for future amendment was made, as may be learned from a perusal of "Elliott's Debate." The machinery was purposely made cumbersome, not as often supposed to discourage amendment, but to prevent hasty action in times of political excitement. It follows easily then that if by amendment the Constitution shall say that insurance is commerce, the Supreme Court, as subordinate thereto, must immediately be governed in its decisions by such law.

"Scrutator Rerum" next inquires whether Federal regulation would oust State control? Could not the several States, he asks, still regulate and tax insurance? In the dog-days of 1913 I anticipated such inquiries and answered them in the course of a short article in "The Standard," of Boston,—prompted thereto by the Minnesota Rate Decisions, which were then still fresh and full of significance to the advocates of the Federal regulation of insurance. In Simpson vs. Shepard, the Court says: "The power of Congress to regulate commerce among the several States is supreme and plenary. It is complete in itself, may be exercised to its utmost extent and acknowledges no limitations other than are prescribed in the Constitution." Previously, Chief Justice Marshall had said: "There is no room in our scheme of government for the assertion of State power in hostility to the authorized exercise of Federal power." And as late as December 15, 1913, in the Deer Lodge County case, the Court said: "We have already pointed out that if insurance is commerce and becomes interstate commerce

whenever it is between citizens of different States, *then all control over it is taken from the States and the legislative regulations which this court has heretofore sustained must be declared invalid.*" I do not understand what "Scrutator" means when he says "Why not go straight to the goal and if a Constitutional Amendment is practicable, have the power to regulate insurance in and for itself conferred upon the Federal Government?" What does he think the amendment proposed is intended to obtain, if not jurisdiction as plenary and final for Congress as in bankruptcy, banking, post roads and all other categories named in Section 8? "Scrutator" should observe again and tell us. He says again that the decisions of the Supreme Court that insurance is not commerce "must rest upon the tradition of the law and the general judgment of mankind". Where and when are these traditions to be found? I had always supposed insurance law to be largely derived from the *lex mercatoria;* and if the transactions of merchants are not commerce, what are they? And again I inquire, why cannot the "people of the United States alter this judgment", if need be? For speculation as to the status of insurance after the adoption of an amendment placing the regulation of insurance in the hands of the National government, let me recommend consideration of the standing of National Banks. These are purely local institutions as to personnel and business, yet they are under National control exclusively and, except as to property within local jurisdiction, free from municipal or State taxation. Then again, consider how the passage of a National Bankruptcy Act suspended automatically all State insolvency laws of the country. In Massachusetts, our insolvency laws are not repealed. They still stand on our statute books. They are inoperative, however, while the National Bankruptcy Law lives; upon its repeal our local statutes immediately revive. The fears of an additional authority in case of National control are groundless. In the light of the German Alliance Insurance Company vs. Lewis decision, of April 20, 1914, [Kansas Fire Insurance Case], it is absolutely imperative.

To paraphrase Cato's famous expression, "the Constitution must be amended". Yours truly,

Boston, Mass., July 15, 1914. SAMUEL DAVIS.

[Upon submitting this interesting and instructive letter from Mr. Davis to "Scrutator Rerum" for comment, we have recieved the following response.—Editor.

Inasmuch as both President Kingsley (see his letter to you and his communication to the insurance executives, summarized by you last week) and Mr. Davis state that recourse to the interstate commerce clause of the Constitution has now been abandoned by the leaders of the movement to nationalize insurance, it would be a work of supererogation now to discuss at length the contention that insurance is commerce or could be made so by legislative fiat. I feel inclined, indeed, to say a few words further upon this subject and before concluding shall ask for a little of your space so to do. The main matter, however, is that the Federal regulation campaign (without my being aware of it) has been switched from its indirect course of reaching the desired result through the medium of interstate commerce, to the direct course of procuring a Constitutional Amendment conferring upon Congress the unrestricted power of regulating the business of insurance. As I said in my previous letter, this seems to me eminently wise, from the point of view of those desiring to supersede State regulation of insurance by Federal regulation of it. At the same time, it appears to me that both Mr. Kingsley and Mr. Davis are rather over-enthusiastic in their conception of the absoluteness of the supervisory authority over insurance that would be given to Congress by the proposed amendment. They rely too much, in my opinion, upon the numerous assertions by the Supreme Court about the plenary character of the power of Congress to regulate interstate and foreign commerce, and take too little into account the limitations which the Court has laid down with regard to the operation of this principle. The general scope of such limitations was clearly stated by the Court in Adair vs. United States (208 U. S., 161), where *inter alia* it was said: 'We need scarcely repeat what this Court has more than once said, that the power to regulate interstate commerce, great and paramount as that power is, cannot be exerted in violation of any fundamental right secured by other provisions of the Constitution." No more can it be exerted in violation of the reserved rights of the States, such as the police power and the power to tax, so long as those powers are uniformly and reasonably exercised by the States, without other than incidental effect upon interstate commerce. (See, for example, Smith vs. Alabama, 124 U. S., 481-482; Crutcher vs. Kentucky, 141 U. S., 61; Missouri, Kansas and Texas Ry. Co. vs. Haber, 169 U. S., 613; United States Express Company vs. Minnesota, 223 U. S. 335.) Now, would not the Supreme Court probably hold to be within the police power of a State a prohibition of the insurance of impaired or substandard lives? or a prohibition, such as Ohio now has, of the taking out of insurance against liability for accidents to employes, outside of the State workmen's compensation law, on the ground that such insurance makes for carelessness in guarding against accidents? or a requirement that reserves against life insurance contracts taken out by the State's citizens should be held and invested within the State, in order that the payments to beneficiaries might be prompt and sure? or a provision that fire insurance upon certain classes of buildings should not be permissible, on account of the encouragement of dangerous building? And again, would not the Supreme Court probably hold to be constitutional the taxation of the gross receipts of insurance companies operating within the State? or the taxation of the surrender value or unearned premium value of policies of insurance held by the citizens of a State? These are but a few of the questions that occur to the mind, when the analogy of the Supreme Court's decisions with regard to the powers left to the States, despite the plenary character of the Federal power to regulate interstate and foreign commerce, is followed out to the ultimate details. And be it said that the same principle holds of the Federal power over banking, the post, bankruptcies and all the categories of power enumerated in Section 8 of the Constitution.

And now a few words about the identification of insurance with commerce, though this is now a superfluous matter. Mr. Davis asks me where are to be found the traditions of the law and the judgments of mankind that have maintained a distinction between insurance and commerce. The traditions of the law are to be found in the common law of the Anglo-Saxon race, as far back as that law deals with questions of insurance; they are also to be found in the Code Napoléon and in the jurisprudence of the German peoples. Mr. Davis speaks of insurance as largely derived from the *lex mercatoria*, or law of merchants, which is a rather strange thing in view of the fact that the making of insurance contracts began only about a century and a half ago (except for some wholly obscure evidences of such contracts in ancient time); while the *lex mercatoria* of the Middle Ages had then long since been blended into the common law in Anglo-Saxon countries and into the codified law of the Latin and Germanic peoples, with the limited exception of its use in courts of arbitration or commercial courts attached to chambers of commerce in some countries of Continental Europe. It is a notable fact that insurance controversies are not and seem never to have been justiciable in

local commercial courts, except to a limited extent in respect of the value of goods destroyed by fire or of consequential losses, arising from the destruction of a merchant's goods by fire. All other insurance controversies have been and are justiciable only in admiralty courts. This seems to me much more important, as determining the accepted character of insurance, than the fact that France has for the sake of convenience (and after much discussion) placed the supervision of insurance within her Department of Commerce. If this rule of definition were followed, we should have to call meteorology agriculture, because the United States Weather Bureau is a part of the Department of Agriculture; and the maintenance of lighthouses commerce, because the United States Department of Commerce has charge of our lighthouses.

If Mr Davis, however, wishes to see clearly how the tradition of the law, which in the last resort is the judgment of mankind, places insurance in the framework of human activities, I should advise him to read one or two decisions of courts other than the Supreme Court of the United States. Let him read, for instance, the extremely illuminating decision of the Supreme Court of Texas in the case of Queen Insurance Company vs. State (24 S. W. Rep., 397), or the decision of the Viriginia Court of Appeals in the case of Harris et al. vs. Commonwealth (73 S. E. Rep., 561). There he will find that insurance is assimilated, not to commerce, but to the service of labor. And if he pursues his researches further, he will discover that there runs through the law a fundamental distinction between services, of one and another kind, and dealing in commodities, or commerce. He will find that banking, though inextricably interwoven with commerce, is, in the words of ex-Senator Edmunds describing the genesis of the Sherman Anti Trust Act, "not precisely that thing." Hence bankers can make agreements about the price of their services,—i. e. for collecting checks, etc.,—without being liable under the Sherman Law. He will find that brokers and commission men, whether for stocks or commodities, are not engaged in commerce when they are executing the orders of their customers (Supreme Court in New York ex rel. Hatch vs. Reardon, 204 U. S., 152; in Hopkins vs. United States, 171 U. S., 578; in Ware and Leland vs. Mobile County, Ala., 209 U. S., 405). These, too, may make hard-and-fast agreements as to the commissions they will charge for their services, without being guilty of restraint of trade or commerce. So, too, laborers, though working in the production of articles of commerce, are not themselves engaged in commerce; they may freely associate themselves in unions for the purpose of obtaining higher wages or otherwise bettering their condition, provided only they do not directly interfere with the movement of commerce. It is with these classes of persons and their services that the law has from the beginning associated insurance, and not with trade or commerce. For this reason the fire insurance companies have been able to associate themselves together with impunity to withdraw from Missouri and Kentucky, when those States enacted impossible legislation on the subject of fire insurance. The companies were not engaged in trade or commerce, but were providing a service; and the Sherman Act did not apply to them.

Such are a few of the arguments that appear to me pertinent, as against Mr Davis' contention that it is easy enough to make insurance commerce by calling it so. Insurance is no isolated thing, that may be treated by itself as we please. It has been given a place in the scheme of things by the best thought of men, just as labor has, or as banking has, or the services of brokers and commission men have. To wrench it from that place is to cast aside the wisdom of the fathers and to assume that we are, as modern individuals, capable of striking off new conceptions, hasty and immature definitions, superior to those which have been slowly evolved by the experience of the race. This, in my opinion, is one of the gross faults of our time.—Scrutator Rerum.]

HAS THE NEW YORK WORKMEN'S COMPENSATION LAW PROVIDED AGAINST THE CASE OF THE PAINTER WHO FELL FROM HIS LADDER?

ON April 22, 1911, when THE MARKET WORLD AND CHRONICLE was the only paper in the United States concerned with insurance and the only paper of any kind, except here and there one of a social-reforming turn, which was giving serious attention to the new theme of workmen's compensation, since grown of so great bulk, there was printed in these columns a brief account of the proceedings in an English county court, which painfully revealed the gross injustices which may arise from workmen's compensation laws, unless these are drafted with competent consideration of the infinite variety of complicated human relations that may be drawn into the mesh of them. The case was designated by this paper as that of "The Painter Who Fell from His Ladder"; and the moral intended to be conveyed by it was that society is full of poor men and poor women, little versed in the statute book, whose interest in their small savings and small homes it is of quite as much importance for the legislature to conserve as is the interest of workers injured in industry. To make such persons responsible for accidents befalling others of their class who may happen to have some temporary connection of employment with them is a mockery of justice, social or other.

Occasion has now arisen for reprinting the story of "The Painter Who Fell from His Ladder" and, as preliminary to describing the occasion, the story itself is here given. It runs as follows, according to the English court record:

The court was asked to make an award for 11s. 9d. per week in favor of a workman against his employer.

Applicant, a painter, said that he was working for the respondent in Maidstone, when he fell off a ladder and was impaled on some railings. His right thigh was severely injured and he was taken to the hospital. He had since been incapacitated for work. He had been working for respondent only three days when the accident occurred. His wages were 6½d. per hour, or 23s. 6d. per week. Previously to the accident he had worked for the defendant off and on for about ten years.

The employer said he could not dispute the facts, but it was a difficult case because he was in no better position in life than the applicant. He himself was only a laboring man, unable to get any permanent employment, and did any odd jobs in the town for any one who would employ him. The unfortunate thing was that he did not insure the applicant against accidents.

His Honor—Why didn't he insure? It was not expensive. It was difficult to know what to do in cases of this kind. Such cases led one to the conclusion that sooner or later employers of labor would be compelled to insure their workmen against accidents. As long as the rates of insurance were as moderate as they were there was no excuse for not insuring. This man (the respondent) would be ruined. There was no sympathy due to him because he could have insured for a few shillings.

The respondent stated that he did not insure because he rarely employed any one, as he did not have enough work. He also stated that he did not know that the act applied to a casual laborer, and that he was only casually employed, and his earnings would not average more than from 15s. to £1 per week.

His Honor—The rest of your life will be taken up in working

for this man (the applicant). This is one of the worst cases I have ever had before me.

His Honor ultimately made the award as asked in behalf of the workman.

And now for the occasion for reciting this case anew. On Monday of the present week the new Workmen's Compensation Commission of New York held its first public hearing for the making of compensation awards under the compensation law that went into effect on July 1. The New York "Evening Post," as well as other newspapers, described the proceedings at some length. And the "Evening Post's" account of the third case that came before the Commission is as follows:

"A knotty question was likewise presented by the third claim which came before the Commission. It had to do with the death of Robert Rhinewald, a house painter of this city, in business for himself, who fell from a scaffold which he had rigged himself, while he was executing a job for the owner of the property. The property-owner made the point that the man was not, strictly speaking, in his employ, and protested the claim for damages, which was pushed by the labor union to which Rhinewald belonged. This is a case which will probably serve as a precedent. It will receive careful consideration."

Assurances had reached this paper that, in the framing of the New York statute, the case of "The Painter Who Fell from His Ladder" had been borne in mind, and that the definitions of "employer," "employe" and "employment" had been so drawn that nothing of the kind could happen under the Act. But why, then, did the Commission take the case of Rhinewald as a "knotty" one, which would "probably serve as a precedent"? Can it be possible that, after all, the humble owners of small homes in New York, who get neighboring day-workers to do a little job of painting or roofing, are liable, in case of serious accident to the day-worker, to lose their homes in order to make compensation payments, or, in the words of the English judge to spend "the rest of their lives working" for the victim of the accident? Of course, as the judge said, such people "might insure; it is not expensive." But what do lone widows and untrained workers, perhaps already far gone in years, know about insurance?

THE PROGRESS AND SCOPE OF GROUP LIFE INSURANCE

IN his annual report to the Governor, covering the operations of insurance companies in his State during 1913, Mr. Burton H. Mansfield, Insurance Commissioner of Connecticut, devotes considerable space to a discussion of the progress and proper scope of group life insurance. His comment on this subject is given in full below:

* * *

Life insurance in groups presents practically a new subject. That two or three so called "group policies" were issued many years ago, covering the lives of coolies in order to indemnify shippers transporting those coolies over the high seas, does not take away from our conception of group insurance, its unique chacacteristics.

Since the insurance investigation of 1905, in New York, the work of the life insurance world has been largely constructive. The uses to which life insurance can be adapted have multiplied rapidly. While life insurance has its natural inception in the individual, such units are ultimately assembled in groups, and so considered. It seems to me, therefore, no great step to consider the group as the unit, upon which to predicate the terms of a contract of life insurance, though the group itself is made up of individuals; and this step has been actually taken by experienced underwriters and put into operation.

In our day of progress we cannot assume static conditions in the insurance field, any more than we can assume such a state of affairs in our large mercantile industries. The real existing conditions are dynamic, not static. The changes in economic methods of concentration of wealth, the modern methods of manufacture, the development of the economic and social freedom of the people, have brought to the attention of the public recently, a large number of proposals for new legislation, almost all of which, directly or indirectly, called for better social conditions. Substantially all such constructive social legislation has a direct moral purport, which must be given due weight in any analytical consideration of insurance problems and in the extension of present insurance methods to meet the changing conditions.

The specific economic transaction before us for consideration is the sale of a commodity now known as group life insurance, as contrasted with individual life insurance. The two parties to this transaction are the employer who desires to buy life insurance for his employes, collectively, and the corporation which desires to sell it, or, briefly, the "employer" and the "company."

The employer applying for a group policy desires an estimate of the cost. Such an estimate can only be made after certain data have been furnished to the company. The first step is to make a preliminary inspection of the employer's plant and his employes. Ths inspection calls for information as to the number of employes, whether male or female, their average ages, general health, location and description of the establishment, its sanitary construction and up-keep, and other information which will accurately describe the environment of the employes while at work.

If the employes appear to respond to a high type of service requirement, and it appears to the company that the entire group can be insured during their period of employment without medical examination, a census slip is prepared and signed by each employe, giving his or her name, place and date of birth, sex, salary, date of employment, and exact duties. These census slips are tabulated according to ages and the cost of insuring the lives at each age for an amount equivalent to one year's salary is calculated, using the yearly renewable monthly term rate as the basis for such calculation. The aggregate group premium is then ascertained for the employer. This premium, though actually arrived at in each case, is naturally considered by the employer in terms of his pay roll. In this connection I find the following statement made by an insurance company writing this class of business: "Exact premium cost for first year in the aggregate, on any group, will be quoted from the home office when proper census is supplied. Without such census a rough estimate of one and one-half (1½) per cent of the amount of insurance to be covered will be found to approximate the maximum first annual cost in most groups, reducible thereafter by annual dividends." While the facts thus stated may be true, great care must be exercised in the use of such information, for the premium cost can only be ascertained after proper data have been furnished to the company. Even after a risk is written, the premium cost varies from month to month because of the varying amount of insurance covered by the risk. Group insurance for the present at least should only be written in a specialized department, and by special representatives who by their training and experience thoroughly understand the nature of the problem presented.

If the estimate of the expense is acceptable to the employer each employe signs a special application for insurance in the group, and an Employes' Group Policy is issued. This contract,

in consideration of the payment of monthly premiums on the basis of tables of premiums and risks printed in the policy, insures during the term of one year the lives of such employes of the employer as are enumerated in a schedule attached to the policy and for the amount set opposite their respective names.

Briefly, then, these are the mechanical operations necessary in assuming risks under group insurance policies. What principles of life insurance underwriting should be especially considered in this connection?

It appears to me that all so-called individual insurance is in a sense group insurance. The entire structure of life insurance is based upon the law of average. Insurance of an individual can be accomplished only when he is considered as a member of a group, when he is associated with others, upon whom the usual law of average operates. Why, then, can we not change our unit of measurement from the individual to the group of individuals and expect in time to apply the law of average to a number of groups in order to give proper weight to the group as a necessary element in the science of life insurance?

If we admit that the group may be used as an insurance unit, it follows that the group must be examined as such. In other words, the company passes from a medically selected life to a selected and inspected group. If the group is of sufficient size and the occupation and environment favorable, the medical examination is waived. This, it is stated, is a necessary concession because the plan of group insurance must comprehend all members of a given group so as to eliminate any personal selection against the group. Once the group is established on an insurance basis, however, each new employe added to it is subject to a medical examination in order to prevent personal selection against the group with which he is to be associated.

The premium rate charged, as already stated, is usually a yearly renewable term rate, payable monthly. It must be borne in mind that this rate is applied according to the age of the employe and the amount of salary received by him. The employer is interested in the aggregate cost and is not concerned with the specific cost of insurance of any individual in the group. The aggregate premium for any group may, or may not, increase each year as the term-rate increases. The total number of employes changes rapidly from time to time. When a clerk who has been connected with a bank or an insurance company, for many years, for instance, resigns his position, promotions are usually made to fill the vacancies and a younger clerk is hired to make up the necessary quota. Hence in place of a life, say at age sixty, drawing a salary of three thousand dollars a year, a life aged twenty may be added at an annual salary of six hundred dollars. The difference of these salaries may be only partly used to increase the salary of the clerks promoted because of the changes. The effects of changes of this kind in a large establishment can be determined only by experience. It may be safely said that such changes will reduce the average age of the employes in nearly every case. This aggregate cost is determined by two factors, namely, first, by the rate per $1,000 of insurance at the attained ages of the employes, which rate increases more rapidly at the higher age, and, secondly, by the amounts of salaries paid at each age. Again it must be borne in mind, however, that numerous calculations involving these two factors enter into the cost, which cannot be reduced at present to any rule of thumb for the use of agents or for any other purpose.

In connection with the cost of production, it should be remembered, that the waste due to lapse, which is so marked in the case of individual insurance will probably be less noticeable in the case of group insurance. The group persists, although changes are made in the employes. It is unlikely that the groups will increase in size. It is evident, too, that the management expenses incurred in connection with this class of insurance, are not to be measured by the corresponding expenses incurred in handling individual insurance. Agents' commissions are materially reduced, the rate allowed probably being from one-third to one-half of the usual rate, a situation which cannot be reasonably objected to by the agent, as he may cover several hundred persons at a time, and in no case should he cover less than one hundred.

Once the risk is assumed a single policy is written and all premiums thereon are paid by or through the employer. This practically eliminates the cost of individual policies, cost of collection, postage, premium notices, and numerous charges for clerical work, while medical and inspection costs are materially reduced. The accounting system most easily adapted to this class of insurance is one used by the large fraternal societies, namely, a system which automatically takes care of the additional and terminated risks. The books of the company should show, to use the terms of liability insurance accounting, the additional premiums and the rebates of premiums which are subject to further adjustments. It seems plain, therefore, that through the combination of risks the expense of writing and caring for the group is but a fraction of the expense which would be incurred in caring for the insurance of the members of the group individually.

Will the death rate among the lives insured under group policies be higher than the rate experienced among individually medically selected lives? I do not know. One of the companies writing group insurance upon the non-participating basis has incorporated in its policy a saving clause providing for a revision of the rates at the end of five years, based upon actual experience. I presume the death rate may be somewhat above the normal rate, but the group if properly inspected is in a sense a selected risk, and probably will not deteriorate materially owing to the fact that all subsequent entrants are subject to medical examination. It seems reasonable to suppose, however, that any increase in mortality will be offset by the saving in expenses. It is important to note in this connection that in any final analysis of this question no profit from excess interest earnings should be taken into consideration unless the basic rate is other than the yearly renewable term rate. While this profit is probably one of the most important factors in determining returns upon life insurance policies generally, it is practically negligible in the present case, as the reserve runs off each year and does not accumulate as in the case of ordinary life insurance.

Mr. H. Pierson Hammond, actuary of the Connecticut Insurance Department, recently inspected an establishment for the purpose of considering a concrete example of group insurance. The employes of this establishment I have used as a unit for illustration. The rates upon which the cost for group insurance is predicated are those which have already been used similarly in practice. The amount of insurance in each case is one year's salary. The number of employes considered are 784, of which 344 are male and 440 female. The total annual pay roll is $811,000. The average ages of these groups are about 38 and 28, respectively. The health of the employes, except in a few cases, appeared to be exceptionally good, no unusual amount of sickness having been reported among them. The offices are light and well ventilated, the building comparatively new, and the environment generally excellent. In the tabulated census returns, I was struck with the distribution of the ages of the male employes as contrasted with the female employes. This was explained by the fact that the employer had added very few male clerks recently, but had taken in more than the usual number of female clerks. This tendency was particularly

emphasized by the fact that a number of young ladies had been added temporarily to the force to handle special work and some of these had been retained permanently by the employer. I have, therefore, presented the following results so as to show the information which was ascertained, in three groups, namely, male employes, female employes, and the total group:

	Male Employes.	Female Employes.	Total Group.
Number of employes	344	440	784
Average age, years	38.4	28.5	32.8
Yearly salaries	$560,800.00	$250,920.00	$811,720.00
Aggregate monthly cost	1,018.89	278.06	1,296.92
Aggregate annual cost	12,226.68	3,336.72	15,563.04
Annual cost as a percentage of the pay roll	2.2%	1.3%	1.9%

The above figures are based upon the facts as presented by the employer. A few of the male clerks who have been employed some time are above the average age of the group and are drawing salaries in excess of $2,500 per annum. This of course tends to raise the cost of that particular group which was selected.

The cost in the above example is based upon a participating rate. To show the results upon the non-participating basis, Mr. Hammond has also calculated the aggregate cost based upon the American three per cent yearly renewable term rates loaded twelve and one-half per cent for commissions and expenses as follows:

Male employes, aggregate annual cost $9,344.06, namely, 1 7-10 per cent of the payroll.

Female employes, aggregate annual cost $2,555.09, namely, 1 per cent of the payroll.

Total groups aggregate annual cost, $11,899.15, namely, 1 5-10 per cent of the payroll.

You will notice that I have not referred to the recipients of the benefits, the manner of paying the premiums, or the question of whether there be a demand for this kind of insurance. As for the beneficiaries, they are enumerated in the applications, which are made a part of the policy contract, and may be the wife, children, sister, etc., as in an ordinary policy. The premiums are paid either by the employer or by him and the employe together.

As for the demand, there is perhaps nothing to show that it is spontaneous or born of necessity, rather than nurtured by the insurance companies. It does exist, however, and by whatever cause produced, it should be respectfully received and considered.

Life insurance in groups is a progressive step, in consonance with acts regulating workmen's compensation in case of accident, sickness and death; or with old age pensions and the like, all striving for the better protection of those who are employed in mechanical business or other pursuits. Any plan for its development cannot be perfect at the start. Many obstructions, real or imaginary, may block its progress, but they are only of a temporary nature and it seems to me that we should welcome such a measure and join with both employer and employed, with both the insurer and the insured, in all reasonable efforts for its promotion.

The foregoing remarks on Group Insurance are taken from a paper read by me at the National Convention of Insurance Commissioners in 1912. I was indebted to Mr. Hammond, the department's actuary, for much valuable assistance, in their preparation. Without his help in the matter I could have done but little.

Since that paper was written I have seen little reason for changing my views. Much has been written on the subject and I am well aware that some objections to the plan have been seriously urged and are entitled to careful consideration. Among these are the following:

1. The absence of medical examinations. The laws of some States require that a medical examination be made of each applicant for life insurance. It is customary of course to make such examination in individual cases and the law is undoubtedly based on such custom. But the law can readily be amended to fit new conditions, and even if it remains, its existence does not operate as an objection to the plan or to the merits of group insurance. The laws were made without reference to group insurance and before it was inaugurated to any extent, or under existing conditions. The same necessity for it does not exist in the case of group insurance, properly applied, as in the case of individual insurance. Other precautions and safeguards, some of which I have already enumerated, operate in the selection of these risks and seem to be a good and sufficient substitute for the prescribed medical examinations. The nature of the occupation, the size of the group, the responsibility of the employer, the location of the establishment, its sanitary condition and the manner of its construction, all enter into the problem and determine to a large degree its solution. Moreover, wherever the laws require an examination there is nothing to prevent its being made.

2. Again it is urged that the anti-discrimination laws of some of the States prevent the issuing of group insurance policies. I do not think that any very serious objections can be urged on this ground. The basic rates are especially prepared for this purpose and should not be offered for use in connection with individual policies and being prepared for this particular purpose are applied without distinction between those who belong to the class covered by the group policy, and to them only.

3. The fraternal societies object to group insurance because by it the companies engaged in it seek, as they claim, to take over whole lodges or societies. Assuming such to be the case, there is absolutely no justification for it. The fraternal societies are altogether too important to the communities in which their operations are conducted to be harassed in any such way. Every effort by any old line company or its agents to take over any society or lodge, by this method of insurance, cannot be too emphatically condemned, and where such methods are practiced, assuming that they are, they should be unconditionally forbidden. Group insurance should be confined to the employer and employes, as such, and when so confined, it seems to me that the fraternal societies have no reasonable ground for complaint. Group insurance should not be taken by the employe as a substitute for his individual insurance, but in addition thereto, and I think it would be well for the employer to consider whether the cost thereof should not be paid entirely by himself.

It may be interesting to note some of the transactions of the life insurance companies of Connecticut, which issue policies of group insurance, so far as they relate thereto. On December 31st, 1913, three of these companies had issued twenty-eight such policies, covering twelve thousand two hundred and forty-four lives, and the amount of insurance issued was nine million two hundred and fifty-seven thousand dollars, written in one year renewable term policies, as a rule.

Southern Casualty and Surety Conference Officers.—The Southern Casualty and Surety Conference, in annual meeting in Chattanooga, Tenn., elected officers as follows for the ensuing year: President, A. B. Landley, Columbia Life, Columbia, S. C.; vice-president, P. M. Estes, Life and Casualty Company, Nashville; secretary, and treasurer, Edwin Shelby, New Orleans Casualty, New Orleans. Executive Committee: Chairman, C. E. Clarke, Peninsular Casualty, Jacksonville, Fla.; C. J. Goodman, United Casualty and Surety, Memphis; O. P. Orr, Southern Mutual Life, Birmingham, Ala.; H. D. Huffaker, Interstate Life and Casualty, Chattanooga, Tenn.; J. J. Watson, American Bonding, Galveston.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

New York Report on Life Insurance.—An abstract of Part II of the annual report of the New York State Insurance Department, covering the business of life companies admitted to the State, in 1913, shows that at the close of business for the year, the life companies were possessed of $4,417,298,211 of admitted assets; an increase of $243,344,632 over 1912. The liabilities, excluding gross surplus and special funds of $256,936,224, were $4,160,361,987; an increase of $218,183,806 over the previous year. The total income was $840,297,443; an increase of $45,015,382. The amount of premiums received was $628,650,211, or $31,448,001 more than in 1912. The companies disbursed in 1913 $595,998,241, being $28,480,537 more than in 1912; of that amount $439,958,335 was paid to policyholders, while the cost of management (including shareholders' dividends) was $156,039,906.

There were 1,015,067 "ordinary" policies issued and paid for during 1913, with insurance of $1,856,464,981. Compared with 1912, there was an increase of 117,040 in the number of policies written, and the amount of insurance increased $140,193,871. There were 53,091 more policies terminated in 1913 than in 1912, and $97,782,503 more insurance. The total number of "ordinary" policies in force, on December 31, 1913, was 7,452,154, insuring $14,304,638,791; a net increase of 450,241 policies, and of $777,317,569 in insurance. The amount of "industrial" insurance in force was $3,656,603,109, being an increase of $223,835,640; making a total increase, for both classes of business, of $1,001,153,209.

The business in force in the State of New York at the end of 1913, and transacted therein during that year, by all life insurance companies of this and other States, including both "ordinary" and "industrial" insurance, was as follows: Policies in force, 6,785,525, insuring $3,066,665,398; policies issued, 1,068,722, insuring $442,516,747; an increase, in insurance in force, of $163,190,890, and, in insurance written and paid for in 1913, of $19,151,343.

The following comparative figures show the sources and amounts of increases and decreases, in the unassigned funds (surplus), of the companies for 1912 and 1913:

	1912.	1913.
Gain from loading	$21,786,996	$17,144,675
Gain from mortality	38,043,035	46,887,395
Gain from surrendered and lapsed policies	13,684,565	13,497,365
Gain from interest and rents, less amount required to maintain reserve	62,444,927	68,183,546
Gain from annuities	*503,864	93,013
Loss from investments	5,897,800	12,613,730
Loss from dividends to policyholders, including net increase or decrease in dividend funds apportioned and unapportioned	102,596,996	99,177,123
Loss from miscellaneous sources	22,888,392	19,425,743
Total gain	4,072,531	14,589,398
Loss.		

The total receipts of the Department for the fiscal year ended September 30, 1913, were $782,894.16; the total expenditures were $386,581.92, an excess of receipts over expenditures, covered into the State Treasury, of $396,312.24.

The par value of the securities, held on deposit by the Department on December 31, 1913, belonging to the various insurance companies required by law to make such deposits, was $39,291,550.

"It will be seen," says a Department statement, "that whatever the general business conditions of the country may have been during 1913, the business of life insurance, as reflected by the returns of the companies reporting to this Department, fully held its own. The increase in the amount of insurance written during the year compared most favorably with that of previous years and the amount of business lapsed, surrendered and decreased, taking into consideration the volume of insurance, compared with other recent years, shows the increasing persistency and stability of the business as a whole; this feature being in strong contrast to the conditions obtaining prior to the enactment of the legislation affecting life insurance in 1906. The steady and comparatively uniform growth of this great business from year to year, the lowering of acquisition and other expenses and the increasing returns of so-called dividends made to policyholders, indicate the employment of those healthy and conservative methods in management which must strongly appeal to all supervising officials and others interested in the well-being of life insurance.

"There is one other matter to which it may be well to call attention, and that is the increased amount of policy loans, due, no doubt, in large measure, to unsatisfactory business conditions. It is to be hoped that with better times ahead the situation in this respect will show material betterment. While these loans are good investments for the companies, they are to be deplored from an economic standpoint, as a very large majority of them are never repaid; in such cases reducing the amount to be paid to the beneficiary, who is, in many instances, dependent upon the returns from a life insurance policy."

* * *

Compensation Commission Makes Brave Start.—The New York State Workmen's Compensation Commission resolved itself into a court for the determining of awards under the workmen's compensation law for the first time on Monday of this week. Out of 11,000 claims reported filed up to that time, two were disposed of during the day. At the same time, stock insurance companies, writing workmen's compensation insurance in the State, received a demand that each deposit $10,000 immediately with the Commission, to be dispensed at its discretion in the settlement of claims against the individual companies. As there are thirty-two stock companes writing this class of business in the State, the tidy sum of $320,000 will be available should the companies accede to the demand.

* * *

Insurance Law and Logic in Ohio.—The Ohio Insurance Department has ruled that it is not legal for a group of employers in the same line of business to form mutual insurance associations for the purpose of carrying their own workmen's compensation insurance. After pointing out the provision in the workmen's compensation law which appears to permit employers or groups of employers who maintain benefit funds to pay compensation and medical aid out of such funds, Superintendent Small says:

"While the act providing for workmen's compensation recognizes mutual associations organized by two or more employers, and makes them exceptions to the general rule when meeting certain requirements and qualifications, I fail to find wherein the general insurance laws of the State of Ohio provide for the organization of such associations. The proposition that the industrial board is to meet and consider is the mutual association that makes application thereto for permission to qualify as above act provides. Before an association can make such application, it must be duly organized, and that organization must be in accordance with some law or statute of the State."

After quoting section 665 of the code, Mr. Small continues:

"I construe it that no company, corporation or association will be permitted to engage, either directly or indirectly, in this State, in the business of insurance, or enter into any contracts substantially amounting to insurance, or in any manner aid therein, unless there are laws specifically enacted and expressly authorizing such insurance. That is, insurance companies and associations of the State of Ohio are creatures of the State, and unless specifically

provided, cannot exist in this State. We can only construe that part of the workmen's compensation act accepting mutual associations formed by two or more employers in the light of anticipated legislation providing for the organization of such mutual associations.

"The general insurance laws of Ohio provide for the organization of several kinds of mutual associations, but nowhere do I find any provision relative to the organization of mutual associations by employers to transact the business of liability insurance or workmen's compensation insurance."

* * *

Insurance Society Committees.—President Charles J. Holman, of the Insurance Society of New York, has appointed the following committees: Finance, Henry W. Lowe, James Marshall, Alfred M. Best; Adjustment of Losses and Lectures, Allen E. Clough, chairman; William N. Bament, Everard B. Hopwood; Accountancy Meetings, B. H. Eckhardt, chairman; T. D. Richardson, C. F. Voorhis; Auditor, J. C. Maneely.

INSURANCE NEWS IN THE WEST

Files Answer on Underwriters' Agencies.—Rufus M. Potts, Insurance Superintendent of Illinois, on Monday filed his answer to the complaint of the companies operating underwriters' agencies in which they sought from the Federal District Court an injunction to restrain him from interfering with their business. In general it may be said that he denies those statements in the bill of the companies by which they seek to set up that the court has jurisdiction in the premises. Having made answer to the specific averments of the plaintiffs he repeats in substance the findings that he published after his hearing in June with intent thereby to show that the companies are operating "underwriters" in violation of law and are not entitled to the relief sought. This answer brings the question before the court for determination and the hearing of the case will begin on Monday of next week, unless it is postponed. The fact that the companies' case is being handled by the general counsel of the National Board and his assistants has resulted in a formal protest to that body from certain of its members that do not operate "underwriters." It has not yet been learned what effect, if any, this protest has had.

* * *

Phœnix of London to Be More Active in West.—Much interest is manifested in the visit of Hart Darlington, assistant United States manager of the Phoenix of London, to Chicago. The fact that an assistant Western manager is to be appointed to take the place of R. E. Lidster, who was promoted to the managership, has brought out all those aspirants to managerial honors who are accustomed to come to the front on such occasions. Mr. Darlington has taken up a number of details that usually would be handled by the Western manager and this has caused some comment. It is very reasonable that he should do this, however, as he comes directly from the New York office, entirely familiar with the changes that have been decided upon. Furthermore, Mr. Darlington has perhaps a better knowledge of the men of the West than has Mr. Lidster, for Mr. Darlington was a Western field man for years, while Mr. Lidster grew up in the business in the office and of late years his duties have confined him pretty closely to his desk. It is the intention of the management to make the Phoenix more of a factor than it has been in the past. It has done a very fair business, but it has not been as prominent in the activities of the business as its standing as a company entitles it to be. Its representatives in the West usually have not taken a very active part in the work of the Western Union or of the various field and other organizations. Consequently it stood in the background, like several other excellent British companies. It has been the subject of comment that a company so powerful and prominent at home should not be more in the public view in this country. When present plans have been carried out, such comments will not be called for, although Mr. Darlington states that it is not the company's intention to try to make any startling increase in its business or otherwise seek to get under the spotlight.

* * *

Right Man Hard to Find.—The joint conference committee of the Western Union and the Western Insurance Bureau appears to be taking its time in the selection of a special agent. Some time ago it was understood that it had conducted an elimination among the various candidates for the position and that a few were under active consideration, but so far no appointment has been announced. The truth is that the committee has a large contract on hand to find a man who will fill the bill and will take the position. Many would gladly take it, for it is stated that the salary will be $6,000, instead of $3,600, as had been reported, but most of those who want it do not meet the requirements. Doubtless there are several men admirably fitted for the position, but most of them do not want it. One manager has intimated that it will be the hardest job in Chicago to hold. As he put it, the special agent will have eighteen bosses and about 200 sub-bosses, and it will be difficult to satisfy all of them. His duties will be such that he ought to be a diplomat, a thorough insurance man, a speaker, a writer, a lawyer, a master of rating and have endurance enough to stand the displeasure of managers, field men, raters and others, whose path he will be bound to cross at times.

* * *

Post for L. S. MacEnaney.—L. S. MacEnaney, who recently resigned as managing underwriter of the Merchants National Fire of Chicago, which is in process of promotion, has been appointed managing underwriter of the Columbian of Indianapolis and assumed his duties this week. The Columbian is a going concern, although its capital is not all paid up. It intends for the present to operate only in Indiana and four or five adjacent States. Its officers have stated that they do not expect dividends for several years, but want to build up a strong organization and place the company on a thoroughly sound financial basis before dividends are considered. Mr. MacEnaney's experience has been mainly in the Illinois field, although at one time he handled Indiana as general agent of the Dixie Fire. He is a hard worker and intends to do considerable field work himself for a time, holding down operating expenses as much as possible consistently with making fair progress.

* * *

Mr. Ekern Fights for State Insurance.—Insurance Commissioner Ekern, of Wisconsin, is campaigning in favor of the proposed amendments to the State Constitution which would enable the State to engage in any line of insurance. Incidentally, the Legislature, if it saw fit, could pledge the credit of the State to back up its policies, for either of the almost identical amendments removes the constitutional restrictions. Last week Mr. Ekern spoke at the annual meeting of the State Federation of Labor and made the most of his opportunity by charging the insurance companies with extravagance, pointing out the advantages of State insurance and endeavoring to array his hearers against the companies by charging that the latter are opposing the initiative and referendum amendments, as well as those permitting State insurance. He said that by opposing the amendments the insurance interests were endeavoring to prevent the people from establishing the best system

of insurance and to compel them to pay tribute to the companies.

* * *

Dragging Michigan Compensation Law Into Politics.—Reports from Michigan are to the effect that the politicians and statesmen who are now seeking nomination for various offices are beginning to drag the workmen's compensation law into politics. The Michigan law has probably given more general satisfaction than that of any other State. Both employers and employes have testified to its good results. It probably is capable of improvement, but when the politicians commence to tell the workingmen the various things they will try to do to the law to make it more favorable to the employes, they apparently are laying a foundation for a fight that will not be to the benefit of the law as a whole. One prominent public man who seeks a high office is reported to have expressed favor for an amendment that would require the Attorney General or county attorneys to prosecute any employer or insurance company who disputed the claim of a workman.

* * *

The One-Eyed Man Under Compensation.—Special Counsel Henry E. Sampson, of the Iowa Attorney General's office, who acts as legal adviser to the State Industrial Commissioner, has written an opinion on "the loss of an eye by a one-eyed man" which will create interest and discussion, whether it be followed or not. The Iowa law provides for 100 weeks' compensation for loss of an eye and 400 weeks' compensation for the permanent total disability resulting from the loss of both eyes. The practice in several States having somewhat similar laws is to treat the loss of the only sound eye an employe had as constituting total permanent disability and entitling him to the same compensation as the loss of both eyes. Mr. Sampson does not believe this practice should be followed in Iowa, as he does not believe that was the intention of the Legislature. He admits that the loss of the second eye is more serious than the loss of the first, and the compensation should therefore be more than for 100 weeks. He does not believe the loss of one eye can be considered the equivalent of the loss of two, and therefore compensation should not be given for 400 weeks. The compensation then should be between the two limits, and Mr. Sampson holds that it should more nearly approach the 100-week limit than the 400 week, unless the circumstances are unusual. He advises the Industrial Commissioner that such cases should be treated like others involving permanently disabling injuries for which specific periods of compensation are not named in the law.

Chicago, July 24, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

A press despatch from Topeka says that Kansas is planning a fight to prevent the fire insurance companies from making higher rates on mercantile and dwelling house risks than those which prevailed before Charles Barnes made his reduction orders in 1909 and 1910. Ike S. Lewis, State Superintendent of Insurance, has asked the mayors of the first, second and third class cities in Kansas to give exact information as to the fire and tornado losses during the last ten years, and also the amount of insurance paid thereon. If the Supreme Court finally rules that the old Barnes' orders are void, because the companies were not given due notice, the State will then be ready to issue a new reduction order at once. The fire insurance companies would then have to prove that this order is unreasonable.

The Louisiana Casualty and Surety Association of Information and Publicity has been organized with headquarters in New Orleans. The officers are: President, Henry Rightor; vice-president, Edwin Shelby; secretary and treasurer, J. H. Bodenheimer; executive committee, Henry Rightor, Edwin Shelby, J. H. Bodenheimer, M. J. Hartson and W. J. Bovard. The following vice-presidents were elected to represent different important sections of the State: Shreveport, Howard Prescott; Lake Charles, John L. Wasey; Alexandria, J. Wallace Alexander; Monroe, Walter Smith; Baton Rouge, J. H. Percy.

The question has been submitted to the New York Insurance Department whether firms which agree to cancel, in case of the death of the purchaser, all payments still due on articles sold on the installment plan, are acting in violation of the insurance law. The case cited was that of a New Jersey real estate corporation which is selling peach orchards on the installment plan under a contract by which the purchase is completed and all unpaid installments become automatically paid up on the purchaser's death. Counsel for the department held that such a contract is not in violation of the insurance law.

President Wade Fetzer, of the National Association of Casualty and Surety Agents has apopointed the following committee to attend the nineteenth annual convention of the National Association of Insurance Agents at Minneapolis, August 17: John A. Morrison, secretary-treasurer, Chicago, chairman; N. E. Turgeon, first vice-president, Buffalo; V-L. P. Schriver, second vice-president, Pittsburgh, and F. B. Owen, Cleveland, director.

The New York Court of Appeals has handed down a decision sustaining the conviction of Charles N. Pinkney and the C. N. Pinkney Company for illegally writing insurance as agents in non-admitted insurance companies. Pinkney was convicted in the Court of Special Sessions on a charge of having placed with two English companies, not admitted to do business in this State, fire insurance on property located in Philadelphia.

The Union Central Life maintains, in its home office, an emergency hospital, where an average of forty patients a month are treated. The hospital is equipped with two beds, a cot and a complete supply of medicines and instruments, and is in charge of a trained nurse and a physician who are on duty continually during the day. The service is free to the company's employes.

The Casualty Company of America has secured a controlling interest in the stock of the holding company which owns the building, No. 68 William Street, situated at the northeast corner of William and Cedar Streets, New York City. It is understood that the Casualty Company will occupy it as a home office when its lease on its present quarters expires.

The Casualty Underwriters' Association of California at its annual meeting elected as president, A. L. Johnston, of San Francisco, who is assistant secretary of the Royal Indemnity at that city. D. E. Kessler, of the Employers' Liability, was re-elected vice-president, and W. A. Chowen, of the Frankfort General, was re-elected secretary-treasurer.

The entire board of directors of the Florida Fire and Casualty Company of Jacksonville, thirteen in number, has resigned at the instance of State Treasurer J. C. Luning, who, with Attorney General Thomas F. West and Comptroller W. V. Knott, composing the Florida Insurance Commission, had found the capital stock of the company to be impaired.

A Connecticut court has held that "the equitable definition of the word accident includes inevitable casualties, such as are created by the act of God, and those which arise from unforeseen occurrences, misfortunes, losses and acts or omissions of other persons, without fault or negligence on the part of the person injured."

Organization has been perfected of the Jacksonville (Fla.) Association of Life Underwriters with the following officers: President, R. Peter Jones, manager, Metropolitan Life Insurance Company; vice-president, Tracy L. Acosta, manager, Penn Mutual Life; secretary-treasurer, Willard L. Lusk, manager, Union Central Life.

The United Life and Accident of Concord, N. H., has been examined and approved by the Insurance Department of its home State and received its license. The authorized capital of the company is $500,000, one-half of which has been subscribed and paid for at the rate of $50 a share, or twice its par value.

The Farmers National Life, the first life insurance company to be organized under the new New York laws, has been organized at Syracuse with a capital of $200,000 and $100,000 surplus, and has received its license from the State Insurance Department.

Frederick L. Hoffman, statistician of the Prudential Insurance Company, was recently elected an associate member of the American Medical Association, and also an associate member of the American Academy of Medicine.

The stockholders of the Illinois Surety Company have approved the recommendation of the directors reducing the capital stock from $500,000 to $250,000, adding the difference to surplus.

The First National Life of Tacoma has absorbed the American Life and Accident of Portland. The First National has been writing life only, the Portland company accident and health.

The Home Insurance Company of New York has presented a gold medal to A. M. Burtis, its secretary, in commemoration of his fifty years' service with the company.

The Chamber of Commerce of Liverpool, Eng., has started a movement to make the insurance of steerage passengers on ocean lines compulsory.

Members of the class of 1914 of Williams College have insured their lives in the Massachusetts Life in favor of the college endowment fund.

Almet R. Latson, of the firm of Latson, Tamblyn & Pickard, has been appointed counsel for the Fire Brokers' Association of New York.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

AGAIN it is necessary to remind ourselves that no matter how much desire there may be for a return of confidence and a restoration of prosperous activities in the United States, the domestic future is very much dependent on foreign developments. In the rapid series of events at home in the last three weeks, which have been full of important or sensational occurrences bearing on values, there has been a disposition to overlook affairs abroad. Nevertheless, despite the various reasons peculiar to the country which have contributed to business depression and have operated against processes of recovery, it has become more clearly apparent with the progress of the Summer that it is still a world-wide situation with which we have to reckon.

In some lands more than in others the features of economic reaction are accentuated by the greater severity of decline in values, extent of liquidation and prostration of trade and industry, but in all lands there is a common characteristic of depression. The conclusion is more than ever irresistibly forced on the observer that the world is passing through one of the great periodic cycles of economic change which have always terminated an era of such tremendous and extravagant expansion as prevailed during the first decade of the new century. The causes which precipitated readjustment originated in those countries where expansion had been most unsound, but there is an international reciprocity nowadays, which has aggravated tendencies toward depression among all nations. These tendencies have also, as in our own case, been accelerated by domestic influences which have helped to impair confidence.

It does not follow that the slow approach of confidence to a return and the slow inauguration of processes of financial and business recovery must occur simultaneously in all countries, or even in what are called the leading commercial nations. Nothing is more likely, indeed, than that recovery will begin in the United States long before it starts elsewhere. But it must be realized that the possibility of recovery is likely to be interfered with if over any very wide area the present unsettlement should be aggravated and the prevailing depression should be intensified. For that reason it is of rather disturbing significance that the European situation has in the last week again begun to force itself on the attention of American finance through a renewal of heavy liquidation of American securities and through a sharp recovery in foreign exchange which had its prompt consequence in the further engagement of gold for export to Paris. These were the outward and persuasive signs of persistent foreign strain which did not lack explanation in the recent European despatches.

France continues to be the centre of strain abroad. The alienation of the French investor from the Paris market has been kept up against all solicitation, official and otherwise, and betrays an unchanged distrust of the socialistic radicalism of the Government as well as distrust of the promoting bankers who have filled France with an unwholesome mass of dubious securities in the last few years. The London market reflects this and other distressing forces and everywhere abroad financial markets have been weakening anew under the long unrelieved pressure of undigested securities and the evidence of public timidity furnished in a lack of support to quoted values. Of late weeks increasing trade reaction has added itself to the adversities of the financial centres, and while there is a superficial abundance of funds in the money market, the symptoms of underlying strain in the banking and business communities are unmistakably seen in a hardening trend of discount rates.

Whether or not the conditions already noted are chiefly responsible for the disquieting financial positions at various points or whether political fears on domestic and international account are the prime cause may be debated, although the indications are that the severity of tension is owing more to war clouds than to anything else; but strain is clearly shown in the unremitting efforts of central banking institutions to build up gold reserves. Europe apparently still recognizes an inadequacy in the reserve basis of credits and there was warning in Sir Felix Schuster's repetition in the past week of his previous exhortations to English bankers to increase their gold holdings. The pyramid of European credits and capitalization needs a broader foundation than it yet has, to withstand the economic and political hurricanes that so frequently sweep through the financial air. Meanwhile the uneasiness of Europe because of economic weakness in Canada, Brazil and Argentine and other newer countries in which European money is heavily invested, has not been diminished by the scandals of corporate finance and of political destructiveness which we are exploiting in the United States.

There are astute observers who think that Europe is in danger of a worse war than that which broke out in the Balkans a little less than two years ago. They regard it as significant that taking European finance as a whole the markets have so long refused to brace up, and they see in the conditions of financial weakness and depression abroad, the exhibition of an instinct which, because it is the instinct of men in the mass, is rather ominous. There seems to be nothing else to relate it to than the belligerent rumblings which come from the late sphere of Balkan conflict and the borders of the more powerful States, which have always been threatened with inclusion in any Balkan warfare. There is no doubt that European finance will do all it can to prevent the present political tensions from breaking out into hostilities, but finance can do little after all to prevent war when national passions are aroused. There was plenty of proof of that in 1912, and now Austria has a dangerous attitude toward Servia, with Greece and Turkey menacing each other. At the same time Russia's position is a factor of no little concern. Once more there has cropped out in Russia an epidemic of industrial disturbances resembling the social upheaval which appeared at the advent of the war with Japan, and Europe knows that Russia is still in that state of political savagery which deliberately favors the precipitation of external troubles as a remedy for internal discontent.

Withdrawing attention from abroad and directing it toward matters at home, there seems to be nothing to militate against a

probability of some regeneration of volumes and values in the Autumn. This, however, is a view contingent on the way in which the country makes its mind up on the orgy of political experimentation to which it is being subjected and on the way in which agricultural conditions turn out. Concretely speaking, the agricultural situation seems to be deteriorating somewhat under less favorable weather and the spread of various insect pests. General business is still anything but good, despite the response of some irregular betterment which has been made in the crop promise to date.

Our foreign trade is not at all to the country's liking. At a time of depression, unprecedented for two decades, exports are making records which can hardly be attributed to anything else than the opportunity offered to other nations to dump their low priced products on our markets. At the same time exports are at a decline, although the outward grain movement is likely from now on to make some desirable change in this respect. The unseasonable course of foreign exchange against us is partly a reflection of affairs abroad and to some degree also an outcome of tariff revision. The Wall Street stock market has displayed a good deal of ability to resist pressure, but in the last few days the share list exhibited sufficient unsteadiness to suggest the likelihood of another interval of unsettlement of values before the necessary assurances requisite to sustained recovery could be vouchsafed from the crops, from political quarters and from abroad.

Washington has done nothing to commend itself in the past week to the good opinion of the thoughtful. There seems to be something especially significant in the bitterly violent manner in which President Wilson and his Attorney General accused the New Haven directors of repudiating their dissolution agreement with the Government. The plausible explanation which offers is that the Administration yielded to the demagogic uproar fomented by the wildly denunciatory report of the Interstate Commerce Commission on the New Haven management of the past, but the statement issued by the New Haven directors, couched in the language of reasonable and fair minded men, showed that the New Haven board was anxious to carry out its compact with the Government and was not at all deserving of the Administration's assault made upon it.

BROAD STREET.

[QUOTED PRICES OF BONDS AND STOCKS ON THE NEW YORK STOCK EXCHANGE WILL BE FOUND ON PAGES 123-127.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week July 11, 1914— Banks	Trust Cos	Both	—Week July 18, 1914— Banks	Trust Cos.	Both.
Loans	1,462.2	640.9	2,100.2	1,471.5	638.5	2,070.0
Deposits (net)	1,292.3	186.6	1,980.9	1,471.1	480.2	1,951.4
Cash reserves	4[illegible]	71.1	453.7	383.2	72.2	455.5
Reserve ratio (%)	25.[illegible]	14.3	22.9	26.0	15.0	23.3

Actual Status.

	Week July 11, 1914— Banks	Trust Cos	Both	—Week July 18, 1914— Banks	Trust Cos.	Both.
Loans	1,[illegible]2	674.9	2,089.3	1,118.1	635.8	2,054.3
Deposits (net)	1,[illegible]8	181.5	1,963.1	1,460.9	483.3	1,944.2
Cash reserves	5[illegible]0	76.1	450.2	385.9	73.8	459.8
Reserve ratio (%)	[illegible]	42.0	22.9	26.1	15.2	23.6

Actual Status Non-Member Institutions.

	—1914— June 27.	July 4.	July 11.	July 18.
Loans	[illegible]	577.9	578.0	578.9
Deposits (net)	[illegible]	575.6	579.2	578.5
Cash reserves	[illegible]	52.9	53.5	53.1
Other reserves	[illegible]	101.9	90.6	83.1
Reserve ratio (%)	[illegible]	28.6	27.1	55.8

Aggregate Statement Actual.

(Exclusive of State Institutions Not Reporting Weekly.)

	—1914— June 27.	July 4.	July 11.	July 18.
Loans	[illegible]	2,[illegible]4.1	2,667.3	2,633.2
Deposits (net)	[illegible]	2,[illegible]4.1	2,542.2	2,522.7
Cash reserves	[illegible]	[illegible]8.4	503.4	512.9

PHILADELPHIA BANKS STATEMENT.

	—1914— June 29.	July 5.	July 13.	July 20.
Loans	398.2	398.0	397.1	398.4
Deposits	453.1	459.2	452.8	454.7
Cash reserves	102.6	97.2	100.3	100.6

BOSTON BANKS STATEMENT.

	—1914— June 27.	July 3.	July 11.	July 18.
Loans	239.2	242.6	242.5	240.7
Deposits (net)	221.6	230.4	222.2	221.8
Cash reserves	35.3	32.4	30.4	30.8

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	—1913— June 4-5.	Aug. 9-11.	Oct. 21-22.	1914. Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	—1913— Aug. 9.	Oct. 21.	—1914— Jan. 13.	Mar. 4.
Loans	6,163.5	6,260.8	6,175.4	6,357.5
Deposits (individual)	5,761.3	6,051.6	6,072.0	6,111.3
Cash reserves	899.1	889.6	981.9	968.0
Other reserves	571.3	586.8	588.8	572.5
Reserve ratio (%)	20.75	20.54	21.74	20.62

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week of	—1913— New York.	Outside.	Total.	—1914— New York.	Outside.	Total.
July 18	1,609	1,437	3,046	1,725	1,454	3,179
July 11	1,547	1,421	2,968	1,912	1,490	3,402
July 4	1,891	1,380	3,271	1,996	1,394	3,390

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week of—	—1913— Call money.	60-day loans.	Merc. paper.	—1914— Call money.	60-day loans.	Merc. paper.
July 18	2½	4	6	3	3	4½
July 11	2½	3¼	6	3	2½	4
July 4	2	2¾	5½	2½	2½	4

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
July 18	1,608,068	10,563
July 11	1,072,229	10,151
July 4	717,714	9,449

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	—1914— July 2.	July 9.	July 16.	July 23.
Deposits	71,621	56,368	55,803	55,920
Circulation	29,784	29,531	29,315	29,317
Gold	40,082	39,599	40,054	40,164
Securities	60,697	45,837	44,628	44,637
Reserve ratio (%)	46.13	50.58	52.28	52.40
Discount rate (%)	3	3	3	3

BANK OF FRANCE (In Thousands of Francs).

	—1914— July 2.	July 9.	July 16.	July 23.
Deposits	1,332.3	3,019.2	1,218.9	1,343.5
Circulation	6,051.1	6,039.9	6,067.0	5,911.9
Gold	4,057.6	4,092.6	4,092.6	4,104.3
Silver	638.8	637.4	639.7	664.6
Discounts, etc	1,790.8	3,079.3	1,606.8	1,611.8
Coin to notes (%)	77.6	78.3	77.9	80.6
Discount rate (%)	3½	3½	3½	3½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	—1914— June 25.	July 2.	July 9.	July 17.
Gold and silver	1,722.3	1,586.8	1,596.4	1,681.6
Loans and discounts	810.3	1,284.3	1,026.0	867.3
Circulation	1,804.5	2,407.1	2,192.0	1,994.5
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	—1914— February.	March.	April.	May.
Loans on call	212.4	214.3	208.4	197.1
Loans, other	901.4	912.3	924.4	927.5
Deposits, demand	337.5	345.5	350.5	340.7
Deposits, other	760.4	760.6	767.0	759.3
Circulation	97.5	96.8	93.0	97.7
Cash reserves	112.6	112.7	113.2	133.3

THE COUNTRY'S COMMERCE

Merchandise.	May — 1913.	1914.	June — 1913.	1914.
Imports	$133,723,713	$163,637,386	$131,245,877	$157,772,973
Exports	194,607,422	161,650,203	163,404,916	157,119,451
Specie.				
Gold—Imports	4,561,260	1,972,411	3,386,974	3,817,112
Exports	12,467,492	16,835,902	569,315	48,107,064
Silver—Imports	3,093,063	1,755,062	2,365,170	1,822,305
Exports	5,329,354	4,844,244	4,731,557	4,639,077

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Frl.
New York	54⅜	54⅛	53⅜	53½	54¼	53⅞
London	25 1-16	24 15-16	24 9-16	24⅝	24 15-16	24¾

COTTON

July 25, 1914.

THERE has been no interruption of the deadly dullness of the cotton futures markets during the past week. The volume of trading was reduced to its lowest dimensions and it was apparent that the amount of new business being put through was insignifcant. Reports with regard to the condition of the cotton industry abroad were almost shrill in their note of calamity. Never was business so bad; never had the mills had so small a number of contracts for yarns and goods on their books; never was the end of the depression and the return of activity so far in the future. To an extent unknown for many years the foreign spinners were holding off from contracting for any part of their supplies for the coming season. On this side of the water the opinion of merchants and traders was almost equally bearish. American spinners were acknowledged to be having a reasonable demand for their goods, though not on a basis profitable to them. There was an unostentatious demand from them for any and every available lot of merchantable cotton, and merchants able to get such cotton were able to sell it almost instantly at prices so much above the prices of new crop contracts as to make the disparity almost astounding. The basis for the better grades in Liverpool and in the Continental markets was also exceedingly high, despite the comparatively large stocks of American cotton in those markets, as shown by the statistics. Despite the increased use of East Indian cotton by the Continental spinners, the price for American cotton of merchantable quality more than held its own; and the conclusion to be drawn from this fact is one that was much talked of some months ago, but since allowed to fall into oblivion, viz., that while the Visible Supply of American cotton is apparently large as a matter of mere figures, it has become exceptionally small as regards the quantity of merchantable cotton in it. By the end of the season, according to present appearances, the supply of merchantable American cotton will be smaller than for years, the actual bales remaining being only of a character that will extend the consumption of them over many months and perhaps years. Hence such contracts as are now outstanding in the futures markets cannot be regarded as being to any considerable extent hedges against actual cotton. Nor are they hedges coming directly or indirectly from farmers, who are willing to bind themselves to take the present price for their coming crops. All agree that the amount of farmers' hedge selling so far this season has been negligible, as compared with what it has been in past seasons. The contracts sold in the futures markets are consequently to a preponderant extent commitments for the decline made by traders pure and simple. It is this class that is taking upon itself the risk of insuring such spinners as desire to contract for a part of their season's needs, against the vicissitudes of the weather for the balance of the Summer. This brings up the whole question of the weather and of the present expectancy of the crop. It is generally admitted that there is great need of rain in all the States West of the Mississippi River. The entire month of July has been virtually rainless in those States, except for an occasional scanty shower. But hope is strong in the breasts of traders that we are not to experience the antithesis of the prolonged period of excessive rains which we had West of the Mississppi in April, May and early June. Every cloud on the horizon is taken by them as meaning the speedy coming of general rains. A week ago they admitted that another week of high temperatures and drouth would be serious; we have had just such a week, but the point of danger is now postponed for another week. This is precisely what happened in August of last year, when during the larger part of the period of drouth in Texas and Oklahoma cotton was persistently sold in anticipation of rains that came too late. But as a counterweight to the heat and drouth West of the Mississippi this year, encomiums of a superlative kind are lavished upon the crop conditions in the Atlantic States. There have been throughout July numerous showers in these States and few sections have failed to obtain them. The result of these and of the liberal fertilizing customary in these States has been to stimulate the crop to an appearance of great promise. There is talk of bumper yields in all these States, except perhaps North Carolina; and even there the crop is represented as by no means unpromising. Few, however, carry the statistics of rainfall in their heads or remember back for more than a week or two. It is vaguely recalled that the Winter and Spring showed in all the Atlantic States an almost unprecedented deficiency of rainfall, but it is assumed that since March 1, this deficiency has been fully made up for. The real fact is, however, that since March 1 the deficiency of rainfall in the Atlantic States has been greatly augmented. The aggregate rainfall figures show that scarcely a place in the Carolinas, Georgia and Alabama has had between March 1 and July 20 anything like a normal amount of rain. Out of fifteen important places in these States only two (Macon, Ga., and Birmingham, Ala.) have had during this period a normal rainfall, all the remainder falling far below it. Here are the percentages of normal rainfall between March 1 and July 20 received by some of the other places: Charlotte, N. C., 56 per cent; Augusta, Ga., 54 per cent; Montgomery, Ala., 49 per cent; Meridian, Miss., 56 per cent; Atlanta, Ga., 63 per cent; Thomasville, Ga., 66 per cent; Columbia, S. C., 86 per cent; Raleigh, N. C., 87 per cent. The fact then is that, despite the favorable showers of the past month, this whole section of the Cotton Belt has never succeeded in replenishing its supply of moisture in the subsoil. It is unnecessary to point out what must be the consequences of this situation, if there should be a cessation of the showers for even a fortnight.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	12.33	12.38	12.45	12.42	12.48	12.43
Low	12.22	12.22	12.38	12.36	12.28	12.40
Close	12.26	12.37	12.37	12.36	12.47	12.38
August—						
High	12.27	12.31	12.40	12.35	12.37	12.33
Low	12.15	12.18	12.29	12.27	12.18	12.24
Close	12.19	12.29	12.29	12.27	12.35	12.27
September—						
High	.....	12.22	12.29	.....	12.32	.....
Low	.....	12.22	12.29	.....	12.32	.....
Close	12.15	12.29	12.28	12.29	12.38	12.25
October—						
High	12.19	12.33	12.41	12.37	12.41	12.40
Low	12.09	12.19	12.30	12.28	12.22	12.26
Close	12.16	12.31	12.30	12.31	12.40	12.27
November—						
High	12.17	.....	12.40	.....	12.34	12.31
Low	12.17	.....	12.35	.....	12.33	12.31
Close	12.14	12.30	12.29	12.26	12.35	12.26
December—						
High	12.36	12.52	12.59	12.53	12.59	12.57
Low	12.26	12.39	12.47	12.44	12.39	12.46
Close	12.34	12.50	12.47	12.46	12.35	12.46
January—						
High	12.29	12.46	12.54	12.47	12.53	12.51
Low	12.21	12.31	12.41	12.38	12.34	12.36
Close	12.27	12.44	12.41	12.40	12.51	12.36
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
March—						
High	12.32	12.52	12.58	12.53	12.58	12.52
Low	12.27	12.37	12.47	12.43	12.40	12.42
Close	12.32	12.48	12.47	12.45	12.56	12.42
April—						
High	.....	12.65	.....	.....	.....	.....
Low	.....	12.64	.....	.....	.....	.....
Close	12.50	12.66	12.64	12.62	12.73	12.60
May—						
High	12.54	12.67	12.78	12.72	12.76	12.74
Low	12.48	12.57	12.67	12.63	12.60	12.64
Close	12.53	12.69	12.67	12.65	12.76	12.64

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	13.00	13.06	13.15	13.12	13.35	13.32
Low	12.90	13.01	13.11	13.03	12.99	13.25
Close	12.95	13.00	13.09	13.11	13.25	13.32
August—						
High	12.69	12.80	12.86	12.79	12.90	12.85
Low	12.66	12.79	12.86	12.73	12.69	12.76
Close	12.72	12.85	12.82	12.72	12.85	12.66
September—						
High	12.40	12.61	.....	12.52	12.45	.....
Low	12.45	12.61	.....	12.52	12.45	.....
Close	12.43	12.61	12.55	12.50	12.56	12.43
October—						
High	12.32	12.50	12.55	12.47	12.52	12.50
Low	12.23	12.36	12.41	12.38	12.35	12.35
Close	12.29	12.49	12.44	12.42	12.49	12.35
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	12.29	12.50	12.44	12.43	12.50	12.36
December—						
High	12.33	12.52	12.58	12.50	12.53	12.53
Low	12.23	12.38	12.45	12.41	12.38	12.38
Close	12.30	12.51	12.46	12.45	12.53	12.38
January—						
High	12.36	12.57	12.62	12.54	12.59	12.60
Low	12.33	12.43	12.49	12.46	12.43	12.47
Close	12.35	12.56	12.50	12.50	12.59	12.42
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	12.39	12.60	12.52	12.52	12.61	12.41
March—						
High	12.45	12.66	12.70	12.63	12.70	12.69
Low	12.39	12.51	12.59	12.57	12.53	12.52
Close	12.44	12.65	12.60	12.60	12.65	12.52

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
April—						
High	....	....	.....	.....	.....	.....
Low	....	....	.....	.....	.....	.....
Close	12.66	12.67	12.61	12.61	12.70	12.53
May—						
High	12.71	12.74	.....	12.68	.....	12.71
Low	12.56	12.74	.....	12.64	.....	12.71
Close	12.70	12.71	12.65	12.60	12.75	12.58
June—						
High	....	....	.....	.....	.....	.....
Low	....	....	.....	.....	.....	.....
Close	....	....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, each day in the week, in pence and hundredths of a penny per pound, net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
July						
Opening	....	....	7.19½	7.19	7.11	....
12:30 p. m.	....	....	7.18	....	7.13½	....
Close	7.17	7.14½	7.18	7.14½	7.11	7.15½
July-Aug.—						
Opening	7.19	7.18	7.18½	7.17	7.14	7.16½
12:30 p. m.	....	7.16	7.18½	7.17½	7.13½	7.15½
Close	7.16½	7.14½	7.18	7.14½	7.11	7.15½
Aug.-Sept.—						
Opening	6.91	6.93½	6.95½	6.94½	6.91	6.91½
12:30 p. m.	....	6.91½	6.94½	6.95½	6.91	6.93
Close	6.92	6.90½	6.96	6.92	6.91½	6.92½
Sept.-Oct.—						
Opening	6.73	6.73	6.77½	....	6.74	6.78
12:30 p. m.	....	6.71	6.78½	6.77½	6.73½	6.77
Close	6.71½	6.72½	6.79	6.75	6.75	6.76
Oct.-Nov.—						
Opening	6.68	6.68½	6.72½	6.72½	6.69½	6.73½
12:30 p. m.	....	6.66½	6.73½	6.72½	6.69	6.73
Close	6.66½	6.67½	6.74	6.70	6.70½	6.72
Nov.-Dec.—						
Opening	....	....	6.66½	6.67½	....	....
12:30 p. m.	....	....	6.68	....	....	6.67
Close	6.66	6.62	6.68½	6.64½	6.65	6.66
Dec.-Jan.—						
Opening	6.61	....	....	6.67	....	....
12:30 p. m.	....	....	6.67½	6.66½	....	6.66½
Close	6.59½	6.61½	6.68½	6.64	6.64½	6.65½
Jan.-Feb.—						
Opening	6.61	6.61	6.69	6.67½	6.64½	6.68½
12:30 p. m.	....	6.60	6.68	6.67	6.63½	6.67½
Close	6.63	6.62	6.69	6.65	6.65½	6.66½
Feb.-Mar.—						
Opening	6.62	....	6.70	6.68½	....	....
12:30 p. m.	....	6.61	6.69	....	6.64½	....
Close	6.61	6.63	6.70	6.66	6.66½	6.67½
Mar.-Apr.—						
Opening	6.63½	6.61	6.71	6.70	6.66½	6.71
12:30 p. m.	....	6.62½	6.70½	6.70	6.66	6.70
Close	6.62½	6.64½	6.71½	6.67	6.68	6.69
April-May—						
Opening	....	....	6.72	....	....	....
12:30 p. m.	....	....	6.71	....	6.66½	....
Close	6.63	6.64½	6.72	6.67½	6.68½	6.69½
May-June—						
Opening	6.64	6.63	6.72	6.71½	6.67½	6.72
12:30 p. m.	....	6.63	6.71½	6.71	6.66	6.71
Close	6.63½	6.65	6.72½	6.68	6.69	6.70

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight.

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	87½	87⅛	87¼	87	87⅛	87⅞
August	87½	87⅛	86	85⅞	85¼	85¾
September	84	85⅛	84½	84⅛	84⅛	84⅝
October	82⅝	82¼	82¼	82⅞	83	83½
November	81½	81⅛	82⅜	82⅛	82¼	82¾
December	81⅞	81⅛	82⅛	82	81⅞	82⅜
January	81⅜	80⅜	82	81⅞	81¾	82¼

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following are the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	13.25	13.25	13.25	13.25	13.25	13.25
New Orleans	13 3-16	13 3-16	13 3-16	13 3-16	13 3-16	13 3-16
Galveston	....	....	13 1/16	13 1/16	13⅛	13⅛
Mobile	13¼	13¼	13¼	13¼	13¼	13¼
Savannah	13⅛	13⅛	13⅛	13⅛	13⅛	13⅛
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	....	....	....	....	....	....
Boston	....	....	13¼	13¼	13¼	13½
Baltimore	....	....	13¼	13¼	13¼	13¼
Philadelphia	....	....	13⅛	13⅛	13⅛	13⅛
Augusta	....	....	....	....	13¼	13¼
Memphis	....	....	13⅛	13⅛	13⅛	13⅛
St. Louis	....	....	13⅛	13⅛	13⅛	13⅛
Houston	13 3-16	13 3-16	13 3-16	13 3-16	13 3-16	13 3-16
Little Rock	....	....	13⅛	13⅛	13⅛	13⅛

FOREIGN MARKETS.

For [illegible] for middling fair, good middling [illegible] ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	8.38	8.38	8.41	8.37	8.33	8.36
Good middling	7.90	7.90	7.93	7.89	7.85	7.88
Middling	7.38	7.38	7.41	7.39	7.35	7.38
Low middling	6.90	6.90	6.93	6.91	6.85	6.88
Good ordinary	5.94	5.94	5.97	5.95	5.89	5.92
Estimated spot sales	3,000	5,000	5,000	5,000	6,000	5,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on each day of the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	94⅛	93¾	93¾	93½	93¾	94⅛
Fully middling	90⅞	90½	90½	90¼	90½	91¼
Low middling	83⅝	83¼	83¼	83	83¼	84

The MOVEMENT OF THE AMERICAN CROP.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	6,262	12,478	19,423	13,149
Overland to mills and Canada	2,542	6,178	6,418	5,746
So. mill takings, est., exclusive of takings from Southern ports.	15,000	15,000	20,000	10,000
Loss of stocks at interior towns	6,984	9,673	14,549	11,151
Brought into sight for week	16,820	23,983	31,292	17,744
Total Movement—				
Port receipts	8,532,061	11,869,108	9,827,678	10,390,729
Overland to mills and Canada	961,498	1,264,601	1,085,724	1,149,822
Southern mill takings	2,195,000	2,665,000	2,755,000	2,850,000
Stocks at interior towns in excess of Sept. 1	39,970	10,201	59,526	12,167
Brought into sight thus far this season	11,728,529	15,808,910	13,727,928	14,402,718

The total crop movement is respectively for 331 days, 330 days, 328 days and 327 days.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	7,994	3,800,650	32,866	5,643	3,325,087	49,340
New Orleans	2,946	1,427,048	32,132	2,931	1,867,720	51,762
Mobile	312	226,849	3,899	32	434,144	5,188
Savannah	2,930	1,279,999	22,222	1,404	1,812,891	12,089
Charleston	402	307,474	2,837	179	422,843	1,414
Wilmington	21	342,605	10,165	5	398,676	9,743
Norfolk	3,485	593,993	26,566	2,198	581,037	16,317
Baltimore	262	77,446	3,015	350	92,373	4,850
New York	58	15,300	33,327	.....	6,632	106,645
Boston	51	45,626	6,387	329	20,938	6,427
Philadelphia	.....	8,262	882	.....	3,629	2,381
Newport News	706	113,123	.....	.....	135,342	.....
Brunswick	.....	234,334	722	.....	289,816	.....
Pensacola	.....	124,899	.....	.....	164,055	.....
Port Arthur	.....	138,642	.....	.....	46,238	.....
Pacific ports	231	370,736	.....	.....	257,237	.....
Texas City etc	.....	705,140	2,108	.....	502,826	2,357
Jacksonville, etc.	25	15,417	485	78	29,245	145
Georgetown	.....	110	.....	.....	.....	.....
Totals	19,423	9,827,678	176,649	13,149	10,390,729	268,718

MOVEMENT AT INTERIOR TOWNS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	30	17,866	55	266	2	17,789	6	468
Dallas	116	133,265	147	2,538	.....	100,519	53	760
Shreveport	13	140,975	.....	3,269	.....	194,978	194	3,947
Little Rock	31	181,410	763	12,143	31	189,747	2,452	9,206
Helena	.....	41,643	.....	102	.....	65,634	217	1,259
Vicksburg	.....	29,353	.....	744	1	34,326	.....	698
Columbus, Miss.	.....	27,652	.....	113	.....	38,231	65	176
Natchez	.....	18,131	.....	525	.....	19,706	.....	1,271
Memphis	1,621	814,545	5,600	19,980	1,566	1,125,668	2,332	17,749
Nashville	21	7,843	.....	376	.....	10,984	.....	126
Selma	56	118,651	234	764	17	129,448	32	636
Montgomery	111	157,444	1,224	4,266	61	156,397	65	2,912
Eufaula	22	21,195	111	798	1	22,461	.....	722
Columbus, Ga.	50	75,221	525	7,886	44	81,223	350	2,205
Macon	2	36,797	723	3,625	.....	44,466	8	53
Albany	.....	23,061	.....	679	5	27,423	.....	986
Atlanta	1,241	164,291	1,827	1,658	22	232,444	1,014	1,495
Rome	96	51,868	175	3,765	80	58,323	225	3,473
Augusta	536	337,046	1,587	12,067	727	375,131	850	11,650
Columbia	1,443	101,097	1,443	.....	2,201	86,062	2,201	.....
Newberry	430	18,827	430	.....	50	23,421	50	.....
Charlotte	29	14,871	29	.....	3	14,785	3	.....
Raleigh	185	11,357	150	105	25	11,960	50	14
St. Louis	1,186	587,184	4,190	13,844	1,289	572,734	2,195	15,222
Houston	3,337	3,112,542	5,841	33,137	1,600	2,762,633	5,888	29,278
Meridian	190	58,627	470	3,199	50	33,959	69	2,300
Cincinnati	2,248	231,436	252	24,918	1,186	250,744	780	13,656
Yazoo City	.....	22,476	.....	2,376	.....	42,937	152	1,397
Totals	13,194	6,357,578	25,856	153,143	8,961	6,725,133	19,251	121,659

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	5,875	4,658	17,649
France	216	1,317	474
Continent	5,942	13,662	9,788
Mexico	200	200	.....
Japan	.....	231	.....
Totals	12,233	20,078	27,911
Since September 1.			
Great Britain	4,181,377	3,544,893	3,400,055
France	1,160,623	974,673	1,056,807
Continent	4,460,231	3,503,837	3,983,036
Mexico	14,889	21,088	27,447
Japan	514,623	386,186	346,429
Totals	10,331,743	8,430,677	8,813,774

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	700	700	2,000
Since September 1	7,257,528	7,456,109	7,610,296

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	.....	199,750	1,250	204,038	.....	203,890
To Manchester	.....	227,800	.....	203,112	.....	221,915
To Continent	1,250	378,334	2,500	399,414	2,000	436,164
To America	.....	116,175	800	123,270	.....	84,503
Total exports	1,250	921,059	4,550	929,834	2,000	946,472

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	12,000	2,689,000	14,000	3,708,000
Exports to Great Britain	1,000	20,000	.....	70,000
Exports to Continent	22,000	460,000	6,000	1,194,000
Exports to Japan and China	.....	933,000	3,000	1,220,000
Afloat in harbor	1,000	.....	14,000	.....
	Exchange, 1s. 4 3-16.		Exchange, 1s. 4⅛.	

Receipts exclusive of —— American this week, 2,000 last season; —— this week last year, 27,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	792,000	600,000	868,000	634,000
London	3,000	.....	5,000	.....
Manchester, in wareh'ses	46,000	30,000	64,000	44,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	4,000	35,000	5,000
Bremen	241,000	236,000	334,000	327,000
Havre	142,000	133,000	250,000	220,000
Other ports—Continent	36,000	25,000	94,000	51,000
Alexandria	97,000	.....	113,000	.....
Bombay	617,000	.....	513,000	.....
U. S. interior towns	153,143	153,143	121,659	121,659
U. S. ports	176,649	176,649	268,718	268,718
Afloat for—				
Liverpool	49,000	22,000	96,000	53,000
London	.....	.....	.....	.....
Continent	201,000	61,000	283,000	65,000
Afloat in Bombay harbor	1,000	.....	14,000	.....
Coastwise to New York	4,000	4,000	5,000	5,000
Exports to-day	.....	.....	1,000	1,000
Totals	2,573,792	1,444,792	3,065,377	1,795,377

Decrease in general visible supply for the week, 135,246, against decrease last year, 166,002. Decrease in American visible supply for the week, 108,246, against decrease last year, 146,002.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	1,057,598
Crop in sight to date	13,727,928	14,402,718
Total supply	15,086,898	15,460,316
Less visible supply, American, to-day	1,444,800	1,806,842
World's takings, American, to-day	13,642,098	13,653,474
American Takings.		
Stocks at United States ports August 31	296,353	231,106
Returned from foreign countries	469	3,124
Receipts at United States ports to date	9,827,678	10,390,729
Total supply at ports	10,124,500	10,624,959
Deduct.		
Stocks at ports to-day	176,649	268,718
*Exports to date	8,434,677	8,818,774
Southern mill takings from ports	83,481	140,243
Burnt at ports	8	11,465
Totals	8,694,815	9,239,200
To Northern mills from ports	1,429,685	1,385,759
Overland to Northern mills	1,085,724	1,149,822
Total Northern mill takings	2,515,409	2,535,581
Southern mill takings	2,838,481	2,990,243
Total American mill takings, including Canada	5,353,890	5,525,824

*Includes 5,000 in transit between Southern ports and New York, against 4,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	38,529	5,353,890	29,079	5,525,824
Great Britain	61,658	3,255,727	35,649	2,961,053
Continent	76,676	4,625,207	61,262	4,792,721
Mexico	200	21,088	.....	27,447
Japan and China	231	386,186	.....	346,429
Totals	177,294	13,642,098	125,990	13,653,474

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	52,000	53,000	28,000	29,000
Sales, American	43,000	44,000	22,000	20,000
Sales, speculation	3,000	5,000	1,000	1,000
Sales, exports	2,000	2,000	.....	.....
Forwarded	76,000	66,000	57,000	43,000
Imports, all kinds	31,000	34,000	26,000	34,000
Imports, American	18,000	18,000	9,000	14,000
Actual exports, all kinds	3,000	11,000	3,000	6,000
Stock, all kinds	841,000	792,000	882,000	868,000
Stock, American	710,000	600,000	655,000	634,000
Afloat for Great Britain, all kinds	45,000	49,000	84,000	96,000
Afloat for Great Britain, American	22,000	22,000	49,000	53,000

* * *

NEW YORK STOCK OF INSPECTED COTTON

The following table, posted by the New York Cotton Exchange, gives the quantities and grades of cotton in warehouses in the Port of New York on July 23, 1914, inspected, classed, certified and grade guaranteed by the New York Cotton Exchange; also the differences "on" or "off" the basis middling price at which these grades are delivered on contracts:

No. of Bales.	Grade.	Cents.
.....	Fair	1.75 on
5	Strict middling fair	1.50 "
16	Middling fair	1.30 "
7	Strict good middling	.90 "
1	Fully good middling	.78 "
3	Good middling	.65 "
21	Barely good middling	.48 "
312	Strict middling	.32 "
356	Fully middling	.16 "
1,526	Middling	Basis
1,195	Barely middling	.25 off
8,307	Strict low middling	.50 "
14,046	Fully low middling	.85 "
25,243	Low middling	1.25 "
20,777	Strict good ordinary	2.00 "
1,657	Good ordinary	3.00 "
35	Strict good middling tinged	.45 on
616	Good middling tinged	Value of Mid.
3,204	Strict middling tinged	.20 off
6,872	Middling tinged	.40 "
5,242	Strict low middling tinged	1.25 "
541	Low middling tinged	3.00 "
390	Middling stained	1.25 "
90,372	Inspected but not classed, 47 bales.	

* * *

Raw Cotton Exports from the United States.—According to figures issued by the United States Department of Commerce, exports of raw cotton in the fiscal year ended June 30, 1914, made a new high record, being valued at $610,000,000, and exceeding the former high record of 1911 by $25,000,000. The value of the exports of this staple has doubled in the last twelve years. In 1902 the total was $291,000,000; in 1908, $438,000,000, and in 1911, $585,000,000.

The average export price per pound of the raw cotton exported in the fiscal year 1914 was 12.8 cents, as against 10.2 cents in 1912, and 14.5 cents in 1911. About two-thirds of the domestic product of last year was exported, the number of bales of cotton ginned being 13,965,000, while the exports were 9,165,000 bales.

The United Kingdom and Germany took more than two-thirds

of the cotton exported from the country in the fiscal year just ended, the total to the United Kingdom having been 3,452,000 bales, valued at $232,000,000 and that to Germany, 2,785,000 bales valued at $182,000,000; more than 1,000,000 bales, valued at $74,000,000 went to France. Shipments, varying in amount from 517,000 to 102,000 bales were made to Italy, Japan, Spain, Belgium, Canada, and Austria-Hungary. There were also sent 95,000 bales to Russia, besides large indirect shipments credited to intermediate countries.

* * *

Cotton Production of Peru.—The "West Coast Leader," of Lima, Peru, has recently published figures of the cotton production of Peru for the past five years. The paper does not state what part of each year's recorded production was of the variety known as "Rough Peruvian," a tree cotton suitable only for mixing with wool, and how much was Upland cotton of the American type, which is being more and more extensively raised in Peru; but the general understanding of the trade is that at the present time fully 80 per cent of the cotton grown in Peru is Upland. The statement of the "West Coast Leader" is as follows:

"The production of cotton in Peru for the last five years is given in quintals [quintal = 101.4 pounds] as follows: 1909,—380,176.49 quintals [76,871 bales of 500 pounds net weight]; 1910,—330,291.06 quintals [66,983 bales]; 1911,—383,895.34 quintals [77,654 bales]; 1912,—375,651.32 quintals [76,582 bales]; 1913,—525,446.39 quintals [106,560 bales]. This increase of more than 143,000 quintals for the five-year period, 1909-1913, is largely accounted for by the low price of sugar and the 'bull' cotton market. A great many sugar estates in Peru have been planting a fair quantity of cotton, and in addition large areas hitherto devoted to other products or merely waste land are being converted into cotton fields, because of the profits paid by this crop under present conditions. Not only is the quantity of cotton increasing, but its quality is improving as well, owing to the increased use of modern machinery in handling the product. The prices quoted on the Liverpool market determine the market price of Peruvian cotton, as there is practically no market in Lima."

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3¾	3¾
Gray goods, 38½ in., standard	5 3/16-5¼	5⅛-5¼
Brown sheetings, Southern standard	8	8
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13½	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply chain warps, 30s	25-25½	25-25½
Southern 2-ply skeins, 60s	45	45
Southern single skeins, 20s	22	22
Southern single chain warps, 20s	22	22
Southern 2-ply chain warps, 20s	22-22½	22-22½
Southern frame cones, 10s	22¾	22¾
Southern frame cones, 5s	25½-26	25½-26
Eastern carded cops, 20s	24	24
Eastern carded cops, 30s	28	28
Eastern carded peeler warps, 30s	30	30
Eastern carded peeler warps, 50s	47	47

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 18	79⅜	79⅛	79⅛	78 13-16	82⅛	81⅝
July 20	79¾	79⅜	79⅛	78⅜	82⅛	81⅜
July 21	80⅜	79⅜	80¼	79¼	83¼	82¼
July 22	81¼	79⅞	80⅞	79¾	83⅞	82¾
July 23	82⅜	....	81½	80¾	84½	83¾
July 24	82⅞	82	82⅜	81⅜	84¾	83½

CORN (New Contract).

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 18	70	69¾	67⅛	66⅝	56½	55⅞
July 20	70¼	69¾	67½	66¾	56½	56
July 21	70⅝	70¼	68¼	67⅞	57¼	56⅞
July 22	71	70¼	68⅞	67¾	57⅝	56⅞
July 23	73¼	71	70	68⅝	60¼	58⅛
July 24	72¾	71⅝	69⅝	68⅜	60⅛	58⅜

OATS.

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 18	36½	36¼	35	34¾	36¼	36⅛
July 20	37	36⅜	35¼	34⅝	36½	36
July 21	37¼	36¾	35⅜	35¼	37	36⅝
July 22	37	36¾	35 7-16	35	36⅞	36⅜
July 23	37¾	37	36¼	35½	37⅞	36⅞
July 24	37⅝	37	36	35½	37⅝	37

LARD.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 18	.....	.....	10.37	10.30	10.45	10.35
July 20	10.15	10.12	10.32	10.20	10.32	10.25
July 21	10.12	10.02	10.22	10.12	10.25	10.12
July 22	.....	.....	10.15	10.05	10.20	10.10
July 23	.....	.....	10.15	10.10	10.20	10.15
July 24	10.02	9.72	10.10	9.82	10.15	9.90

RIBS.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 18	12.20	12.20	12.07	12.00	11.65	11.60
July 20	12.17	12.07	12.07	11.95	11.62	11.52
July 21	12.10	12.05	12.07	11.85	11.55	11.42
July 22	12.12	12.07	11.95	11.87	11.50	11.42
July 23	12.15	12.07	12.00	11.87	11.52	11.45
July 24	.....	.....	11.95	11.70	11.47	11.20

PORK.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 18	.....	.....	21.22	21.15	.....	.....
July 20	22.87	22.75	21.40	21.10	.....	.....
July 21	23.00	22.80	21.17	21.00	.....	.....
July 22	22.87	22.70	21.00	20.50	.....	.....
July 23	.....	.....	20.87	20.65	.....	.....
July 24	22.85	22.85	20.75	20.05	.....	.....

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	7.10	7.18	7.24	7.23	7.10	6.85
July	7.15	7.20	7.23	7.23	7.20	6.86
August	7.28	7.24	7.27	7.23	7.19	6.97
September	7.28	7.27	7.29	7.20	7.17	6.95
October	6.98	6.99	6.99	6.84	6.81	6.71
November	6.65	6.70	6.69	6.59	6.55	6.53
December	6.61	6.61	6.61	6.56	6.53	6.51
January	6.61	6.61	6.61	6.57	6.53	6.53
February	6.61	6.62	6.62	6.57	6.55	6.52

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	8.43	8.44	8.53	8.39	8.40	8.26
August	8.45	8.46	8.53	8.39	8.40	8.26
September	8.55	8.56	8.63	8.49	8.50	8.36
October	8.64	8.65	8.73	8.59	8.60	8.46
November	8.74	8.75	8.83	8.69	8.70	8.56
December	8.84	8.85	8.92	8.79	8.79	8.66
January	8.89	8.90	8.97	8.84	8.84	8.71
February	8.93	8.95	9.02	8.89	8.89	8.76
March	8.98	8.99	9.06	8.94	8.94	8.81
April	9.01	9.02	9.09	8.97	8.97	8.84
May	9.05	9.05	9.13	9.00	9.00	8.88
June	8.95	8.96	8.98	8.88	8.88	8.75
Spot Rio 7's	8⅞	8⅞	8⅞	8⅞	8⅞	8¾

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Saturday. July 18. High.	Saturday. July 18. Low.	Monday. July 20. High.	Monday. July 20. Low.	Tuesday. July 21. High.	Tuesday. July 21. Low.	Wednesday. July 22. High.	Wednesday. July 22. Low.	Thursday. July 23. High.	Thursday. July 23. Low.	Friday. July 24. High.	Friday. July 24. Low.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	.....	.....	.....	.....	79¾	79¾	79½	79½	79½	79½	79	79
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O	.....	.....	.....	.....	.....	.....	86½	86½	.....	.....	.....	.....
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	100¼	100¼	.....	.....
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	102¼	102¼
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*	.....	.....	98⅛	98⅛	.....	.....	.....	.....	.....	.....	.....	.....
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	92⅝	92½	.....	.....	92½	92½	92½	92⅜	92½	92½	92½	92½
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	95¼	95¼	95⅜	95¼	95⅜	95¼	95¼	95⅛	.....	.....	95½	95¼
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	.....	.....	.....	.....	.....	.....	101	101	.....	.....	101	101
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	93	93
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	.....	.....	.....	.....	.....	.....	.....	.....	91	91	.....	.....
913¼	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	.....	.....	91½	91½	.....	.....	91½	91½	91½	91½	91½	91½
977⅛	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	.....	.....	92⅜	92⅜	92	92	.....	.....	.....	.....	92¼	92¼
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	85½	85½
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	90⅜	90⅜	.....	.....
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	100	100	100	100	100	100	100	99⅝	100¼	100	100	100
923⅜	Jan	9	845⅜	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1031¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	.....	.....	.....	.....	103⅞	103⅞	102⅛	102⅛	.....	.....	104	104
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	.....	.....	.....	.....	.....	.....	102¼	102¼	102¼	102¼	102¼	102⅛
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N	.....	.....	106⅛	106⅛	.....	.....	.....	.....	106	106	.....	.....
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	104	104	104	104
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	99	99	99	99	99	99	.....	.....	99⅜	99¼	99¼	99⅛
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	.....	.....	117¼	117	.....	.....	117½	117½	117¼	117¼	.....	.....
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	92	93	93	93	93¼	93¼	93¼	93⅛	93⅛	93⅛	93⅛	93⅛
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	.....	.....	.....	.....	.....	.....	93	93	93	93	93	93
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	.....	.....	76¾	76¾	77¾	77¾	.....	.....	77½	77	76¾	76½
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*	.....	.....	.....	.....	60⅛	60⅛	.....	.....	.....	.....	58	58
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	.....	.....	.....	.....	37	37	.....	.....	37	37	37⅝	37⅝
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	93⅜	93¼	93⅜	93⅜	93¼	93¼	93¼	93¼	93¼	93¼	93¼	93⅛
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	97⅛	97	97⅛	96⅞	97	96⅞	97	96¾	97	97	97	96⅞
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	.....	.....	85¼	85¼	.....	.....	.....	.....	.....	.....	.....	.....
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	95¾	95¾	.....	.....
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	97½	97½
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N	.....	.....	.....	.....	107	107	.....	.....	.....	.....	.....	.....
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	.....	.....	.....	.....	73⅛	73⅛	73⅛	72⅞	72½	72½	.....	.....
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	.....	.....	.....	.....	.....	.....	95½	95½	95⅝	95⅝	.....	.....
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	95⅝	91½
917⅜	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	91½	91½	91½	91½	.....	.....	.....	.....	.....	.....	.....	.....
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	104⅜	104⅜	.....	.....
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*	.....	.....	82¼	82¼	.....	.....	.....	.....	.....	.....	.....	.....
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	.....	.....	.....	.....	.....	.....	95½	95½	.....	.....	.....	.....
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	87⅛	87⅛	87⅛	87⅛	87	86	.....	.....	.....	.....	.....	.....
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	25¼	24⅛	24¼	23¾	23¾	23⅛	22⅜	19⅝	21¼	20	21⅞	20⅜
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	73⅞	73	73½	73½	73⅝	73⅛	72	70½	70½	68½	70	69¼
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	.....	.....	.....	.....	.....	.....	73	73	.....	.....	.....	.....
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	14	14	.....	.....	.....	.....
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	90¼	90¼	90	90	90½	90½	.....	.....	90⅜	90⅜	90⅜	90⅜
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N	84½	84½	84⅞	84⅞	.....	.....	.....	.....	84½	83½	84¼	84¼
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N	.....	.....	.....	.....	97¼	97¼	97	97	.....	.....	.....	.....
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	.....	.....	75½	75½	75	75	75½	75½	76½	76	77	77
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	.....	.....	46½	46½	51	50	51	50½	51¼	51	50	50
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	.....	.....	.....	.....	.....	.....	58¼	58¼	58½	58½	58	58
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*	.....	.....	.....	.....	107½	107½	.....	.....	.....	.....	.....	.....
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J	.....	.....	84	84	.....	.....	83⅝	83⅝	.....	.....	83½	83½
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	72¾	72¾	72¾	72¾	72	72	.....	.....	.....	.....	71	69
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	69	69	.....	.....	69	68⅞	.....	.....	68¼	68¼	68¼	67
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	69¼	69¼	69	69	.....	.....	69	69	69	69	68½	67
90	Jan	20	85¾	July	23	Erie (Pa) col 4s	1951	*F-A	.....	.....	.....	.....	89	89	89	88¾	.....	.....	88¾	88¾
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*	.....	.....	102½	102½	.....	.....	.....	.....	.....	.....	.....	.....
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	.....	.....	106¼	106¼	106½	106½	105½	105½	.....	.....	105½	105½
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	.....	.....	.....	.....	.....	.....	11½	11½	.....	.....	.....	.....
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	99⅜	99⅜
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O	.....	.....	.....	.....	88½	88½	.....	.....	.....	.....	88½	88½
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	92½	92½	.....	.....	.....	.....	92¼	92¼	.....	.....	.....	.....
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	47¼	47¼	.....	.....	47½	47½	48	48	.....	.....	47½	46¾
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	76¾	76⅝	76¾	76½	76¾	76½	76¾	76½	76½	76½	76½	76⅜
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	98⅞	98⅞	99	98⅞	99	98⅞	99	98⅞	99	98⅞	99	98¾
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	.....	.....	.....	.....	100	100	100	100	.....	.....	.....	.....
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S	.....	.....	46⅛	45½	45	45	46	45½	45	45	.....	.....
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	73½	73½	.....	.....	73¾	73½	.....	.....	73½	73½	73½	73½
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	70	70	.....	.....
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	96	96	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O	.....	.....	90½	90½	.....	.....	90½	90⅛	.....	.....	.....	.....
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F	.....	.....	102	102	.....	.....	.....	.....	.....	.....	.....	.....
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93½	Sept	3	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	.....	.....	93½	93½	93⅛	93⅛	93¾	93⅛	.....	.....	84¼	84¼
																			93½	93¼

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Saturday. July 18. High.	Saturday. July 18. Low.	Monday. July 20. High.	Monday. July 20. Low.	Tuesday. July 21. High.	Tuesday. July 21. Low.	Wednesday. July 22. High.	Wednesday. July 22. Low.	Thursday. July 23. High.	Thursday. July 23. Low.	Friday. July 24. High.	Friday. July 24. Low.
92⅜	Feb	3	88	Dec	20	Lake Shore deb g 4s	1931	*M-N	.....	.....	93	- 93	93	- 93	93⅜	- 93	.....	.....	93	- 92⅞
89⅛	Feb	19	84	Aug	9	Long Island unified 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94	Jan	4	86	July	17	Long Island gen 4s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96	Apr	23	89½	Aug	22	Long Island ref 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99½	Jan	13	91½	June	11	Louis & Nash unified 4s	1940	J-J*	.....	.....	96¼	- 96¼	96	- 96	96¼	- 96	96¼	- 96⅛	96	- 96
95	Jan	14	86½	July	1	Manhattan con 4s	1990	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95½	Jan	22	84	June	19	Man Ry 4s stpd tax exempt	....	....	92⅝	- 92⅝	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95¼	Jan	8	86½	Oct	22	M K & T 1st 4s	1990	*J-D	.....	.....	83	- 83	83	- 83	82½	- 82½	83¼	- 83	82½	- 82
81¾	Jan	8	71	Nov	21	M K & T 2d 4s	June 1990	F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99¾	Sept	11	95½	Nov	12	M K & T ext g 5s	1944	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
77½	Feb	3	67¼	June	23	M K & T ref 4s	2004	M-S*	.....	.....	.....	.....	.....	.....	53	- 51½	.....	.....	.....	.....
87	Jan	2	79½	July	7	M K & T gen 4½s	1936	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
100¼	Jan	17	97	Aug	26	M K & T of Tex 5s	1942	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
100	Feb	18	95	Dec	1	Mo Pac col tr 5s	Jan 1917	M-S	92	- 92	92	- 91⅞	.....	.....	90⅛	- 90⅛	90⅞	- 90⅞	90½	- 90½
99⅜	Jan	13	91	July	14	Mo Pac col tr 5s	1920	F-A*	87½	- 86½	88	- 87⅜	.....	.....	.....	.....	86½	- 86½	86½	- 86½
70⅜	Jan	9	62	Dec	29	Mo Pac 4s	1945	*M-S	.....	.....	43¾	- 43½	43¾	- 43¼	43½	- 42⅛	42½	- 42	41¾	- 41½
85⅞	Jan	14	79⅝	Dec	16	Mobile & Ohio gen 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	Jan	7	73	Dec	9	Nassau Electric 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88½	Jan	4	52	Dec	17	Nat Rys of M per lien 4½s	1957	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	Jan	9	76¼	Dec	28	Nat Rys of M con 4s	1977	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108½	Feb	11	104½	Nov	8	Nash Chatt & St L con 5s	1928	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	Jan	6	96½	Dec	17	N Y Air Brake con 6s	1928	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87¼	Jan	30	80	Dec	10	N Y Central ref 3½s	1997	J-J*	82½	- 82½	82½	- 82½	82¼	- 82¼	82	- 82	82⅛	- 82	.....	.....
91½	Jan	9	83	Dec	29	N Y Central deb 4s	1934	*M-N	89½	- 89½	89¼	- 89¼	.....	.....	88½	- 88½	.....	.....	87⅞	- 87⅞
83	May	14	76½	Dec	23	N Y Central L S 3½s	1997	J-J*	.....	.....	.....	.....	78	- 78	78	- 78	.....	.....	.....	.....
80	May	22	71	Dec	5	N Y Central M C col 3½s	1998	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99½	Jan	2	93½	July	18	N Y C & St L 1st 4s	1937	A-C*	.....	.....	93¾	- 93¾	.....	.....	.....	.....	.....	.....	.....	.....
86½	Jan	10	80	Nov	5	N Y G E L H & P 4s	1949	*F-A	.....	.....	.....	.....	87½	- 87⅛	87¼	- 87¼	.....	.....	.....	.....
103⅝	Sept	29	100⅝	June	14	N Y G E L H & P col tr 5s	1948	J-D*	.....	.....	.....	.....	.....	.....	105	-105	.....	.....	105	-105
126	Jan	3	102¼	Dec	17	N Y N H & H con deb 6s	1948	*J-J	102	-102	102	-101	101	-100	100	- 99¾	100	- 99¾	100	- 99½
87	Jan	23	68	Nov	12	N Y N H & H deb 3½s	1956	*J-J	.....	.....	.....	.....	61	- 61	63	- 63	63	- 63	.....	.....
92¼	Jan	20	84	Dec	23	N Y Ont & W 1st ref 4s	June 1992	M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79	Jan	10	72½	June	10	N Y Rys ref 4s	1942	J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	75½	- 75½
61	Dec	30	51⅞	June	10	N Y Rys adj 5s	1942	J-D	54⅛	- 54⅛	54¼	- 54⅛	54⅛	- 54	54⅛	- 54⅛	54⅛	- 53¾	53¾	- 53½
99	Jan	31	88	June	11	N & W con 4s	1996	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
92¾	Jan	10	87	Dec	20	N & W div 1st lien 4s	1944	J-J*	.....	.....	.....	.....	91	- 91	.....	.....	.....	.....	.....	.....
104⅞	May	26	102¼	Nov	5	N & W conv 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
92	Jan	13	83	June	23	N & W P C & C joint 4s	1941	J-D*	.....	.....	88¾	- 88¾	.....	.....	.....	.....	.....	.....	89	- 88¾
98⅝	Jan	10	91½	July	7	North Pac prior 4s	Jan 1997	Q-J	95	- 94⅞	95⅛	- 95	95⅛	- 95	95⅛	- 95	95	- 95	95¼	- 94⅞
68⅝	Sept	20	63½	June	5	North Pac gen 3s	Jan 2047	Q-F	.....	.....	67⅛	- 67	.....	.....	67	- 67	67¼	- 67	67⅜	- 67¼
94	Feb	25	86	Nov	6	Oregon Ry & Nav 4s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
112⅛	Jan	14	108½	July	17	Oregon Short Line 1st 6s	1922	*F-A	.....	.....	.....	.....	.....	.....	110⅛	-110⅛	.....	.....	.....	.....
109	Jan	16	103½	June	19	Oregon Short Line cons 5s	1946	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93⅛	Jan	7	86½	June	13	Oregon Short Line ref 4s	1929	J-D*	.....	.....	90⅞	- 90⅞	.....	.....	.....	.....	90¾	- 90	.....	.....
101½	Feb	3	98	July	16	Pacific Coast 1st 5s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101	Jan	11	95	June	11	Pacific Tel & Tel 5s	1922	*J-J	.....	.....	96½	- 96¼	.....	.....	96⅝	- 96⅝	96⅞	- 96⅝	96⅝	- 96½
102¾	Feb	5	98	Nov	29	Penn con 4s	1948	M-N*	.....	.....	.....	.....	.....	.....	100½	-100½	.....	.....	.....	.....
97½	Jan	7	95⅞	July	18	Penn con 3½s	Oct 1 1915	J-D	99⅛	- 99⅛	99⅛	- 99	99⅛	- 99	99	- 99	99	- 99	99⅛	- 99
89	Jan	2	79	June	27	Peoria & E 1st 4s	1940	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
49¾	Feb	20	35	June	4	Peoria & E income 4s	Apr 1990	Ann.	.....	.....	21	- 21	.....	.....	.....	.....	.....	.....	.....	.....
97½	Jan	25	90⅜	Dec	19	Reading gen 4s	1997	*J-J	95⅜	- 95⅛	95¼	- 95⅛	95⅜	- 95¼	95⅜	- 95⅜	95½	- 95⅜	95⅝	- 95⅝
96¾	Mar	12	91½	June	16	Reading Jersey Cent col 4s	1951	*A-O	.....	.....	.....	.....	94¾	- 94¾	.....	.....	.....	.....	.....	.....
103	Oct	11	102	Sept	30	Rep Iron & Steel col 5s	1934	A-C*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85¼	Jan	13	78	Oct	15	Rio Grande W 1st 4s	1939	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	Jan	23	67½	Dec	17	Rio Grande W col tr 4s	1949	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
84	Jan	31	75¼	Dec	10	St J & G I 1st 4s	1947	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106	Jan	10	100	June	26	St L & I M gen 5s	1931	*A-O	.....	.....	102	-102	.....	.....	.....	.....	.....	.....	.....	.....
82⅝	Jan	31	74	Dec	22	St L & I M ref 4s	1929	J-J*	69	- 69	68⅝	- 68⅝	69½	- 69	.....	.....	.....	.....	70	- 70
83½	Jan	3	76½	Dec	9	St L & I M Riv & G Div 4s	1933	*M-N	68	- 67¾	.....	.....	68¼	- 68¼	.....	.....	.....	.....	68	- 68
76¾	Jan	8	65	May	29	St L & S F R R ref 4s	1951	J-J*	69	- 69	68⅞	- 68½	69	- 68⅝	68½	- 68½	68⅝	- 68½	68½	- 68½
82¼	Jan	7	50½	July	18	St L & S F R R gen 5s	1927	*M-N	.....	.....	.....	.....	36	- 36	36	- 36	.....	.....	.....	.....
90	Jan	6	83¼	Dec	22	St L S W 1st 4s	1989	M-N*	81⅛	- 81⅛	.....	.....	.....	.....	82⅝	- 81⅛	.....	.....	.....	.....
80	Jan	3	78	Feb	17	St L S W 2d income 4s	Nov 1989	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	Jan	7	75	Nov	26	St L S W consol 4s	1932	*J-D	68½	- 68½	.....	.....	.....	.....	.....	.....	.....	.....	68¾	- 68½
101½	Jan	13	100¼	July	16	St P M & M con 4½s	1933	J-J*	.....	.....	.....	.....	.....	.....	103⅛	-103⅛	.....	.....	103⅜	-103⅜
96¼	Apr	4	92	July	21	St P M & M Mont ext 4s	1937	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85¾	Jan	2	75	Nov	19	San Antonio & A P 4s	1943	*J-J	.....	.....	.....	.....	.....	.....	81	- 81	.....	.....	.....	.....
79	Jan	13	72½	Oct	15	Seaboard A L ref 4s	1950	A-O*	.....	.....	.....	.....	73¾	- 73¾	.....	.....	73¾	- 73¾	73¾	- 73¾
86	Jan	23	79½	July	7	Seaboard A L stamped 4s	1950	A-O*	.....	.....	.....	.....	.....	.....	85	- 85	84½	- 84½	.....	.....
77¼	Jan	20	66½	June	12	Seaboard A L adj 5s	1949	F-A*	76	- 76	76	- 75½	76¼	- 75⅝	76	- 75¾	76	- 76	76	- 75¾
94⅛	Feb	4	87	June	12	So Pac ref 4s	1955	*J-J	91¾	- 91⅜	92	- 91⅞	92	- 91⅞	92	- 91¾	91⅞	- 91¾	91¾	- 91½
98	Feb	7	87⅞	June	27	So Pac col 4s	Aug 1949	J-D	.....	.....	.....	.....	89	- 89	89	- 89	.....	.....	.....	.....
93⅝	Feb	1	84	June	10	So Pac conv 4s	June 1929	M-S	85⅞	- 85⅞	85⅞	- 85⅝	85¾	- 85⅝	85⅞	- 85⅝	85¾	- 85½	85¾	- 85½
107⅛	Jan	10	101	June	24	So Ry 5s	1944	J-J*	104¾	-104¾	.....	.....	104⅜	-104⅜	104⅞	-104½	104⅜	-104⅜	104⅜	-104⅜
78½	Jan	2	72¼	Dec	1	So Ry col tr 4s	1956	*A-O	72⅝	- 72¼	72⅜	- 72¼	72½	- 72	72⅜	- 72¼	72⅛	- 72⅛	72⅛	- 72
86½	Jan	21	78½	June	20	So Ry M & O Div 4s	1938	M-S*	80	- 80	.....	.....	.....	.....	.....	.....	.....	.....	79½	- 79
88½	Jan	8	79⅛	Aug	12	So Ry St L Div 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	Jan	11	96	Dec	18	Tenn Coal & Iron gen 5s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
89¾	May	10	88	Oct	16	Term Ass'n St L ref 4s	1953	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
107¼	Jan	3	99	Nov	24	Texas Pac 1st 5s	2000	*J-D	.....	.....	.....	.....	100⅛	-100⅛	.....	.....	.....	.....	100⅛	-100⅛
82⅝	Jan	10	77½	June	10	Third Av ref 4s T R ctfs std	2000	*J-J	83	- 83	83	- 83	83	- 83	83	- 83	.....	.....	83	- 83
81½	Dec	31	80	Dec	18	Tol St L & W 3½s	1925	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
60	Aug	29	47½	June	9	Tol St L & W 1st 4s	1950	*A-O	.....	.....	.....	.....	46	- 46	46	- 46	46¼	- 46	46⅛	- 44⅛
96	Sept	26	92½	May	13	Underground London 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅜	Jan	14	94	Dec	2	Union Pacific 1st 4s	1933	*J-J	.....	.....	98½	- 98¼	98⅜	- 98¼	98½	- 98⅝	98¾	- 98⅝	98⅝	- 98⅝
97	Jan	2	86⅜	June	12	Union Pacific conv 4s	1927	J-J*	.....	.....	90⅞	- 90¾	90½	- 90½	91¼	- 91¼	90	- 90	90¼	- 90
95½	Jan	7	87⅞	June	19	Union Pacific ref 4s	June 2008	M-S	.....	.....	.....	.....	.....	.....	94⅝	- 94⅝	.....	.....	94⅝	- 94⅝
67	Jan	3	50½	Nov	24	United Rys San Fran 4s	1927	*A-O	.....	.....	53⅜	- 53⅜	.....	.....	53⅝	- 53½	53⅛	- 51⅞	51⅞	- 50
89	Jan	10	79	Nov	29	U S Realty & Imp 5s	1924	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
27	May	8	25	Jan	2	U S Reduc & Ref 6s	1931	J-J*	20	- 20	.....	.....	.....	.....	18½	- 18½	.....	.....	18	- 18
103¾	Feb	8	100	Mar	13	U S Rubber 6s	1930	*M-N	.....	.....	102⅝	-102⅝	102¾	-102⅝	102⅝	-102⅝	.....	.....	102⅛	-102½
102	Jan	7	96⅞	June	10	U S Steel 5s	1939	*F-A	102¾	-102⅝	102⅞	-102¾	102¾	-102⅝	102¾	-102½	102¾	-102½	102⅝	-102½
98	Jan	13	90¼	July	1	Va-Car Chemical 1st 5s	1918	J-D*	.....	.....	97½	- 97½	97½	- 97½	98	- 98	98	- 98	97½	- 97½
106½	Jan	9	101	June	5	Wabash 1st 5s	Apr 1936	M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99½	Jan	14	92½	Dec	2	Wabash 2d 5s	1923	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
64⅞	Jan	2	46½	June	12	Wabash ref & ext 4s	1956	J-J*	45½	- 45	47	- 46	48	- 46¾	47½	- 47½	.....	.....	45½	- 45¼
27½	Jan	2	10	Dec	19	Wab-Pitts T 1st Cen tr c	1954	*J-D	7½	- 7½	8	- 7¾	8¼	- 8¼	.....	.....	.....	.....	.....	.....
3	Aug	18	½	June	13	Wabash-Pitts T 2d tr c	1954	*J-D	.....	.....	¼	- ¼	.....	.....	.....	.....	.....	.....	.....	.....
83¾	Feb	6	75	June	11	West Maryland 4s	1952	A-O*	60	- 59	59	- 59	59¼	- 59	59½	- 59	59¼	- 59⅛	60¼	- 60
107¼	Feb	11	103	Sept	8	West N Y & P 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102½	Feb	4	95	Nov	22	West Union col tr 5s	1938	*J-J	95½	- 95½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96½	Jan	15	87½	Dec	4	West Union R E 4½s	1950	*M-N	.....	.....	.....	.....	.....	.....	92	- 91⅞	.....	.....	.....	.....
98¼	Jan	13	90	Nov	22	West Shore 4s	2361	*J-J	.....	.....	92¾	- 92¾	.....	.....	93½	- 93½	93⅝	- 93½	.....	.....
94	Jan	7	87	Dec	18	Westinghouse E & M 5s	1931	*J-J	.....	.....	96⅛	- 96⅛	96¼	- 96⅛	96¼	- 96¼	96½	- 96¼	96½	- 96½
80⅝	Jan	25	70	July	17	Wheeling & L E con 4s	1949	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	74⅛	- 74
91⅝	Jan	11	84	June	25	Wisconsin Central 4s	1949	J-J*	.....	.....	.....	.....	.....	.....	88	- 88	.....	.....	.....	.....

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 18. High. Low.	Monday. July 20. High. Low.	Tuesday. July 21. High. Low.	Wednesday. July 22. High. Low.	Thursday. July 23. High. Low.	Friday. July 24. High. Low.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar						
24¾	Oct	2	18	Nov	22	Alaska Gold Mines	..		27⅝ - 27	27¼ - 27¼	27¼ - 26⅞	27⅜ - 27	27¼ - 27	26⅝ - 26⅝
9	Dec	26	7⅝	Dec	16	Allis-Chalmers	..			10 - 10				
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..					40 - 40	40 - 40	40 - 40
80½	Sept	16	61⅝	June	10	Amalgamated Copper	6	Q May	69¾ - 69	69½ - 69	69⅞ - 68½	70 - 69½	69¾ - 69	c67⅜-c65⅞
57	Jan	3	41¼	Sept	5	Am Agr Chemical	4	Q Jan	55½ - 55½					
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	93½ - 93½					
50½	Jan	2	19¾	June	10	Am Beet Sugar	..				23¾ - 23¾	24½ - 23½		23 - 22½
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan			75½ - 75½		75 - 75	
96¼	Jan	4	89½	Oct	27	Am Brake Shoe & Fdry	7	Q Jan				91 - 91	94 - 94	
136⅝	Jan	6	127¾	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan						
46⅞	Jan	31	21	June	11	Am Can	..		26½ - 26¼	26½ - 25⅞	26¾ - 26	26¾ - 26⅛	26⅛ - 25¾	25⅞ - 25⅜
129½	Jan	30	80½	June	10	Am Can pfd	7	Q Jan	90½ - 90½	90 - 90			90⅜ - 90⅜	90 - 90
56⅜	Jan	2	36½	June	10	Am Car & Fdry	2	Q Jan		51¾ - 51⅛	51¾ - 51½	51⅞ - 51¾	51⅜ - 51	50¾ - 50¾
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	118½-118½		118¾-118½			118⅞-118⅞
48¾	Jan	6	33¼	July	2	American Cities	..							
78½	Jan	2	60¼	June	28	American Cities pfd	6	Jan-July						
57⅜	Jan	2	33½	June	12	Am Cotton Oil	..		38½ - 38½	38½ - 38½	38⅞ - 38½	38¾ - 38⅛		38¼ - 38¼
98	May	6	92½	Sept	2	Am Cotton Cil pfd	6	June-Dec						
166	Feb	6	95	Dec	18	Am Express	6	Q Jan						104 -104
5⅛	Jan	3	3½	July	9	Am Hide & Leather	..			4 - 4	3⅞ - 3⅞			
28¼	Feb	10	15⅛	June	10	Am Hide & Leather pfd	..			20 - 19½	19½ - 19½			
27¾	Apr	4	17	June	10	Am Ice Securities	..		28 - 28	28 - 27¾	27¾ - 27½	28 - 27¾	27 - 26¾	26 - 25⅛
12⅛	Nov	7	6⅞	June	10	Am Linseed	..						85⅜ - 85⅜	
33⅜	Nov	7	20	Oct	17	Am Linseed pfd	..							
44½	Jan	6	27	June	10	Am Locomotive	..			29¾ - 29⅛	29½ - 29⅛	29½ - 29½	29⅛ - 29	28½ - 28
106¾	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan				97 - 97		97½ - 97½
13	Jan	3	5¼	Oct	17	Am Malt	..							
61½	Jan	3	41⅞	Oct	24	Am Malt pfd	4	May-Nov					35 - 35	
86	Jan	9	79½	June	12	Am Smelting pfd B	5	Q Jan			81⅞ - 81⅞		82 - 82	
74¾	Jan	30	58½	June	10	Am Smelting & Refin	4	Q Jan	66½ - 66	66¼ - 65⅞	66¼ - 65	67 - 65¾	66⅝ - 66⅛	65¾ - 65
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan			103⅞-103¾		103½-103⅜	103¼-103¼
193	Jan	22	150	July	9	Am Snuff	12	Q Jan						163¼-163¼
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan						
40½	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	32 - 32		32 - 32			30½ - 30½
118	Jan	31	99⅞	Dec	9	Am Sugar Ref	7	Q Jan			106½-106½			106 -106
116⅝	Jan	28	110⅛	June	12	Am Sugar Ref pfd	7	Q Jan				113½-113½		
66⅛	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar						
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	119½-119½	119⅛-119	120¼-119½	120¼-120¼	120⅜-120	119⅞-119½
294¾	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar				231⅞-231½		230¼-228
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan				107½-107½	106¾-106¾	
23½	Sept	27	15	Dec	1	Am Woolen	..							
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	73⅝ - 73⅝				74 - 74	
32¼	Jan	2	11⅞	Nov	14	Am Writing Paper pfd	..							
41½	Jan	2	30⅞	June	10	Anaconda Copper	3	Q Jan	30¾ - 30¾	31 - 30¾	31⅛ - 30½	31 - 30¾	30¾ - 30⅝	30½ - 30⅛
120	Jan	7	22	Dec	23	Assets Realization Co	..							
43⅛	Feb	19	42¼	Jan	30	Associated Oil	6	Q Jan						
106¾	Jan	6	90¼	Nov	10	Atch Top & Santa Fe	6	Q Mar	98¼ - 97¾	98¼ - 97½	98 - 97¼	98⅜ - 97⅞	98 - 97⅜	97¼ - 96¾
102¼	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug		99⅞ - 99⅞	99⅝ - 99⅝			
133¾	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	118 -118	118 -118				118½-118½
52½	Jan	8	36½	Dec	13	Baldwin Locomotive Co	2	Jan-July						
105½	June	6	100¼	June	25	Baldwin Locomotive Co pfd	7	Jan-July						107 -107
106⅜	Jan	22	90⅝	June	10	Baltimore & Ohio	6	Mar-Sept	84¾ - 83⅜	83⅞ - 82⅜	81¾ - 80½	81⅞ - 81	80⅞ - 80	80 - 78½
88	Jan	10	77¼	June	18	Baltimore & Ohio pfd	4	Mar-Sept	75⅝ - 75	76 - 75	75⅝ - 74½	76⅛ - 75¼	75¾ - 75	75¼ - 74¾
41½	Jan	9	25	June	10	Bethlehem Steel	..		40 - 40	39⅝ - 39½	40¾ - 39½	41¾ - 41⅛	41 - 40	39½ - 39
74	Aug	12	62¼	June	10	Bethlehem Steel pfd	5	Q Jan	84¼ - 84¼			85¼ - 85¼		84 - 84
92¾	May	26	83¾	June	10	Brooklyn Rapid Transit	6	Q Jan	90¼ - 90¼	90¾ - 90¾	91¾ - 91	91¾ - 91¾		90½ - 90⅛
137⅞	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	120 -120	121 -120	121 -121			
116	Jan	30	100½	June	9	Buffalo Roch & Pitts	6	Feb-Aug						
31	Feb	8	25	June	27	Butterick Co	3	Q Mar			29 - 29		29½ - 29½	
56½	Feb	3	16	Oct	22	California Petroleum	..		21⅝ - 21½	21¾ - 21⅝	22½ - 21½	23¼ - 22½	22½ - 22	21½ - 21
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan		60¼ - 60¼		61 - 61	60½ - 60½	59⅛ - 59⅛
63	Feb	13	58½	May	13	Canada Southern	3	Feb-Aug						
266¾	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	186¾ -186	186¼ -185⅛	186¾ -184½	186⅜ -185½	184¾ -183¾	183½ -180⅛
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan						
30⅛	Feb	5	17	June	10	Central Leather	2	Feb	35¾ - 35½	36 - 35½	36⅛ - 35⅜	36 - 35¾	35⅞ - 35¾	35½ - 35¼
97¼	Mar	3	88	June	10	Central Leather pfd	7	Q Jan			102½-102½	102⅛-102⅛	101¾-101⅜	101¾-101¼
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb						
80	Jan	2	51⅛	July	11	Chesapeake & Ohio	4	Q Mar	46¼ - 45¾	46½ - 45¾	47⅝ - 45¾	47¼ - 46	46¼ - 45⅜	45⅝ - 44¾
18	Jan	2	7½	June	12	Chicago & Alton	..							
25¾	Feb	25	17¼	Aug	21	Chicago & Alton pfd	..							
17⅞	Jan	9	10⅛	June	4	Chicago Great Western	..				13⅛ - 13		13 - 13	12¾ - 12½
35	Jan	9	23	June	10	Chicago Great Western pfd	..		35½ - 34¾	36 - 35	35½ - 35	35⅝ - 35½	35½ - 35⅛	34¾ - 34⅝
116¼	Jan	9	96¾	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	98½ - 98	98¼ - 96¾	99 - 96⅜	98½ - 97⅝	97⅜ - 97¼	97⅜ - 96¾
145	Jan	30	131½	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept		133⅛-133⅛				
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	131½-131½		131 -131	132 -132		130⅝-130⅝
188	Mar	3	171¼	Nov	19	Chicago & N W pfd	8	Q Jan						
125	Mar	8	119½	Aug	25	Chicago St P M & O	7	Feb-Aug						
150½	Jan	21	130½	Oct	17	Chicago St P M & O pfd	7	Feb-Aug						
47⅝	Jan	2	30⅜	June	10	Chino Con Copper	$3	Q Jan	39⅞ - 39¾	39⅞ - 38¾	40⅜ - 39½	40½ - 40	40 - 39⅝	39½ - 39¼
54	Jan	21	34⅞	Aug	26	C C C & St L	..							
94¾	Jan	16	60	Oct	16	C C C & St L pfd	..				40 - 40			
41½	Feb	3	24½	June	10	Colorado Fuel & Iron	..		25⅝ - 25⅝		25¾ - 25⅝			25¼ - 25
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July						
33	Jan	3	23¾	June	12	Colorado Southern	..					23½ - 23½		22½ - 22½
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..							
65⅛	Apr	1	55	July	1	Colorado Southern 2d pfd	..				30 - 30	30 - 30		
102¼	Feb	25	102¼	Feb	25	Consolidation Coal	6	Q Jan						
142⅜	Jan	9	125⅛	June	10	Consolidated Gas	6	Q Mar						127½-127
17⅛	Jan	31	7⅜	June	10	Corn Products Ref Co	..				8⅛ - 8⅛			8¼ - 8¼
79¼	Jan	31	61½	June	10	Corn Products Ref Co pfd	5	Q Jan		62½ - 62½		63 - 63	63 - 63	63 - 63
100⅛	Jan	16	91½	Dec	27	Deere & Co pfd	7	Q Mar	92½ - 92½		92¾ - 92¾			
167	Jan	8	147½	June	11	Delaware & Hudson	9	Q Mar		146½-146½				
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan					399½-399½	
23⅛	Jan	9	13⅜	June	11	Denver & Rio Grande	..		4⅝ - 4⅝			5 - 5		5 - 5
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..		9½ - 9	9⅞ - 9⅞	10 - 9⅛	10¼ - 9¼	9¼ - 8¾	9⅛ - 9⅛
30⅜	Feb	4	67½	June	3	Detroit United Railway	6	Q Mar						
21¼	Jan	2	9¾	June	10	Distillers' Securities					14¾ - 14¾			

Range for 1913 High.			Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 18. High. Low.	Monday. July 20. High. Low.	Tuesday. July 21. High. Low.	Wednesday. July 22. High. Low.	Thursday. July 23. High. Low.	Friday. July 24. High. Low.
8½	Jan	2	4	Dec 19	Duluth S S & Alt	..	.....	....	....	....	....	....	....
16¼	Jan	2	10	July 11	Duluth S S & Alt pfd	..	.....	....	....	....	....	....	....
32½	Jan	6	20¼	June 19	Erie	..	.....	26¼ - 25½	25⅞ - 25⅛	25¾ - 24⅝	26 - 25½	25⅞ - 24¾	24¾ - 23⅝
49½	Jan	30	33½	June 10	Erie 1st pfd	..	.....	40¾ - 40	39½ - 39	39⅛ - 38⅞	39⅞ - 39½	39 - 38¾	37⅞ - 35¾
41	Jan	30	28¼	June 10	Erie 2d pfd	..	.....	....	....	....	32 - 32	31½ - 31½	30 - 30
18	Jan	22	11	Dec 17	Federal Min & Smelt	..	.....	....	....	....	....	....	....
44	Jan	2	33	Mar 19	Federal Min & Smelt pfd	6	Q Mar	....	....	....	....	....	....
185⅛	Apr	23	175	Jan 14	General Chemical	6	Q Mar	....	....	....	....	....	....
109⅞	Jan	6	105	Sept 10	General Chemical pfd	6	Q Jan	....	....	....	....	....	....
187	Jan	2	129¾	June 10	General Electric	8	Q Jan	....	148⅛-147½	....	148⅛-148⅛	147½-147½	146½-146
40	Aug	18	25	May 15	General Motors	..	.....	....	92 - 91	....	89 - 88	88 - 87½	90 - 89¾
81¾	Sept	30	70	May 8	General Motors pfd	7	May-Nov	91⅞ - 91⅞	92 - 92	92 - 91	91½ - 91½	....	91¼ - 91¼
180	Jan	11	150	May 19	Geo W Helme Co	..	.....	....	....	....	....	....	....
68	Jan	2	15½	Nov 29	Goodrich (B F) Co	..	.....	....	24¼ - 24	25 - 24	25¼ - 24¾	....	24¼ - 24
105¼	Jan	7	73⅜	Nov 29	Goodrich (B F) Co pfd	7	Q Jan	....	....	....	....	....	....
132⅝	Jan	9	115½	June 10	Great Northern pfd	7	Q Feb	121½-121½	122 -121⅛	123 -121¼	122½-122¼	122¼-121¾	122 -120
41¼	Jan	3	25½	June 10	Great Northern Ore ctfs	..	.....	30⅝ - 30⅝	31 - 30¾	30 - 30	....	30¼ - 29¾	30 - 30
52¾	Jan	7	40¾	July 11	Guggenheim Exploration	3½	Q Jan	....	53½ - 53⅛	53⅝ - 53⅝	54¼ - 54¼	....	....
87	Feb	6	80	Oct 17	Havana Electric Ry	5	Q Feb	....	....	....	....	....	....
96	Jan	8	90	Nov 5	Havana Electric Ry pfd	6	Q Feb	....	....	....	....	....	....
125	June	4	125	June 4	Hocking Valley	8	Q Mar	....	....	....	....	....	....
120	Nov	26	100⅜	July 7	Homestake Mining	65c	Monthly	....	....	....	....	....	....
128⅞	Feb	5	102¾	Dec 16	Illinois Central	5	Mar-Sept	....	....	112 -112	112 -112	....	111 -111
39	Jan	11	5	June 6	Inter Agricultural Corp	..	.....	9½ - 9½	....	....	....	10½ - 9½	10 - 10
90	Jan	3	26	Dec 24	Inter Agricultural Corp pfd	..	.....	....	....	....	....	....	....
195⅝	Jan	30	123⅛	June 4	Interborough-Met	..	.....	13⅜ - 13¾	14⅛ - 13⅞	14¼ - 14¼	14 - 13⅞	13⅞ - 13¾	13⅝ - 13½
65⅜	Jan	30	45	June 4	Interborough-Met pfd	..	.....	63¼ - 62¾	....	63 - 62⅝	63 - 63	....	62½ - 62
110¼	Sept	17	95½	June 10	International Harv	5	Q Jan	....	....	....	....	....	....
114¾	Sept	19	111	May 12	International Harv pfd	7	Q Mar	....	....	....	....	....	....
4⅝	Jan	2	2⅞	June 10	Int Mercantile Marine	..	.....	....	2⅛ - 2	2 - 2	....	....	2⅛ - 2
19½	Jan	7	12½	June 4	Int Mercantile Marine pfd	..	.....	7¾ - 7¼	....	7¾ - 7¾	....	....	....
125⅜	Jan	30	6½	Oct 9	International Paper	..	.....	....	....	....	....	....	....
48½	Jan	30	32⅛	Oct 15	International Paper pfd	2	Q Jan	....	33½ - 33	33½ - 33½	33⅛ - 33⅛	33 - 33	....
18½	Jan	9	4½	Dec 8	Inter Steam Pump	..	.....	....	....	....	....	3 - 3	....
70	Jan	9	157⅞	Dec 16	Inter Steam Pump pfd	..	.....	....	....	....	....	....	....
10⅛	Jan	30	7½	July 22	Iowa Central	..	.....	....	....	....	....	....	....
23	Jan	2	13	June 6	Iowa Central pfd	..	.....	....	....	....	....	....	....
94	Feb	3	77	Dec 31	Kan City Ft S & M pfd	4	Q Jan	....	....	....	....	....	....
110	Jan	2	106½	Oct 10	Kansas City Southern	..	.....	25½ - 25½	26½ - 26¼	27 - 26⅛	26⅝ - 26⅝	26¾ - 26½	26⅜ - 25⅞
78	Jan	7	53½	Sept 9	Kan City Southern pfd	4	Q Jan	....	....	59½ - 59½	....	60 - 60	59¼ - 59¼
28⅜	July	28	21⅜	June 5	Kayser (Julius) & Co	6	Q Jan	....	....	....	....	....	....
61½	Jan	7	56	June 11	Kayser (Julius) & Co pfd	7	Q Feb	....	....	....	....	....	....
83	Sept	15	58	June 9	Kresge (S S) Co	6	Jan-July	....	....	....	....	....	....
102	Jan	4	97	June 10	Kresge (S S) Co pfd	7	Q Jan	....	....	....	....	....	....
49⅞	Feb	4	29⅞	June 7	Lackawanna Steel	..	.....	30½ - 30½	....	....	....	....	....
104½	Jan	8	90¾	June 10	Laclede Gas	7	Q Mar	....	....	92⅛ - 92⅛	....	....	91 - 90⅞
11½	Feb	5	7	May 2	Lake Erie & Western	..	.....	....	....	....	....	....	....
35	Jan	6	16	Nov 10	Lake Erie & Western pfd	..	.....	....	....	....	....	....	....
168⅜	Jan	2	141¼	June 10	Lehigh Valley	10	Jan-July	136½-136	135⅞-134½	136⅜-135	136¼-134¾	134⅝-132⅝	133¼-132¾
235	Mar	6	195	June 6	Liggett & Myers	12	Q Mar	....	....	....	....	....	....
116½	Jan	23	106½	July 22	Liggett & Myers pfd	7	Q Jan	....	....	....	....	....	....
43⅛	Jan	6	30	June 10	Long Island	..	.....	....	....	34 - 34	35 - 35	....	....
200	Jan	28	150	June 13	Lorillard (P) Co	10	Q Jan	....	....	....	....	....	....
116½	Jan	22	103	June 10	Lorillard (P) Co pfd	7	Q Jan	....	....	....	....	....	....
142¼	Jan	10	126¼	June 11	Louisville & Nashville	7	Feb-Aug	133¾-133¾	133½-133½	....	....	133½-133¼	133 -133
87	Jan	21	75⅝	July 24	Mackay Companies	5	Q Jan	....	....	....	....	80¾ - 80	....
69	Apr	7	62	Dec 17	Mackay Companies pfd	4	Q Jan	....	....	....	....	....	....
132⅝	Feb	7	127	June 9	Manhattan Elevated	7	Q Jan	....	....	....	....	....	....
76⅞	Jan	2	65	Oct 14	May Department Stores	5	Q Mar	....	....	....	....	....	....
105½	Jan	2	97½	June 10	May Dept Stores pfd	7	Q Jan	....	....	....	....	....	....
78¼	Feb	4	41¾	Nov 13	Mexican Petroleum	..	.....	64 - 64	64 - 64	65½ - 63⅛	67¾ - 65	68½ - 67⅜	67 - 66
99¾	Jan	2	69	Nov 24	Mexican Petroleum pfd	..	.....	....	....	....	....	....	....
26½	Jan	4	20⅜	June 10	Miami Con Copper	50c	Q Feb	22¼ - 22	22⅛ - 22	22¼ - 22	22⅜ - 22⅜	22⅛ - 22⅛	22 - 22
22¼	Jan	2	12	June 11	Minn & St. Louis	..	.....	....	....	....	....	....	....
47	Jan	29	30	Dec 4	Minn & St. Louis pfd	..	.....	....	....	....	....	....	....
142¼	Jan	9	115¼	June 11	M St P & S S M	7	Apr-Oct	124 -123	....	124 -124	123¾-123⅜	123½-122	120⅜-120
145	Apr	8	131	Nov 12	M St P & S S M pfd	7	Apr-Oct	....	....	....	....	132¼-131	....
83½	Mar	5	81½	Dec 10	M St P & S S M I'd line	4	Apr-Oct	....	....	....	....	....	....
29⅛	Jan	7	18⅛	June 10	Missouri Kan & Tex	..	.....	11½ - 10½	11⅞ - 10⅞	12¼ - 11¼	12½ - 12	12⅛ - 11⅞	11¾ - 11
64½	Apr	11	52	June 10	Missouri Kan & Tex pfd	..	.....	29 - 27¾	28⅜ - 27¾	30½ - 29	30½ - 29½	30¼ - 30¼	30 - 29¼
43⅝	Jan	9	21¼	Dec 23	Missouri Pacific	..	.....	11⅜ - 10⅞	11 - 10¾	11 - 10	10⅞ - 9¼	9¾ - 9⅛	9⅞ - 9¼
.....	.....	.....	.....	.....	Montana Power	2	Q Jan	....	48½ - 48½	....	48¾ - 48⅝	....	....
.....	.....	.....	.....	.....	Montana Power pfd	7	Q Jan	....	....	....	....	....	....
170	Jan	14	132½	June 9	Nashville Chatt & St L	7	Feb-Aug	....	....	....	....	....	....
130	Sept	13	104	June 11	National Biscuit Co	7	Q Jan	....	131¼-131½	131 -131	....	131½-131½	132 -132
124⅞	Jan	8	116	June 4	National Biscuit Co pfd	7	Q Feb	....	....	....	....	....	....
19¾	Jan	30	9	June 5	National Enameling	..	.....	10¼ - 10¼	....	10¼ - 10¼	....	....	10⅛ - 10⅛
92¼	Jan	30	74¼	Oct 21	National Enameling pfd	7	Q April	....	....	....	....	....	....
56¼	Jan	2	43	Oct 20	National Lead Co	3	Q Mar	....	....	45 - 43	427⅛ - 413¾	....	....
107¾	Oct	4	102	Oct 31	National Lead Co pfd	7	Q Mar	....	107½-107½	....	107 -107	....	....
59	Mar	3	31	Dec 8	Nat Rys of Mex 1st pfd	..	.....	....	....	....	....	....	....
27½	Jan	2	8¾	Dec 26	Nat Rys of Mex 2d pfd	..	.....	....	....	....	....	....	....
20	Jan	2	13	June 10	Nevada Con Copper	37½c	Q Mar	....	13⅞ - 13¾	13¾ - 13¾	....	13⅝ - 13½	13⅝ - 13½
82½	Jan	8	56	July 16	New York Air Brake	6	Q Jan	....	....	....	....	65 - 65	....
109¾	Jan	30	90¾	Dec 15	New York Central	5	Q Jan	86⅛ - 84⅜	85⅜ - 84⅝	86¼ - 84⅛	85¾ - 85⅛	85⅛ - 84⅛	84½ - 82⅝
63¼	Jan	15	47	Dec 31	N Y Chicago & St L	..	.....	35 - 35	....	....	....	....	....
10	Oct	14	8	Nov 10	New York Dock	..	.....	....	....	....	....	....	....
129⅞	Jan	10	65¾	Dec 12	N Y N H & Hartford	..	.....	54¼ - 52¼	54 - 52½	53¼ - 51⅞	52¼ - 51	53 - 51¼	52¼ - 51¼
22⅞	Jan	11	7¾	June 11	N Y Ontario & West	..	.....	....	20 - 20	20 - 20	20½ - 20¼	20 - 20	19⅞ - 19⅞
47½	Apr	5	29	Dec 19	Norfolk & Southern	½	Jan	....	....	....	....	....	26½ - 26⅛
113½	Jan	3	98	June 10	Norfolk & Western	6	Q Mar	104½-103⅞	....	104⅛-103½	....	....	104⅛-103⅞
87	Feb	13	84¼	Aug 16	Norfolk & Western pfd	4	Q Feb	....	....	87 - 85	....	....	....
81½	Jan	9	60	June 9	North American	5	Q Jan	....	....	75 - 75	....	....	....
75¾	Jan	15	54	Dec 27	Northern O Tr & Light	5	Q Mar	....	....	....	....	....	....
122⅝	Jan	6	101¾	June 10	Northern Pacific	7	Q Feb	109¼-108½	109 -108½	109½-108⅛	109½-109	109⅛-108¼	108 -106⅜
31½	Jan	10	16	June 10	Pacific Mail	..	.....	....	....	....	....	20 - 20	20 - 20
46	Jan	4	22	Nov 18	Pacific Tel & Tel	..	.....	....	....	....	....	....	23½ - 23½
96	Feb	19	82	Dec 4	Pacific Tel & Tel pfd	6	Q Jan	....	....	....	....	....	....
123¾	Jan	7	106	Dec 13	Pennsylvania Railroad	6	Q Feb	110⅜-110	110¼-109¾	111 -109⅞	110¾-110¼	110¾-109⅞	109¾-109

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 18. High. Low.	Monday. July 20. High. Low.	Tuesday. July 21. High. Low.	Wednesday. July 22. High. Low.	Thursday. July 23. High. Low.	Friday. July 24. High. Low.
129¾	Sept 23	104	June 10	Peoples' Gas & Coke.....	8	Q Feb	....	120 -119⅞	120 -120	....	120½-120½	120 -120
99⅞	Jan 29	85	Sept 12	Philadelphia Co.....	7	Q Feb	....	....	....	....	....	....
104	June 11	77⅛	Dec 11	P C C & St Louis.....	3	Q Jan	66 - 66	....	....	....	....	65⅜- 65⅛
100	June 25	100	June 25	P C C & St Louis pfd.....	4	Q Jan	....	....	....	....	....	....
24⅜	Jan 2	14½	June 11	Pittsburgh Coal.....	..	.....	19¾- 19½	....	20 - 20	20½- 20	....	19⅜- 18¾
95	Jan 9	73	June 11	Pittsburgh Coal pfd	5	Q Jan	....	....	....	90¾- 89¾	....	89 - 89
100	Jan 6	90	Nov 12	Pittsburgh Steel pfd	7	Q Jan	....	87½- 87½	....	....	....	....
36	Jan 7	18½	June 10	Pressed Steel Car	3	Q Mar	43 - 43	42½- 42½	43¾- 43⅛	43⅝- 43⅝	43 - 43	42 - 41¼
101⅛	Jan 7	88½	June 10	Pressed Steel Car pfd	7	Q Feb	....	....	....	....	....	....
118	Jan 21	105	Dec 12	Public Service Corp N J ..	6	Q Jan	....	....	....	....	....	....
165	Jan 2	149	Sept 5	Pullman Co.....	8	Q Feb	....	157 -157	157 -156	....	156⅛-156⅛	....
4⅜	May 16	1	Dec 11	Quicksilver Co	..	.....	....	....	....	....	....	....
8	May 17	2	Dec 11	Quicksilver Co pfd.....	..	.....	2 - 2	....	....	....	2½- 2½	....
35	Jan 9	22¼	June 11	Railway Steel Spring	..	.....	....	....	....	....	....	26⅛- 26⅛
100	Jan 13	90¼	June 10	Railway Steel Spring pfd..	7	Q Mar	....	....	....	....	....	90 - 90
22	Jan 2	15	June 10	Ray Consol Copper	37½c	Q June	20⅞- 20⅝	20¾- 20⅝	20⅞- 20⅝	20⅞- 20⅞	20⅞- 20⅞	20⅞- 20⅜
171¾	Dec 26	151⅜	June 10	Reading	8	Q Feb	161⅞-160¾	161⅝-160¾	162½-160½	162⅝-162	162½-161¼	161⅝-160¼
92½	Apr 10	82½	Oct 14	Reading 1st pfd	4	Q Mar	....	....	89¼- 89¼	....	....	88 - 88
95	Apr 10	84	June 10	Reading 2d pfd	4	Q Jan	....	86 - 86	....	....	85 - 85	....
28⅜	Jan 31	17	June 10	Republic Iron & Steel	..	.....	....	21⅝- 21½	22 - 21⅝	....	22 - 20⅛	20¼- 20
92¼	Sept 13	72	June 11	Republic Iron & Steel pfd..	7	Q Jan	....	84⅛- 84⅛	....	....	84½- 82	81½- 81¼
24⅞	Feb 4	11⅝	Oct 17	Rock Island	..	.....	1⅛- ⅞	....	....	1⅛- 1	⅞- ⅞	1 - ⅞
44¾	Jan 2	17½	Oct 17	Rock Island pfd	..	.....	2¼- 2	2 - 2	2 - 2	1⅞- 1½	1⅜- 1⅜	1½- 1⅜
92¼	Jan 7	14	Nov 24	Rumely (M) Co.....	..	.....	....	....	10 - 9½	9½- 9	10 - 10	....
99¾	Jan 4	33	Dec 18	Rumely (M) Co pfd.....	..	.....	....	....	....	....	....	27 - 26
20¾	Apr 1	14½	June 10	Seaboard Air Line.....	..	.....	17½- 17	18 - 18	17½- 17½	....	....	17⅜- 17⅜
49⅜	Sept 23	38	June 12	Seaboard Air Line pfd.....	4	Q Nov	53½- 53½	53 - 53	53¾- 53⅜	53¾- 53¾	54 - 53¾	53¾- 53
19¾	Jan 11	2¾	June 17	St L & San Fran	..	.....	....	....	....	....	....	....
59	Feb 11	13	June 28	St L & San Fran 1st pfd...	..	.....	....	....	....	....	....	....
29	Jan 11	5½	June 17	St L & San Fran 2d pfd....	..	.....	....	....	....	4 - 4	....	....
96½	May 15	96½	May 15	St L & S F C & E I pf ctf..	..	.....	....	....	....	....	....	....
35½	Jan 13	20	Dec 19	St Louis S W.....	..	.....	....	....	....	....	20 - 20	....
75	Jan 9	56¼	Dec 20	St Louis S W pfd.....	2	Q Jan	37 - 37	....	....	....	....	....
213½	Jan 2	154¾	June 12	Sears-Roebuck	7	Q Feb	192 -192	....	....	....	195 -193⅝	....
124½	Jan 2	116	June 19	Sears-Roebuck pfd.....	7	Q Jan	....	....	....	....	....	....
45½	Jan 28	23	July 8	Sloss-Sheff St & I Co.....	..	.....	....	....	....	26¼- 26¼	....	....
93¼	Feb 8	88	Apr 30	Sloss-Sheff St & I Co pfd..	7	Q Jan	....	....	....	....	....	....
110	Jan 30	83	Nov 10	Southern Pacific	6	Q Jan	96⅜- 95⅝	96⅛- 95⅝	96⅞- 95⅝	96¾- 96¼	96¼- 95½	95⅜- 94⅝
28⅝	Jan 2	19⅛	June 12	Southern Railway	..	.....	21½- 20⅝	21¾- 21	22¼- 21½	22⅜- 22	22 - 20¾	20¾- 20¼
81½	Mar 26	72	June 10	Southern Railway pfd.....	5	Apr-Oct	77 - 77	77¼- 76⅝	....	....	77½- 75	75 - 74⅝
40½	Jan 31	31	Dec 9	Standard Milling	3	June	....	....	....	....	....	....
66⅞	Feb 4	52½	May 1	Standard Milling pfd.....	5	Apr-Oct	....	....	....	....	....	....
36	Feb 6	15¾	Dec 1	Studebaker	..	.....	30 - 30	30¼- 29⅞	30¾- 30	32½- 31	33 - 31⅞	33¼- 32¾
93¼	Jan 13	64¼	Nov 10	Studebaker pfd.....	7	Q Mar	....	....	....	....	....	....
39½	Jan 4	26¾	June 10	Tennessee Copper	75c	Q Mar	32½- 32½	32⅝- 32⅝	33½- 32⅝	....	33 - 33	32½- 32½
132½	Dec 31	89	June 10	Texas Co	10	Q Mar	139¾-138¾	138¾-134½	136½-134½	136½-135⅛	135¼-135¼	135 -134⅞
22⅝	Jan 28	10¼	June 4	Texas Pacific	..	.....	13¼- 13¼	13¼- 13¼	14 - 13¾	....	....	....
97	Jan 18	93	June 4	Texas Pacific Land Tr....	..	.....	....	....	....	....	....	....
43⅜	Sept 23	27⅞	June 10	Third Avenue R R.....	..	.....	....	40⅜- 40¼	41¼- 40¾	41½- 41⅜	41⅛- 41⅛	40 - 39¾
3	Jan 14	2	June 4	Toledo Railways & Light..	..	.....	....	....	....	....	....	....
13	Jan 9	7⅛	July 9	Toledo St L & W.....	..	.....	5¾- 5	6½- 6½	6 - 6	....	....	5 - 5
29¾	Jan 9	15¼	June 4	Toledo St L & W pfd.....	..	.....	11 - 9½	11 - 10	10½- 10½	....	....	10 - 10
109	Sept 6	101⅛	June 6	Twin City Rap Tran.....	6	Q Jan	....	....	102 -102	....	101⅝-101⅝	....
7⅜	Jan 3	4	Nov 14	Union Bag & Paper Co....	..	.....	....	....	....	5 - 5	....	4½- 4½
41¾	Jan 3	18½	Nov 20	Union Bag & Paper Co pfd	..	.....	....	....	....	....	....	....
99½	Jan 3	78	June 10	Underwood Typewriter	4	Q Jan	....	....	....	....	....	....
113	Jan 21	104	July 10	Underwood Typewriter pfd	7	Q Jan	....	....	....	....	....	105¾-105¾
162¾	Jan 6	137¾	June 11	Union Pacific	8	Q Jan	157⅛-155⅞	c127¼ c126	128⅛-126⅜	128¾-127½	127⅝-126⅝	126¾-125¼
93½	Jan 6	79¾	June 10	Union Pacific pfd.....	4	Apr-Oct	81½- 81¼	82½- 82⅛	82⅝- 82¼	82¼- 82	81⅞- 81⅞	82 - 81½
60½	Feb 7	40¼	June 10	United Cigar Mfg Co.....	4	Q Nov	....	44⅝- 44½	44½- 44½	....	....	....
103	May 7	96	Sept 3	United Cigar Mfg Co pfd..	7	Q Mar	....	....	....	....	....	....
101	Jan 8	87	July 2	United Dry Goods.....	..	.....	....	....	....	....	....	....
105½	Jan 14	95	Dec 16	United Dry Goods pfd....	..	.....	66⅞- 66¾	67 - 67	....	....	65 - 65	63 - 63
35½	Jan 3	16	June 11	United Rys Invest Co.....	..	.....	....	....	11½- 11½	....	10 - 10	....
63½	Jan 3	30	June 11	United Rys Invest Co pfd..	..	.....	....	31½- 31½	30 - 29	28 - 28	27 - 25½	26½- 26
16¾	Jan 30	9¼	June 10	U S Cast Iron Pipe.....	..	.....	....	....	....	....	....	....
56¾	Jan 31	40	Dec 31	U S Cast Iron Pipe pfd....	4	Jan	31 - 31	....	....	....	....	....
44	Jan 6	25	June 9	U S Industrial Alcohol	..	.....	....	....	....	....	....	....
97	Mar 4	85	June 18	U S Industrial Alcohol pfd.	7	Q Jan	....	....	....	....	....	....
77	Jan 9	49¾	Nov 28	U S Realty & Improv.....	5	Q Feb	....	....	....	....	....	....
1⅞	Jan 16	½	Sept 25	U S Reduc & Refin.....	..	.....	....	....	....	....	....	....
4	Jan 10	3	Apr 25	U S Reduc & Refin pfd....	..	.....	....	....	....	....	....	....
69½	Apr 4	51	Nov 10	U S Rubber	6	Q Jan	....	....	56⅛- 56⅛	56⅞- 56¾	57 - 57	56⅝- 56½
109¾	Apr 9	98	June 10	U S Rubber 1st pfd.....	8	Q Jan	101¼-100⅞	101¼-101¼	....	101½-101½	101½-101½	....
81½	Jan 9	78¾	Feb 13	U S Rubber 2d pfd.....	6	Q Jan	....	....	....	....	....	....
69⅛	Jan 2	49⅞	June 11	U S Steel	5	Q Mar	60⅝- 59⅝	60½- 60	61⅝- 60	61⅞- 61	61⅜- 60⅝	60⅜- 59½
110¾	Jan 30	102½	June 10	U S Steel pfd.....	7	Q Feb	....	109⅞-109¾	109¾-109¾	110¼-109⅞	110¾-110	110 -110
60⅝	Jan 2	39⅝	June 10	Utah Copper	75c	Q Mar	56⅝- 56⅜	56¼- 56	57 - 56	57 - 56⅝	56¾- 55⅞	56 - 55¼
43⅛	Jan 3	22	July 1	Va-Car Chemical	..	.....	....	....	28 - 27⅝	28 - 27⅞	27⅞- 27⅞	27⅜- 27½
114	Jan 3	93	June 30	Va-Car Chemical pfd.....	8	Q Jan	100 -100	....	100 -100	100 -100	....	....
54	Jan 28	36	Dec 15	Va Iron Coal & Coke.....	..	.....	....	....	....	....	....	....
58	Feb 13	51	Jan 7	Va Ry & Power.....	3	Apr-Oct	....	....	....	....	....	....
90¾	Dec 11	89	July 24	Va Ry & Power pfd.....	6	Jan-July	....	....	....	....	....	....
21¾	Jan 24	11¼	Aug 8	Vulcan Detinning	..	.....	....	....	....	....	....	....
90	Jan 6	49	Oct 1	Vulcan Detinning pfd.....	..	.....	....	....	....	....	....	....
6	Aug 12	2	June 11	Wabash	..	.....	....	....	....	....	¾- ¾	....
17⅛	Aug 13	6⅛	July 8	Wabash pfd	..	.....	2⅜- 2⅜	....	....	....	....	2¼- 2¼
123	Jan 6	85¼	Dec 18	Wells-Fargo Express.....	6	Jan-July	....	....	....	....	....	....
46	Jan 2	28¾	Dec 12	Western Maryland Ry.....	..	.....	15½- 15	....	16¼- 16¼	18 - 17⅞	....	16½- 16½
65	Jan 27	53½	June 18	Western Maryland Ry pfd.	..	.....	....	....	....	....	....	....
75⅛	Jan 9	54⅛	Dec 22	Western Union Tel.....	4	Q Jan	58¾- 58½	59¼- 58¾	59¼- 58½	59 - 58½	59 - 58¼	58½- 58
79¼	Jan 2	53⅝	June 10	Westinghouse E & M.....	4	Q Jan	78¼- 77½	78½- 77⅞	79½- 78⅝	79¼- 78¾	78⅝- 78¼	78¼- 77½
119¾	Jan 7	107⅞	June 13	Westingh'se E & M 1st pfd	7	Q Jan	....	....	....	....	....	....
8	Jan 3	3¾	Oct 24	Wheeling & L E.....	..	.....	3½- 3½	3⅛- 3	2¾- 2¾	....	....	....
28⅛	Jan 13	13	June 11	Wheeling & L E 1st pfd...	..	.....	....	12½- 12	....	....	....	....
14	Jan 3	5⅝	Dec 19	Wheeling & L E 2d pfd....	..	.....	....	4¼- 4⅛	3½- 3½	....	....	....
58½	Apr 23	40⅛	June 11	Wisconsin Central	..	.....	....	38½- 38½	....	....	38 - 38	38 - 38
112	Jan 2	81½	June 20	Woolworth (F W) Co.....	6	Q Feb	....	....	....	....	....	....
115½	Jan 3	109	June 14	Woolworth (F W) Co pfd..	7	Q Jan	....	118 -117½	....	118 -118	....	....

c Ex. dividends. e Ex. rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Cables	487.25	487.75	488	488.40	488.85	488.85
Demand	486.90	487.35	487.60	487.85	488.15	488.15
Sixty days sight	484¾	484½	484¾	484¾	485	485
Ninety days sight	482¾	483½	483¾	483¾	484	484
Francs—						
Sixty days sight	520	519⅜—1-16	519⅜—1-16	519⅜	518¾	518¾
Ninety days sight	521¼	520⅝—1-16	520⅝—1-16	520⅝	520	520
Reichsmarks—						
Sixty days sight	94½+1-32	94⅝	94⅝	94⅝+1-32	94⅝	94⅝
Ninety days sight	94¼+1-32	94⅜	94 7-16	94 7-16	94½—1-32	94½—1-32

THE COFFEE SITUATION AT THE CLOSE OF THE SEASON OF 1913-1914

THE well-known New York firm of coffee merchants, Messrs. Henry Nordlinger and Company, has devoted a recent market letter to an interesting survey of the coffee situation, both as regards the season ended June 30, 1914, and as regards the immediate outlook, consideration being taken of the existing status of the Valorization Plan and of the financial and economic conditions in Brazil. The statement is as follows:

"The crop movement during the fiscal year just ended showed an increase of over 1,100,000 bags in the arrivals of mild coffees [as contrasted with Brazilian coffees] in consuming markets, an increase of 1,000,000 bags in the world's visible supply [of all kinds of coffee] and an increase of 1,750,000 bags [of all kinds of coffee] in the withdrawals from port stocks in Europe and the United States.

"We must from now on calculate on a production of approximately 5,000,000 bags of mild coffee in place of 4,000,000 bags as in recent years; but, judging by last year's experience, when the increase in the production of mild coffees did not materially add to the visible supply of these kinds, the world's consumption of mild coffees increased in like proportion. Some of our friends express the opinion that a part of the demand for mild sorts was due to the unsatisfactory cup quality of the last Santos crop, but we cannot agree with this contention as far as the consumption in the United States is concerned, and ascribe the more liberal use of mild coffee to the operation of the pure food law, which is now better understood.

"The stock of mild coffees in the United States on the 1st instant was only about 280,000 bags, being a trifle less than at the same time last year, and not more than sufficient for a normal consumption of about two and a half months. Arrivals of these kinds are now very small and will continue to be so until the marketing of the next crop, which will take place after the turn of the year. We, therefore, expect to see prices ruling steady until then, but may in the meantime experience an advance in the price of desirable qualities, of which the supply is very scant.

"The world's visible supply of all kinds of coffee on July 1, and the New York Spot Price of Rio 7's on that date, for each of the past eight years, was as follows:

	World's Visible Supply.	New York Spot Price, Rio 7's.
1914	11,302,000	8⅞
1913	10,285,000	9¾
1912	11,048,000	14¾
1911	11,070,000	13¼
1910	13,719,000	8⅜
1909	12,841,000	7⅝
1908	14,126,000	6¼
1907	16,400,000	6⅜

"We believe that the visible supply next July 1st will be less than 10,000,000 bags, basing our calculation on the reduction of the incoming crops and on the continuation of consumption to about the same extent as was experienced during the last fiscal year.

"The financial situation in Brazil has undergone some improvement, as is verified by the fact that the Brazil rate of exchange has been ruling above par during the last six weeks. The improvement in that condition can at best be only a slow one, as the crisis through which that country passed was very severe.

"The press reported a few weeks ago that a Brazilian Federal Loan of twenty million pounds sterling had been underwritten by European and American financiers; but, in accordance with recent reports, onerous conditions were made by the underwriters, which the Brazilian Government is reported to have refused to accede to. We have not the least doubt that Brazil will in due time succeed in obtaining all the funds necessary for legitimate requirements, but we entertain serious doubt that any funds will be available for speculative purposes or reckless expenditures.

"The Bankers' Committee which was charged with the management of the Sao Paulo Government coffee was dissolved on the 12th ultimo., and the functions of this committee were then transferred to an Advisory Council of Four, which 'will attend to the careful liquidation of the remaining coffees'. The Sao Paulo Government's holdings consist of 2,622,000 bags of Santos and 520,000 bags of Rio coffees,—together, 3,142,000 bags, all stored in Europe. Three of the council are very prominent coffee merchants who understand the position thoroughly, and who are not likely to take any drastic actions. It is, of course, not known what steps they will take with regard to the liquidation of the remaining coffees, and it would tend to settle conditions materially, if the Council would take the trade into their confidence as to their plans in this respect.

"There are no Sao Paulo Government holdings in the United States. The actions which the Advisory Council may take, therefore, would affect European markets more directly than ours, although a sympathetic effect would naturally be felt here. As long as their course of action remains a mystery, the trade will be very reluctant to carry more than necessary supplies, even should natural conditions offer an inducement to stock up. Such conditions, we believe, are prevailing now. We are at the beginning of a crop which is generally acknowledged to be fully one and a half million bags smaller than consumption requires, and ruling prices are certainly moderate."

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

AT the time of this writing, the modern world is under the blackest cloud that ever descended upon it. Never before, since the close of the Dark Ages, has the civilized part of humanity been threatened with so general a disaster as now; and never before in all the history of the human race have so many hundreds of millions of human beings been brought face to face with death or ruin. It is not merely that the lives of greater hosts of armed men than have ever before in recorded history been gathered together are exposed to extinction, but the suffering and loss of those not in the line of battle, nor even immediately concerned with the battle itself, must, if the great conflict of nations is entered upon, exceed many times over all previous human experience. Not a nook or cranny of the globe can avoid some part of the evil effects. It is one of the chief glories of our modern times that all humanity is bound together by railroads and steamships and telegraphs and cables, and by the relations of business and personal intercourse which these physical instrumentalities have made possible. The affairs of men all over the earth have become inextricably interwoven and the gain of one nation has become the gain of all. But, as the French say, *tout se paie*—there is a price that must be paid for everything. And the price that must be paid for the easy and prompt distribution of good through the nations, is the easy and prompt distribution of evil, if evil comes. When the evil is of unheard-of proportions, its distribution over the whole of mankind leaves none untouched. Hence the repercussions of the general war among the great nations of Europe, if once that war is joined, must reach the remotest citizen of the remotest country. Even the apprehension of so appalling an event has already brought panics in the markets not only of Europe, but also of North and South America, of Asia, of Australasia and even of remote South Africa. Everywhere those who deal in securities or commodities find their calculations upset, their credit to a large degree inoperative, and their usual expedients for protecting themselves against ruinous losses rendered vain. Through these intermediaries between industry or agriculture and the public, the trouble is communicated to the public itself, first to the managers of industry and agriculture and then to all those engaged in these pursuits, great or small, who in fact constitute the public. Each and every member of the public, then, wherever he may be in the world, must ultimately pay his share of the great loss.

Dark as the outlook is, we do not believe that there will be a general European war; and we say this, despite the fact that it is possible that by the time this paper issues from the press two or more of the great nations of Europe may have begun hostilities against each other. It is too little remembered, however, on occasions of this kind that what is seen and recorded by the press is the menacing exterior of things; and that the tremendous forces of counteraction and restraint gather themselves and do their work, unseen and unheard of until their object has been attained. It is inconceivable that the men in whose hands lies the welfare of the nations of Europe, other than imperious and enraged Austria-Hungary and vindictive Servia, with her semi-barbarous patron, Russia, should not be at this very moment bringing into play the innumerable instrumentalities of peace which they have at their command. Their task is indeed a great one, for there is a conflict of policy in Europe with regard to the true means of assuring peace. The older principle of the Balance of Power in Europe, which England has for centuries preeminently represented and fought for, was through Bismarck's restless and ambitious statecraft in the interest of Germany replaced for the greater part of Continental Europe by the theory of groups of allied nations strong enough, when acting in concert, to over-awe such countries as might be aggressive or discontented with their position. The Triple Alliance, begotten of Bismarck's theory, was in its heyday sufficient to accomplish Bismarck's purpose; and the tradition of its efficacy has become strong in the three members of the Alliance, and in many countries outside it. But it was not to be expected that such a *consortium* would remain without imitation. If Germany could find overpowering strength in such an association of nations, the same would obviously be true of other nations little disposed to see Germany the mistress of their world. The Dual Alliance between France and Russia, followed by the Triple Entente, which brought England into this second association of nations, was the logical and virtually unavoidable result. Here the Bismarckian theory, which had been regarded by its author as a miracle of statecraft and which for a generation was so taken by the majority of the politicians of Europe, was proved to be nothing more than a certain means of dividing Europe into two vast armed camps, supported by the toiling millions and obliged to keep ever on the *qui vive*, lest one

almost absolute confidence that there will be no general European war. The arguments of the pacificators would have done their work; and any superficial indications of continued animosity would be mere playing for position in the final settlement of the questions at issue.

There is, however, the possibility that our prognostications may be proven false by the event; and in the present excited state of the public mind, even in the United States, remote from the actual seat of the trouble, it is desirable to consider with calmness what will be the longer effects of a war embracing practically all of Europe. The disposition now is to dwell upon the vast loss of life, the huge waste of property, the universal destruction of credit, the deadly economic lassitude for long years of the countries which have spent their all of energy and capital in the titanic struggle. We hear it said on every hand that Europe would not recover from the effects of such a war in a half-century; that she must employ for at least that period of time such capital as she might painfully save to repair the damages and losses she had suffered; that the countries which have been relying upon European assistance to develop their unworked resources, whether these countries be in North and South America, in Australasia, in Asia or in Africa will henceforth be forced to rely upon themselves. In other words, it is alleged that the whole great system of modern finance, having its domicile in Europe and reaching out to every undeveloped country on the globe with its streams of fructifying capital, will be found to be, after this war, a mere chapter of history. An universal readjustment of the world's commercial and financial relations will, so it is said, be called for.

We cannot take any such view; and in justification of our opinion we cannot do better than to quote a passage, once before quoted in these pages, from that English economist whom time has proved to be, after all, the wisest and the most far-sighted of all those who have written upon the great whole of political, or public, economy, which embraces all the adjustments of men to their physical environment here on earth, John Stuart Mill. Speaking of the economic losses resulting from the devastations of war, Mill wrote as follows in his "Principles of Political Economy":

"This perpetual consumption and reproduction of capital affords the explanation of what has so often excited wonder, the great rapidity with which countries recover from a state of devastation; the disappearance, in a short time, of all traces of the mischiefs done by earthquakes, floods, hurricanes, and the ravages of war. An enemy lays waste a country by fire and sword, and destroys or carries away nearly all the movable wealth existing in it; all the inhabitants are ruined, and yet in a few years after, everything is much as it was before. This *vis medicatrix naturae* has been a subject of sterile astonishment, or has been cited to exemplify the wonderful strength of the principle of saving, which can repair such enormous losses in so brief an interval. There is nothing at all wonderful in the matter. What the enemy have destroyed, would have been destroyed in a little time by the inhabitants themselves; the wealth which they so rapidly reproduce, would have needed to be reproduced and would have been reproduced in any case, and probably in as short a time. Nothing is changed, except that during the reproduction they have not now the advantage of consuming what had been produced previously. The possibility of a rapid repair of their disasters, mainly depends on whether

the country has been depopulated. If its effective population have not been extirpated at the time, and are not starved afterwards; then, with the same skill and knowledge which they had before, with their land and its permanent improvements undestroyed, and the more durable buildings probably unimpaired, or only partially injured, they have nearly all the requisites for their former amount of production. If there is as much of food left to them, or of valuables to buy food, as enables them by any amount of privation to remain alive and in working condition, they will in a short time have raised as great a produce, and acquired collectively as great wealth and as great a capital, as before, by the mere continuance of that ordinary amount of exertion which they are accustomed to employ in their occupations. Nor does this evince strength in the principle of saving, in the popular sense of the term, since what takes place is not intentional abstinence, but involuntary privation."

Such is the cool-headed way of looking at the permanent results of a general war in Europe. That for a time—some four or five years, perhaps—the countries that have been engaged in the war will be impoverished and will not have at their command the abundant stores of capital they have been able to employ all over the world in recent years, is no doubt true. But after some such short period, Europe will have all her capital in hand again and will play again the part she has been playing for long years as the provider of the capital required for the rapid development of the other countries of the world. It might indeed happen that the interim would give to the United States an opportunity to make a commanding place for itself in the great whole of world commerce and industry; but Europe, strong as ever, plus the United States, become as strong as Europe, would be a benefit and not a loss to civilized mankind.

Arthur Richmond Marsh

RESULTS OBTAINED BY THE BRITISH COTTON GROWING ASSOCIATION IN 1913

AS is well known, the chief cotton-consuming countries of Europe, with the possible exception of Austria-Hungary, are all making earnest endeavors to develop the cultivation of cotton in their own territories (chiefly colonial), with the object of decreasing the dependence of their cotton manufactures upon the production of the United States. In most cases governmental assistance is lent, and the spinners maintain associations which contribute on a greater or less scale. England, France, Germany, Russia, Italy, and even Spain to a less extent, are busy with the problem. The results obtained thus far are, even in the aggregate, of comparatively small proportions, in view of the steadily increasing demand for cotton goods and consequently for raw cotton from the entire world. In fact, with all the efforts made, the annual supply of cotton fails to keep fully up with the rising demand. The supremacy of the United States as a source of supply is as yet so far from being threatened by the development of outside production that it may be said to be more confirmed to-day than ever, as is shown by the higher and higher prices which American cotton commands from year to year. None the less, it is of importance to the student of cotton, as well as in some degree to the cotton merchant and the cotton manufacturer, to keep track of the progress being made in raising cotton outside of the United States.

The largest, most extended and most energetic of the agencies in foreign countries, working for the extension of cotton culture, is the British Cotton Growing Association, which has now (as a revival of a similar association in the 50's and 60's of the last century) been active for a little over nine years. This Association has spent and is still spending very large sums of money in experimentation with cotton culture in virtually every promising portion of the British Empire. It has had many failures, but it has not been discouraged by these; and it has at length begun to see at least a respectable amount of non-American cotton produced, as a result of its efforts. Hence a good deal of interest attaches to the Association's ninth annual report, which has recently been issued. In "The Trade Index," of New Orleans, an excellent summary of this report has just been published; and this is here given:

* * *

The ninth annual report of the British Cotton Growing Association for the year 1913 has recently been published and reveals the rapidity with which the association's business has grown. The total amount of cotton which has passed through its hands during the last six years is given as: 1908, 16,713 bales (of 400 pounds each), value, $1,094,417; 1909, 20,028 bales, value, $1,095,342; 1910, 21,388 bales, value, $1,441,263; 1911, 27,673 bales, value, $1,818,042; 1912, 40,094 bales, value, $2,467,909; 1913, 47,466 bales, value, $3,217,861. During 1913 the association supplied to planters and others buildings, machinery, stores, etc., amounting in value to over $262,800, as compared with $291,990 in 1912, $233,590 in 1911, and $116,800 in 1910. The following facts relative to the production of cotton in various British colonies are taken from the report mentioned:

The quality of cotton produced in the West Indies continues most satisfactory. Owing to the fashions in women's dresses, there was no improvement in the demand for the best grades of cotton, but no great difficulty was experienced in disposing of all the cotton that was produced in these islands. However, at present, the association cannot recommend any increase in acreage. This is unfortunate, for there is no doubt that the West Indies can produce cotton equal, or even superior, in quality to that grown in any part of the world. Exports in the year ended September 30, 1913, amounted to 2,154,475 pounds of sea island and 459,460 pounds of Marie Salante cotton, giving a total of nearly 7,000 bales (value $746,852), which is rather more than the quantity produced in 1912.

In accordance with the terms of the Imperial grant of £10,000 ($48,665) per annum, the association has maintained its buying and ginning stations at Labolabo in the Southern and Tamale in the Northern part of the Gold Coast colony. The quantity of cotton produced remains disappointingly small, and if the grant is discontinued the association will be compelled to cease operations in this section.

The 1913 crop in Lagos was eminently satisfactory. The association's total purchases of this cotton amounted to 13,694 bales, as compared with 9,146 bales in 1912. The largest crop previously raised in Lagos, namely, in 1909, amounted to 12,100 bales. The association was able to maintain a minimum buying price of 1⅛d. (2¼ cents) per pound for seed cotton, which works out at about 6½d. (13 cents) per pound of lint delivered in Liverpool. The policy adopted by the association is to pay the highest possible price to the native producer, and valuable assistance has been rendered by the European merchants trading in Lagos. With their co-operation, the association has been able to buy cotton on an economical basis and the Lagos branch is now self-supporting.

In view of the further probable increase in the production of Lagos, the association authorized the erection of another ginning factory, with eight gins and a large hydraulic press. Unfor-

tunately, harmattan winds prevailed during much of the growing season of the present crop, and it is feared that the 1914 yield will not equal that of the year under review. Shipment of the machinery has therefore been delayed, but a small electric-lighting installation was sent out, so that in case a ginner is disabled by fire or breakdown one of the others can be worked at night. During 1913 the three factories at Lafenwa, Ibadan, and Oshogbo were fully employed, and the erection of an additional factory cannot be long delayed.

The quality of the cotton has been well maintained, and there is no difficulty in selling the crop as soon as it arrives in England. In fact, the quality is now so regular and dependable that spinners are willing and anxious to purchase it before it is shipped from Africa. Owing to the association having absolute control over the industry and the issue of seed, it is able to insure that only suitable seed is used, with the result that Lagos cotton is the most regular in quality of any produced in the British colonies. The Agricultural Department is carrying out experiments for raising improved types of cotton, but what is most needed is a variety which will give a higher percentage of lint. Lagos cotton does not give more than 27 per cent of lint, so that it takes nearly 3¾ pounds of seed (unginned) cotton to yield one pound of lint. If a variety could be established giving 30 per cent of lint, 3⅓ pounds of seed cotton would yield one pound of lint, and the buying price could be raised to 1¼d. (2½ cents) per pound without materially increasing the cost of the lint delivered in Liverpool.

The cost of the seed distributed for planting, which amounted in 1913 to nearly $8,300, is paid by the association.

Some difficulties arose as to shipping cotton over the railway during the height of the season, which coincides with the palm-kernel crop. The association has been giving serious consideration to the question of subsidiary transport and to the possibility of establishing some system of auxiliary feeders to bring produce to the main trunk lines. Ordinary road transport in Africa is generally out of the question, as horses and oxen cannot live; and motor vehicles do not provide an economical form of transportation, if the cost of both the construction and the maintenance of roads suitable for motors be taken into consideration. The association has suggested to the authorities that it would be extremely useful if an experiment could be tried with a light railway or tramway of two or two and a half foot gauge, in order to prove whether this means of transport would pay. Such a railway should be of the cheapest construction and should not be looked upon as anything but a feeder for the main line. At present practically the whole of the crop has to be brought to the railway on men's heads.

Satisfactory progress is being made with the Lagos Bar, 2,098 feet of the western mole and 7,446 of the eastern being completed, and there is now a depth of water on the bar of 17½ to 18½ feet. Before long ocean-going steamers should be able to enter Lagos Harbor at all times, which must considerably reduce the cost of transportation.

In accordance with the Government agreement, the work of the association's Southern Nigeria branch has been maintained, but while there has been a slight improvement in production, the results are disappointing, and when the Imperial grant ceases this center will be closed. In Northern Nigeria the effect of prevailing harmattan winds was seen in the association's smaller purchases of fiber.

The association has to record an unexpected difficulty which has recently arisen in Northern Nigeria. A large amount of seed was distributed in 1913 for the 1914 crop, which is now coming forward. A large quantity of cotton has been grown, but, probably in consequence of the short crop in the previous year, there has been a heavy demand in the Zaria district for local manufacturing, and the price for seed cotton was put up to 1½d. (3 cents), and even 2½d. (5 cents) per pound. The association raised its buying price to 1⅛d. (2¼ cents) per pound, which represents over 6½d. (13 cents) per pound in Liverpool; but it was impossible for it to pay anything like 2½d. for unginned cotton, for this would mean 9d. (18 cents) in Liverpool. This is a difficulty which time will overcome, for sooner or later native cloths will be, to a great extent, superseded by Lancashire's productions. At the same time it is disappointing that the association should have had all the expense and trouble of distributing the seed and getting the cotton grown and then have to stand by while other people purchase it. There has, however, been a fair increase in the Ilorin, Lokoja, and Yelwa districts, and the association is considering the possibility of developing these districts more rapidly. It is also continuing its experimental work on the Benue River.

A certain amount of cotton is being grown along the coast of British East Africa, but up to now no great progress has been made in this colony, except in the Kisumu district. The main interest of the association in British East Africa is in the fact that it is the outlet for Uganda cotton.

The quality of the cotton produced in Uganda is generally satisfactory and is filling a distinct want, as it can be sold almost on arrival as a substitute for the better grades of Texas cotton at prices ranging from 50 to 120 points on middling American. There have been fewer complaints recently as to careless ginning and immature cotton, but there is still a very large amount of stained and immature cotton.

The Department of Agriculture has been experimenting with long-staple Upland cotton, and the resulting seed has been distributed on a large scale. It is too soon to decide definitely as to whether it is desirable to extend the cultivation of this class of cotton. Given equal production per acre, there is no doubt it would be wise to encourage the planting of that variety which realizes the highest price. At the same time it must not be forgotten that the market for long-staple cotton is a limited and difficult one. For every spinner who uses cotton 1¼ inches in length there are over a hundred whose requirements run from 1 inch to 1⅛ inches. Further, the spinner who requires higher grade and longer staple cotton is catering for the better class demand, and therefore rejects any cotton not up to standard. Some of this long staple cotton was excellent in quality, but some shipments were distinctly soft and weak.

Climatic conditions in 1913 were most unfavorable in Nyasaland for cotton grown in the highlands, but this was more than balanced by success in the lowlands and also by the rapid extension which is taking place in native cultivation. As is usually the case with small crops, the quality suffered and the cotton grown in the highlands in 1913 did not maintain the exceptional character of the Nyasaland cotton. There is, however, no reason to look on the experience of 1913 as anything more than a temporary setback. The crop at Vua was also unsatisfactory, and consequently there was little return to compensate the association for the expense of maintaining ginning factories and buying stations in this out-of-the-way center. The association now has four ginning factories in Nyasaland—at Port Herald, Chiromo, Fort Johnson, and Vua.

Many planters have shown an inclination during recent years to grow tobacco. One cannot blame them if they find it pays better, though it is unfortunate that it should be so, especially as the establishment of cotton growing in Nyasaland has been largely built up on the system of advances inaugurated by the association. The association has therefore decided to curtail these advances, but in a gradual manner, so as not to cause any inconvenience, and

it hopes to establish in their place a system of advances against actual cotton or to purchase the same outright.

The subject of transport for Nyasaland cotton is one that has from time to time engaged the serious attention of the association. On many occasions fiber was held up for months owing to low water in the Shire River. There is, however, prospect of these difficulties being removed to a large degree. A railway is being constructed from Port Herald to Zambesi, which will make it possible to bring cotton down from Blantyre at all seasons of the year. A scheme is also under consideration for the construction of a railway from Beira to the Zambesi, which will ultimately be connected by bridge with the Blantyre-Port Herald-Zambesi Railway, and there is every reason to hope that the construction of this line may be commenced soon. This will avoid the present difficult and expensive system of transport in barges via Chinde to Beira. The association has continually urged upon the Colonial Office the vital importance of the extension of the railway from Blantyre to Lake Nyasa so as to open up the northern portion of the colony. Ultimately this line will be extended to Fort Jameson in Northeastern Rhodesia, and probably a railway will be constructed at some time or other between Lake Nyasa and Lake Tanganyika. There is no doubt that the Nyasaland Railway will eventually be one of the main trunk lines in Africa.

The results obtained at Mazabuka, Rhodesia, were so unsatisfactory that the association decided to withdraw from this center and to hand over the work to the British South Africa Company. The association has, however, been actively co-operating with the North Charterland Exploration Company in operations in Northeastern Rhodesia, and satisfactory results are now being obtained. There seems to be every reason to hope that when better transportation facilities are available a considerable quantity of cotton will be produced in Rhodesia.

The association is unable to report any satisfactory results from the various districts of the South Africa Union.

While the bill guaranteeing the interest on a loan of £3,000,000 ($14,599,500) has been duly passed by the British Parliament, the loan has not yet been issued, and it is hoped there will be as little delay as possible in commencing the works for the irrigation of the Gezira plain. (Reference to the proposed loan was made in Daily Consular and Trade Reports for Feb. 10, 1913.) In the meantime the Government plantation at Tayiba has been extended to 2,000 acres, and is giving eminently satisfactory results; the Sudan Plantations Syndicate's operations at Zeidab were very successful in 1913; the Tokar crop was much more satisfactory than that of 1912, but the rain crop of Wad Medani district was a failure.

An estimate of the cotton grown in new fields in the British Empire during the last three years follows, the figures representing bales of 400 pounds:

	1911. Bales.	1912. Bales.	1913. Bales.
West Africa:			
Gold Coast	100	120	100
Lagos	5,800	8,900	14,000
Southern Nigeria	300	270	200
Northern Nigeria	600	2,600	2,000
Totals	6,800	11,890	16,300
East Africa:			
Uganda	20,000	29,000	26,000
British East Africa	500	900	1,000
Nyasaland and Rhodesia	5,300	7,200	7,500
Totals	25,800	37,100	34,500
Sudan	21,000	15,000	20,000
West Indies	6,500	6,500	7,000
Other	700	1,000	1,000
Grand totals	60,800	71,490	78,800

This year the British Cotton Growing Association hopes to reach a production of 100,000 bales.

THE WORLD'S MAIZE CROP

[Reprinted from "The Economist" of London]

THERE is agreement among experts that America is the original home of the maize plant, and the cereal has been cultivated both in North and South America from prehistoric times. The earliest European explorers of America found the Indian tribes cultivating maize as their chief cereal. Longfellow's poem "Hiawatha" gives an insight into the importance of the place held by maize in the life of the American Indians, and the legends which they wove around it. The ancient Aztecs of Mexico largely depended upon maize, and Prescott tells us that in the sixteenth century maize was "the great staple of the country, as, indeed, of the whole American continent." The first generations of English-Americans subsisted mainly on maize, and it still continues to be an important article of diet. In one form or another it is met with in all parts of the country and among all classes of people.

From America maize was introduced into Europe about the year 1500. It is stated to have been sent to Seville for cultivation, and to have spread from Spain into France and Italy, and into Eastern Europe. Maize was also introduced into Northern Africa from Spain, and probably direct from Brazil into South Africa by the Portuguese, during the sixteenth century. The size of the grain and the heavy yield and easy cultivation of the maize crop were probably responsible for the early and rapid spread of this cereal over Africa, ousting the much-grown native grains. Maize is now so largely used as a staple article of food by the Bantu and other races that it is difficult to realize that it has not always been so. But history and the accounts of travelers tell us that within the memory of man maize was unknown as a cultivated crop in many parts of South Africa; and this is confirmed by white men and natives still living. The introduction of maize into Asia is also attributed to Portuguese voyagers, soon after the establishment of the Portuguese settlements in the East Indies, at the beginning of the sixteenth century. It is possible also, as Mr. Burtt-Davy states in his exhaustive study,* that maize was introduced into Asia, through Turkey, while its exotic character is indicated by the absence of native Asiatic names.

The distribution of the world's maize crop among different producing countries at the present day is shown in the table below, compiled from the Year-Book of the United States Department of Agriculture. Side by side with the maize crops is given the production of wheat for purposes of comparison:

(In Thousands of Bushels.)

	Maize Crop 1909.	Maize Crop 1910.	Wheat Crop 1909.	Wheat Crop 1910.
Europe:				
Austria-Hungary	210,684	240,761	186,076	241,334
Bulgaria	20,472	28,360	32,071	42,247
France	26,075	23,399	356,193	257,667
Germany	.....	.....	138,000	141,884
Italy	99,289	101,722	189,959	153,168
Portugal	15,000	15,000	.....	.....
Roumania	70,138	103,665	56,751	110,761
Russia (European)	39,598	77,181	711,478	699,413
Servia	27,558	27,500	.....	.....
Spain	26,433	27,366	144,105	137,448
United Kingdom	.....	.....	65,188	58,322
Totals	535,247	644,954	1,962,566	1,921,958
North America:				
United States	2,552,190	2,886,260	683,350	635,121
Canada	19,258	18,713	166,744	149,990
Mexico	170,000	190,766	10,000	11,976
Totals	2,741,448	3,095,739	860,094	797,087
South America:				
Argentina	177,155	175,187	156,162	131,010

(Continued on Next Page.)

*"Maize: Its Cultivation, Handling, and Uses."

	Maize Crop		Wheat Crop	
	1909.	1910.	1909.	1910.
Chile	1,178	1,878	17,743	19,743
Uruguay	6,671	6,500	8,595	7,750
Totals	185,004	183,565	182,500	158,503
Africa	85,807	90,846	73,699	80,099
Australasia	9,644	11,863	73,612	102,271
Asia:				
British India	.....	.....	284,361	358,049
Asiatic Russia	.....	.....	71,792	76,282
Totals	.....	.....	432,231	512,256
Grand totals	3,557,150	4,026,967	3,584,702	3,572,084

The world's maize crop in 1910 amounted to over 4,000,000,000 bushels—a figure which was considerably greater than the aggregate production of wheat by all countries. The table shows clearly that the maize crop is still largely concentrated in its original home—America. Of the whole crop considerably more than two-thirds was produced in the United States, where the acreage is about double and the total production about four times that of wheat.

It is clear from the table that the United States is the supreme factor in the world's maize supply, and that other countries are individually nowhere. Other parts of America produce only about one-tenth of the United States' crop, while the whole of Europe produces only about one-quarter, and Africa and Australasia almost insignificant quantities. The causes of this uneven distribution are connected largely with the climatic requirements of the maize crop, and the kind of soil in which it flourishes. Mr. Burtt-Davy summarizes the requirements of the crop in the following words:

"Speaking broadly, the most favorable conditions are long, humid Summers, hot days and warm nights, comparatively heavy intermittent rains, with abundance of clear, sunshiny weather between. Hot arid climates, hot and continuously humid and shady regions, and arid cool temperate climates with short Summer season are generally unfavorable to the commercial production of maize. Open plains or plateaux are, therefore, more suitable than forest country."

Maize is clearly a crop which flourishes in warm climates, and its importance as a source of food for man and his domestic animals has led to its cultivation in practically all the tropical and sub-tropical parts of the world. It is also grown in parts of the warm-temperate zone where the Summer temperature and rainfall are relatively high and sunshine is plentiful.

The climate required by wheat is different from that in which maize flourishes. Wheat is mainly a product of the temperate zones. It thrives very much further from the equator than does maize, and it does not require so much heat or moisture. Consequently, we find that the distribution of the wheat crop over the world is very different from that of maize. In 1909 and 1910 Europe produced roughly half the world's crop, though the production of North and South America has since probably expanded very much more than the European supplies. North America produced about a quarter of the world's wheat crop, while Asia and Australia are also very large growers. In Europe the maize crop amounts to less than one-third of the wheat crop, and except for Spain and Italy is practically confined to Eastern Europe. In the United States, Argentina and Egypt it is a larger crop than wheat, but elsewhere it is of comparatively little importance. It is, however, significant that the farmers of the U. S. A., who may perhaps be regarded as the most adaptable representatives of their craft in the world, should find it pays to give so much more attention to "corn" than to wheat. The strong position of the crop is no doubt partly due to the fact that Indian corn is indigenous to the States; but its cultivation would not have been maintained at a time when so many crops and products are competing for the soil, unless it had supreme commercial advantages.

The uneven distribution of the world's maize supplies, combined with the widespread demand, naturally gives rise to an immense trade in maize, the principal centre of demand being naturally Europe, if the United States be excepted. The consumption of maize in the United States is in normal years about twenty-five bushels per head of the population, which is said to be the heaviest rate of consumption of any cereal by any people in the world, and nearly twice as much, according to population, as the consumption in Europe of all the other cereals. Greater knowledge of the value of maize as an article of human food is increasing the demand in Europe.

Great Britain, like other European countries, has during recent years imported increasing quantities, and as the value of the commodity becomes more generally known, these imports are likely to show still further increase. The figures for the last few years are as follows:

QUANTITIES OF MAIZE IMPORTED INTO THE UNITED KINGDOM FROM EACH COUNTRY, 1908-1912.

Countries from which Consigned.	1908.	1909.	1910.	1911.	1912.
Foreign Countries:	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
Argentina	18,457,800	22,501,400	19,939,400	3,648,080	28,795,830
Belgium	800	2,200	100	15,100	5,100
Bulgaria	.....	406,300	133,000	756,400	1,052,800
China	.....	2,200	.....	.....	.....
Dutch Possessions in Indian Seas (except Java)	700	.....	.....	.....	.....
East Africa, Portuguese	1,100	33,500	38,998	29,700	3,200
Egypt	.....	7,400	10,200	16,400	8,700
France	.....	.....	.....	200	800
Germany	8,100	38,000	15,900	2,900	22,700
Italy	.....	.....	.....	.....	5,100
Java	5,000	30	.....	.....	.....
Morocco	11,900	1,600	7,000	6,000	44,800
Netherlands	31,000	400	.....	.....	21,200
Portugal	.....	7,400	.....	.....	.....
Roumania	4,224,600	4,455,500	5,088,700	11,854,800	4,230,800
Russia	3,580,400	3,332,100	2,583,100	8,401,400	2,621,194
Servia	.....	.....	127,500	19,000	.....
Spain	.....	1,000	.....	.....	.....
Turkey (European	7,700	20,400	140,900	61,100	153,600
Turkey (Asiatic	.....	.....	1,000	67,800	145,800
United States of America	6,682,200	7,069,175	5,197,500	10,437,200	4,368,000
Uruguay	5,700	.....	61,300	.....	68,400
West Africa, French	9,500	34,800	18,700	.....	.....
West Africa, German	9,000	54,200	27,800	.....	800
Foreign countries, total	33,135,500	38,027,605	33,391,038	33,358,880	41,548,824
British Possessions:					
Aden and dependencies	.....	.....	700	.....	.....
Canada	138,500	111,100	787,900	1,545,100	57,700
Cape of Good Hope	51,600	370,600	653,400	451,050	132,200
Cyprus	.....	.....	.....	.....	1,600
East Africa Protectorate	.....	1,400	22,000	17,700	37,487
East Indies, British	9,700	115,500	967,400	593,300	1,759,300
Natal	240,200	566,300	1,108,394	578,100	196,800
New Zealand	.....	.....	100	.....	.....
Nigerian Protectorate	265,500	156,800	77,100	5,800	86,600
Nyasaland Protectorate	.....	4,000	900	.....	.....
Orange Free State	.....	5,800	2,500	.....	.....
Rhodesia	.....	2,400	3,500	47,600	12,400
Transvaal	.....	1,100	6,000	.....	2,100
Uganda Protectorate	.....	.....	200	4,800	42,327
British possessions, total	705,500	1,335,000	3,630,004	3,243,450	2,328,514
Totals	33,841,000	39,362,605	37,021,192	38,602,330	43,877,338

In spite of America's preponderant position as producer, we obtained a comparatively small part of our supply from that source, but relied chiefly on the Argentine. Only in 1911, when the Argentine crop was short, and the United States had a "bumper" harvest, did we import more from North than from South America. In that year, however, we imported more from Roumania than from the United States, though, as a rule, the Roumanian shipments appear to be somewhat less than those from the United States.

INDUSTRY, COMMERCE AND FINANCE

Opening of the Cape Cod Canal.—The formal opening of the Cape Cod Canal took place on Wednesday of this week (July 29, 1914). A large gathering of notable persons attended the opening ceremony and addresses were made by Mr. August Belmont, president of the private company which has successfully accomplished the task of cutting a water-way across the base of Cape Cod, by Mr. Seth Low, Governor Walsh of Massachusetts, and others. The Cape Cod Canal is a most interesting achievement in itself and its commercial importance in the future must be very great. It is added to the small list of artificial oceanic waterways, of which the Suez Canal and the Panama Canal are the supreme examples, but to which also belong the Corinth Canal, across the Isthmus of Corinth which connects the Morea (ancient Peloponnesus) with the mainland of Greece; the Kiel Canal, connecting the North Sea with the Baltic; and perhaps the Manchester Ship Canal, by means of which ocean-going vessels may reach Manchester, England. The great inland canals, like the Sault Ste. Marie Canal, the Welland Canal, and the new Erie Canal, in this country, or the canalized river systems of Germany, France, Holland and other European countries, belong in a somewhat different category from these artificial oceanic waterways.

Like the Suez Canal and the Panama Canal in their time, the Cape Cod Canal is the realization of a project running centuries into the past. More than two hundred years ago it was perceived by the merchants and mariners of New England that not only a considerable distance, from and to the upper New England Coast, but also unusually grave perils of the sea, could be saved by cutting a canal across the narrow strip of land, eight miles wide, which separates Buzzard's Bay on the South from the bay to the North which lies behind the long projection of Cape Cod out into the Atlantic. As early as 1690, the General Assembly of Massachusetts adopted a resolution in favor of the construction of such a canal; and since that time the project has been revived many times. Two attempts to accomplish the task have ended in failure within the last thirty years.

The engineering difficulties in the way of the construction of the present Cape Cod Canal were, as regards the actual digging, no more serious than those confronting De Lesseps in the construction of the Suez Canal, most of the work of excavation being through low-lying sandy soil. In fact, the vastly improved dredging machinery of to-day gave great advantages, in comparison with the Arab and coolie hand workers upon whom De Lesseps had to rely. On the other hand, a heavy railroad and highway traffic passes over the neck of land, and the engineer in charge, Mr. William Barclay Parsons, had many complex problems to meet, in the way of keeping open these lines of land traffic and still giving sufficient head-room for the passage of ocean-going vessels through the canal. In comparison with the Panama and Suez canals, the length of the Cape Cod Canal appears almost insignificant,—thirteen miles, of which eight through the neck of land and five through the shoal waters of Buzzard's Bay,—as contrasted with ninety-nine miles for the Suez Canal and rising fifty miles for the Panama Canal. Moreover, the Cape Cod Canal is not yet completed to full depth and width for the heaviest ocean tonnage,—the present depth at low water being 25 feet and the bottom width (except at approaches and passing points) being 100 feet. It is proposed, however, gradually to deepen and widen the waterway, until the largest battle ships or ocean liners may pass through.

In point of available traffic, however, the Cape Cod Canal will surpass all other artificial ocean waterways, except perhaps the Suez Canal. The Panama Canal will be far outstripped. The ocean-borne traffic between Boston and other Northern New England ports and the Atlantic ports South of New England is enormous and growing annually by leaps and bounds. It is estimated to be even now in excess of 25,000,000 tons annually. It is true that the use of the Cape Cod Canal will save this traffic only about seventy miles in distance; but, what is really of far more importance, it will save it the often extremely dangerous passage in the open Atlantic around Cape Cod and the perilous and delaying heavy fogs which prevail over the shoal waters immediately to the South of Cape Cod. The mere saving in marine insurance in favor of the Cape Cod Canal, translated into tolls, will in itself be enough to yield a very large return upon the investment. It is therefore to be expected that the new Canal will prove a powerful stimulant to water-borne commerce between upper New England, with its important and numerous industries, and all the southerly Atlantic and Gulf States.

* * *

Railway Revenues and Expenses in May.— The summary of revenues and expenses of steam railroads in the United States, in May, issued by the Bureau of Railway Economics at Washington, shows that roads operating 225,858 miles of line or about 90 per cent of the total of such mileage in the United States, returned operating revenues for the month of $232,567,938. This amount includes revenues from freight and passenger traffic, from carrying mail and express, and from miscellaneous sources connected with rail operation. Compared with May, 1913, total operating revenues show a decrease of $25,038,021. Total operating revenues per mile averaged $1,030 in May, 1914, and $1,150 in May, 1913, a decrease of $120, or 10.4 per cent. There was a decrease of 13.4 per cent in freight revenue per mile, and a decrease of 2.8 per cent in passenger revenue per mile. Operating expenses, which include all the costs of maintaining track and equipment, operating trains, securing traffic and of administration, amounted to $176,029,940. This was $9,921,181 less than for May, 1913. These operating expenses per mile of line averaged $779 in May, 1914, and $830, in May, 1913, a decrease of $51 per mile, or 6.1 per cent. Net operating revenue, that is, total operating revenues less operating expenses, amounting to $56,537,998, which was $15,116,840 less than for May, 1913. Net operating revenue per mile of line averaged $250 in May, 1914, and $320 in May, 1913, a decrease of $70 per mile, of 21.7 per cent. Taxes for the month of May amounted to $11,905,110, or $53 per mile, an increase of 11.2 per cent over May, 1913. Operating income, which is net revenue from rail and auxiliary operations, less taxes, averaged $197 per mile of line, and in May, 1913, $273, thus decreasing $76, or 27.9 per cent. Operating income for each mile of line for each day in May, averaged $6.35, and for May, 1913, $8.81. The operating ratio for May, that is, the per cent of total operating revenues absorbed in operating expenses, was 75.7 per cent, which is comparable with 72.2 per cent in May, 1913, and 71.4 per cent in May, 1912.

* * *

Mineral Production as a Measure of Industrial Activity.—A statement issued by the Secretary of the United States Department of the Interior, Mr. Lane, says:

"The Nation's output of mineral products of various kinds is a fair measure of industrial activity. For several months now, the Department of the Interior, through the Geological Survey, has been issuing its final statistics of the 1913 mineral production which confirms in detail the preliminary estimates issued early in January for the principal minerals. In the large majority of cases these authoritative figures tell in one way or another the

some story of industrial prosperity. In coal production the increase has been general, and it is this very fact that serves as an unmistakable index of general health of the industrial world. But as State after State is shown to have had its banner coal year—West Virginia, Illinois, Ohio, Kentucky, Alabama, Virginia, Oklahoma, New Mexico,, Montana, Texas, Utah and Pennsylvania, in both bituminous and anthracite,—the record becomes spectacular. Ohio, for instance, had its floods, yet there was a substantial 6 per cent increase in coal output, and the miners averaged more working days in 1913 than in 1912. Twelve other States showed increases varying from 3 per cent in Iowa to 12 per cent in Indiana, and over 15 per cent in Washington, and only Colorado, Maryland, North Dakota, Nevada, Idaho and Missouri show decreased output, the Colorado labor troubles explaining the only significant decrease. In a similar way the figures of coke production give large increases, and coke, it may be noted, is a step nearer the metal industry. Petroleum production, in 1913, exceeded all records, an increase of 25,000,000 barrels and $72,000,000 over the 1912 returns.

"In metal mining, the iron and zinc mines had a banner year, while gold, silver, lead and copper showed a decline in many of the largest producing States. Structural materials, on the other hand, exhibit marked gains almost without exception. Thus 1913 was the banner year for cement, which gained more than 11 per cent over 1912. The record outputs are also shown for lime, building sand and gravel, sand-lime brick, and glass sand. Other mineral products for which 1913 was a record-breaking year are bauxite and aluminum, sulphuric acid, feldspar, mica, pottery, and talc and soapstone, while substantial increases are reported for gypsum, phosphate rock, abrasives, barytes, slate, and salt. These production figures all express well-maintained activity in mines, smelter, furnace and mill and prove that the American people are utilizing more of the Nation's great mineral resources than ever before. A few weeks later when figures are at hand for all of the mineral products, it is expected that 1913 will be found to have overtopped both 1912 and 1907 which have hitherto held the record."

* * *

Cement Production in the United States.— The year 1913 was a record breaker in the cement industry, according to Ernest F. Burchard of the United States Geological Survey, in a chapter from "Mineral Resources in 1913," just published. The total quantity of Portland, natural and Puzzolan cement produced in the United States last year was the greatest in the history of the cement industry, amounting to 92,949,102 barrels, valued at $93,001,169, compared with 83,351,191 barrels, valued at $67,461,513, in 1912.

The total production of Portland cement in 1913, as reported to the Geological Survey was 92,097,131 barrels, valued at $92,557,617; the production for 1912 was 82,438,096 barrels, valued at $67,016,928. The quantity of Portland cement produced, 92,097,131 barrels, is equivalent to 15,623,620 long tons. Compared with the production of pig iron for 1913, which was 30,966,301 long tons, the Portland cement production is nearly 50.5 per cent of the quantity of pig iron.

Of the 113 producing plants in the United States in 1913, twenty-three were in the State of Pennsylvania, whose output was 28,701,815 barrels of Portland cement, the largest quantity produced by any one State. The second greatest production came from Indiana, with 10,872,571 barrels, and California was third, with 6,159,182 barrels.

The natural cement produced in the United States in 1913 amounted to 741,658 barrels of 265 pounds each, valued at $345,889, compared with an output of 821,231 barrels, valued at $367,222 in 1912, a decrease in 1913 of 76,573 barrels and of $21,333 in value. Puzzolan cement was manufactured, in 1913, at three plants in the United States, in Alabama, Ohio and Pennsylvania. The output of Puzzolan and Collos cements, in 1913, was 107,313 barrels, valued at $97,663, compared with 91,864 barrels, valued at $77,363, in 1912, an increase in quantity of 15,449 barrels and in value of $20,300.

The United States has a comparatively small export trade in cement. In 1913, the total quantity exported was only 2,964,358 barrels, most of which was Portland cement, valued at $4,270,666, compared with 4,215,232 barrels, valued at $6,160,341, in 1912.

* * *

Servian Industrial Enterprises.—While Servia is not a manufacturing country, during the past eight years there has been a notable increase in industrial enterprises. At the end of 1905, $12,000,000 was invested in industries; 9,670 people were employed; and the value of the product was $6,600,000. At the end of 1913, the amount invested was $27,000,000; people employed, 18,000; and value of products, $21,000,000. The statistics do not include New Servia, which was added as a result of the war of 1913. The leading Servian industries in order of importance, are: Flour mills, prune packing, meat packing, metal smelting, breweries, sugar factories, textile mills, and saw mills. Smaller enterprises include the manufacture of brick and tiles, paints, leather, iron, soap, etc. Apparently their only exports are prunes and plum jelly, meats, smelted copper, and a small quantity of flour and bran.

* * *

The Australasian Wheat Harvest.—Revised returns of the wheat crops in the various States of the Australasian Commonwealth make possible the following tabulation of production:

	1911-12. Bushels.	1912-13. Bushels.	1913-14. Bushels.
Victoria	20,891,877	26,223,104	32,936,245
New South Wales	25,088,102	32,487,336	38,043,360
South Australia	20,352,740	21,496,216	16,936,988
Western Australia	4,358,904	9,168,594	13,496,242
Queensland	285,109	1,975,505	2,053,783
Tasmania	659,615	630,315	421,380
Totals	71,636,347	91,981,070	103,887,998

Commenting on these figures, "The Australasian Insurance and Banking Record" says that the total of 103,887,998 bushels for 1913-14 may be subject to some deduction, as the tendency of official returns in some States is, if anything, to err in excess. Assuming the correctness of the total the exportable surplus, after providing for Australian consumption, would approach 70,000,000 bushels, but allowance has to be made not only for the possibility of a slight over-estimate, but also for stocks to be carried forward at the end of this year. Since the opening of the season, reckoning from the middle of December, the total exports, including the equivalent of flour shipped, have reached a total of over 53,000,000 bushels, the value being about 9¾ millions sterling.

* * *

The Italian Budget.—The Italian budget for 1914-15 estimates the receipts at $521,409,379, and the expenditures at $516,856,509, as compared with estimated receipts of $505,646,683, and expenditures of $498,840,345, in 1913-14.

* * *

Mine Workers in France.—According to the report issued by the Commission Supérieure du Travail on mine and quarry inspection in 1912, the number of persons employed in the 38,551 mines and quarries of France was 375,240. including 331,414 adults and 43,667 boys and girls. This is an increase of 692, of which 533 were children and 159 adults.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

MARINE insurance, in spite of the fact that the magnitude of its operations is greater than that of any other form of insurance except fire insurance, is as a rule the least ostentatious of all the insurances. It has a province all its own, about which the generality of people, even in the insurance business, know virtually nothing. Merchants as a class, leaving out of account the large scale exporters and importers, are totally ignorant of it. The newspapers speak of it only when some startling disaster at sea brings it momentarily "into the news," and then in a collateral rather than principal rôle. But during the week just past marine insurance has had what the French would call *sa revanche*, its revenge, its turn, its hour of glory. It has become not merely a factor, but for the time being a master in the great complex of international finance. It has taken a hand in the vast conflict which the nations of Europe seem at this writing to be about to be engaged in, will they, nill they. It has intervened between the great financial markets of the Old World, all bent on securing money for their securities of every kind, and the financial markets of the New World which have as yet remained free and open to all comers. The unanimity of desire on the part of panic-stricken holders of securities abroad to take advantage of these resolute securities markets in the United States has been decidedly chilled by the discovery that marine insurance has decidedly to be reckoned with in the matter of getting hold of the money realized for the securities sold. Had it not been for the high war-risk rate (½ per cent) charged by the marine underwriters upon gold for shipment to Europe, and still more for the positive refusal of the underwriters to have more than limited risks on single steamers, it is certain that the out-flow of gold from the United States during the past few days would have been in such volume as probably to throw both our bankers and our security markets into a state of panic rivaling the despair abroad, and also to produce very unfavorable results in all our industry and commerce. How desperate has been the demand for gold for shipment abroad is shown by the absolutely unprecedented figures to which foreign exchange in the form of cable transfers has gone. On Friday afternon, cable transfers to London were quoted in New York nominally at $6.00, instead of the theoretical par of $4.87½ to $4.88, per pound sterling,—meaning a loss of 22 per cent to the remitter; and even at this price cable transfers were virtually unobtainable. It was not that there was any lack of gold in New York for shipment, but that marine underwriters would not take at any price further risks on gold for steamers sailing within the next week or ten days. They had in mind that section of the Hague Convention of 1907, which enumerates articles called "conditional contraband of war," and which reads as follows: "The following articles susceptible of use in war may without notice be treated as contraband of war, under the name of conditional contraband of war—gold and silver in coin or bullion; paper money." Hence the high war-risk premium charged; and hence the stern limitation of the amounts at risk on single ships, to say nothing of the total refusal to take any risks at all on ships flying the Austrian flag and the virtual impossibility of finding underwriters for gold on ships flying the Italian, Greek or Russian flags. Thus one of the generally uncounted elements of cost in foreign financial transactions became practicaliy governing and a substantial check was interposed against the free use of the open American markets for the sale of foreign-held securities and against the resulting inordinate drain upon our stock of gold. Of course the phenomena attendant upon the shipment of gold similarly affected the shipment of commodities, like cotton, upon which the marine insurance rates became virtually prohibitive on Thursday last. This is decidedly to the disadvantage of the United States, as the easiest way for us to pay for the securities sold back to us by Europe is through the credits derived by us from the delivery of our commodities to foreign buyers. None the less, it may be fairly said at the moment that the most efficient protection we have for our stock of gold is the difficulty, as well as the cost, of obtaining marine insurance upon it.

THE new plan of the Metropolitan Life Insurance Company, outlined elsewhere in this paper, to undertake the writing of workmen's, or industrial, disability insurance is all the more interesting because it is the first attempt, so far as we know, in this country to develop on a dependable insurance basis a form of social insurance which is a regular part of the scheme of workingclass insurance in Germany, and other foreign countries,—notably England. There is, to be sure, this great difference that in the countries abroad disability insurance is generally compulsory for all workers whose earnings fall below a certain moderate amount. The way was blazed for disability insurance, as it was for sickness insurance and for accident insurance, by voluntary associations of individuals, like the *Knappschaften*, or miners' associations, in Germany and the Friendly Societies in England. The trouble with these voluntary associations, however, proved to be that their membership was far from including the general body of workers, even in given fields. Many of the workers most in need of the protection of such insurance remained outside it, whether from lack of thrift and determination to provide for the future, or from failure to be brought into sufficiently close touch with the associations to be convinced of their advantages. Hence the way of compulsion by the State was adopted, first by Germany, then by a long list of other countries. In the United States, on the other hand, social insurance was almost an unknown thing until the introduction of workmen's compensation some three or four years since. In a narrow sense and very sporadically we have had sickness insurance, sometimes combined with a limited kind of disability insurance, in the sickness funds of a few commercial and industrial establishments. Here, though, there has generally been lacking a sound insurance basis, and more than once the contributions of employes to these sickness funds have been totally lost through the failure of the establishments maintaining them. It is unnecessary to say that whatever the Metropolitan does in this direction will rest upon a sound technical basis and will be just as dependable as any other insurance written by the company. At first, the application of the plan is to be restricted to groups of workers in single establishments, whose premiums will probably be paid predominantly by their employers,—though provision is to be made for a division of the premium payments between employers and employes, or for their payment by the employes alone. It is to be hoped, however, that ultimately the programme will reach much beyond determinate industrial and commercial groups, being opened to as many millions of workers of all kinds as are reached by the Metropolitan's industrial insurance proper.

A MEDICAL REVIEW OF THE BRITISH WORKMEN'S COMPENSATION ACT

By F. H. Westmacott, F. R. C. S.*

I HAVE been invited by your Committee to give you a short address on some subject of interest to the insurance world, and I have chosen to speak of the Workmen's Compensation Act—chiefly because I have been associated with its medical aspect from the commencement.

The Act has presented many difficulties, apart from its medical problems, such as the rate for premiums in all the diverse trades and occupations of men and women and the schedule of industrial diseases, which have been from time to time re-adjusted; you are no doubt much more familiar with these problems, essentially ones of finance and organization, than I am. I am interested in the medical side of the subject and its relation to the question of dealing with, and settling of claims under the Act, with fairness to the employed, and the representative of the employer; for surely there cannot be a large number of employers who are foolish enough to undertake their own burden of the risk, unless it is a large industrial company or corporation.

First of all we may consider the workman for whose benefit the Act was originally framed, and here I refer to both Acts of Parliament, which differ only in detail and extent of application.

Before 1897, a workman who was injured at his trade or occupation, ceased to draw his wages when he met with an injury, until such time as he was able to resume work. Most workmen who were "worth their salt," received compassionate treatment by the employer—he may have had part, or in many cases the whole of his wages paid to him after injury, or during sickness. He frequently had the doctor's bill paid for him, or received benefit at the hospitals. No doubt some cases of hardship did occur, but they were more the exception than the rule. Why then was a change necessary? I attribute it to two main causes, apart from a political design to gain votes. In the first place, I would suggest that the desire was to get something for the worker during his incapacity by a tax on industry, in deference to the feeling of the industrial classes that they must have "rights" not "doles." These are always willing to accept benefits in money, or kind, but you must not call it "charity" or a "voluntary gift;" it must be clearly understood, and recognized by you, as the right of the recipient to your excess of wealth, which you can be induced to part with; and further to bring all workers on a level of treatment. Secondly and mainly I think, owing to the passing of the individual employer, who had a personal interest in the employe, knew his name, and frequently his wife and family; and the advent of the combine, trust, corporation, and limited company, when each worker, from the manager downwards, becomes a mere cypher in the concern, and is only of use to the body corporate, so long as he can render service for payment; when that service ceases, remuneration stops.

There are those of us, however, who consider the range of employment covered is not as it should be—the inclusion of the domestic servant in the scope of the Act was a mistake, and was the first step in the break of the family tie engendered by domestic service. This has unfortunately been much accentuated by the [illegible] division of domestic servants in the National Health Insurance Act, causing irritation to the servant, the employer, and the family practitioner, one of the chief reasons given by many doctors for going on the panel being the necessity for attendance on domestics by a panel doctor, and the fear of intrusion by a fellow practitioner into the family circle by this means if he is not on the panel. But this is digression.

There can be no doubt that the inclusion of dangerous trades and industrial diseases is inevitable in compensation for incapacity from injury "arising out of and in the course of" the employment.

This brings me to an interesting point in the working of this Act—many are the decisions which have been given as to what is meant by the latter phrase. There is, however, a tendency of the County Court Judge to stretch a point in favour of the workman. E. g., a girl was dismissed from her temporary employment, and on Friday proceeded to the mill to receive the wages due to her according to custom. Having received them, she slipped on leaving the premises, and hurt her back. It was held by the Court of Appeal that the accident "arose out of and in the course of the employment," and had reference solely to the employment down to the Wednesday on which she was dismissed—(Riley v. Holland & Sons, Ltd., 1911, I. K. B., 1029). Again, a boy employed in the cardroom of a mill was told by the carder to go and fetch his dinner from the cardroom kitchen. The boy did so and was injured on the way back. It was held that the accident "arose out of and in the course of his employment," although he was off duty at the time, and this was not part of his duty; his duty however was to obey the carder.

From the medical point of view it is not always easy or possible to determine when an injury or disease "arises out of and in the course of the employment." So much depends upon a truthful account of the history of the disease.

April 21, 1908—Journeyman butcher. W. A., 20/—. A man is thrown out of a dogcart or trap, and sustained a scalp wound, and returned to work on May 4, 1908—full amount of compensation paid—5 8. Lost no time between April, 1908, and April, 1913. No fracture of skull in 1908.

17 7 13. Dr. Bowers says:—Admitted to ear hospital on April 22, 1913, with bleeding from ear; curetted on May 6, and mastoid operation: found an angromatous growth—mastoid. Afterwards got malignant endocarditis and dies on May 22, 1913, caused by aural suppuration.

One point which I wish to lay stress upon later, is of the utmost importance in coming to a just and equitable opinion,—the necessity of an early investigation by a competent medical authority of the nature of the injury, and the circumstances that led up to the same. An illustration of such a difficulty, is a case I was recently engaged in, which came before the County Court Judge, sitting as arbitrator. A man of sixty-two years was engaged in removing some furniture and in the course of the work he was standing upon a wood shed roof which gave way. He fell upon the upright wall of the shed with his legs upon either side, and sustained a contusion or bruising in the perinaeum and the upper part of the inside of the thighs. A fortnight later he was told by his doctor he had a rupture, and he ordered him a truss. The man stated that the "lump" had only been once seen by himself, and that was a fortnight after the accident. I could find no evidence of hernia five weeks after the accident, and as there was a passage, on each side of the groin, somewhat large, I was of opinion that if there had been a hernia, it was not produced by the accident, and was of old standing. He was, however, fit to resume work. I suggested a medical assessor should sit with the Judge, and at the hearing the assessor advised the Judge that he could find no evidence of hernia, and that his condition was consistent with age, and he was not incapacitated by the accident. The benefit of examination even five weeks after the accident enabled me to conclude there was no hernia, as it could not have healed in that time—nor could it have appeared a fortnight after the accident if it had been produced by it. But immediately after the accident I could have been

*A paper read before the Insurance Institute of Manchester, England.

definite. Compensation was stopped forthwith, and as a result of the hearing four months later an award for the respondent was given.

One of the most marked features of the Workmen's Compensation Act has been the extravagant increase in the time taken for recovery after injury; not only is the recorded average for healing (as given in the text books) exceeded, but I have had a sufficiently long acquaintance with injuries to be able to compare the two phases. I had some years' experience of resident hospital work; and one, of three years, at the convalescent hospital of the Manchester Royal Infirmary, was invaluable for observation of "after treatment" progress, and results of injury. I have observed that the period of time during which recovery takes place has been increased three and four-fold—for example, such injuries as are frequently met with—fractures of legs, arms, ribs and collar bones, may be compared.

	Formerly.	Present Day.
Collar bone	4 weeks	Three months.
Arm (humerus)	4-5 weeks	Three months.
Forearm	4 weeks	Two to four months.
If near wrist	6 weeks	Five or six months.
Ribs	3-4 weeks	Three months.
Femur	8 weeks	Twelve months or more.
Leg (tibia)	6 weeks	Three to four months.
Potts fracture	6 weeks	Six months.

Other injuries run in the same proportion, but the most striking of all are the injuries of the muscles of the lower part of the back and the slight concussion of the brain or scalp wounds. This is apart from the new manifestation amongst workmen and women called neurasthenia or traumatic neurasthenia, which, as has been truly stated, has been created in the working class by this Act, just as railway spine was created in the higher grades of society, when compensation for injury in railway collisions became fashionable. I never remember seeing the train of symptoms known as neurasthenia after injury, when there was no monetary value in it. Is it due to higher education producing a more sensitive organism or a greater dramatic instinct—for surely the aptitude to "get up the part" is remarkable after accidents. But really if higher education and an increased sensitive organism is responsible, it appears to have been evolved at the expense of spartan heroism, and frequently of self-respect. It is not "the thing" now to "grin and bear" after injury, but to "claim," and "slack it." Ignorance and fear of placing himself in a false position, and losing the right to compensation has been blamed for lack of initiative in resuming employment, but I believe that cunning and "greed of gain" "en masse" is nearer the mark; for how often does the apparently innocent victim of disaster turn out on discussion to be a veritable "sea lawyer" and encyclopedia of legal terms.

When I come to the subject of malingering, I am treading on delicate ground and approach the pivot on which the table of rates revolves, for is it not a fact that the malingerer is responsible for the excessive expenditure in settling claims in all trades? It costs as much, if not more, to fight him as it does to arrange the payment of a "lump sum" to get rid of the claim. The malingerer has been know from time immemorial. Special treatment has been meted out to him in the army and navy, and in civil actions for damages he has paid the penalty by penal servitude, as in the case of Josephs and the L. & Y. R. But there are degrees of malingering as there are various classes of liars. There is the personification of the "terminological inexactitude" ranging up to the skilled witness. The exaggeration of symptoms of some minor complaint, to the studied simulation of serious disease, which almost baffles the skill of the psychological student. Suggestion affects the mind so much that it is only necessary to repeat a thought often enough to produce a permanent impression of fact. Auto-suggestion is more impressive than external influence. The nomadic fakirs of India produce withering of limbs from disuse, under the influence of religious fanaticism. One can even suggest to oneself that tobacco and alcohol or sugar in tea are poison to us with such persistence that we may give them up and loathe them. The "fixed mental state" exhibited by many injured workmen is the result of continuous or repeated impressions upon the mind of a thought of their inability to do some form of work. The extreme type of malingerer is fortunately rare, and the number of cases rapidly increases as we approach the border line of real physical disability of low degree. The intensive type of malingerer is the one who has studied and been coached in the syptoms of some complicated disease, and it is only by observation and scientific investigation that the flaw can be detected, but many novel tests, and more particularly those relating to electricity have been employed. The nervous and muscular systems are subject to definite laws in health and disease, and the so-called electrical re-actions are constant factors. Other tests are made by means of tricks played upon the unsuspecting individual. To describe these, however, would spoil the market.

By far the largest class of deceivers is the one where there is an absence of effort to use a limb, or respond to a reasonable request to perform certain movements. The excuse in most cases is that such movements produce pain, and in others that the part is "weak." I look forward to the day when a "painometer" or "dolorimeter" will be invented—an instrument which will record pain by means of wireless telepathy upon a sensitive medium and registered by a revolving drum.

A certain percentage of people suffer from "ergophobia" or an inherent aversion to work; and any excuse is good enough to intensify the condition pre-existing in the individual. This is doubtless due to a bacillus related to that of laziness said to have been isolated by pathologists.

The disease can be induced by predisposing causes which may be attributed to the act itself. In a slight form it may be produced by a minor injury to get a holiday for two or three weeks. There is no pay for the first week if the incapacity lasts less than two weeks, but if he can tide over the three weeks he gets three weeks' half wages. Half wages for no work is too strong a temptation for many, and they will thrive on it indefinitely, and half-a-loaf is better than a whole one when the appetite is poor. In more serious injuries which incapacitate for weeks or months, is there not the rising, on the horizon of the imagination, of that glorious luminary the golden "lump sum," which will enable the recipient to avoid the monotonous drudgery of the daily task, and to live in ease and comfort as the independent proprietor of a small business; although without any experience, he deems himself quite capable. He is frequently stimulated in this desire by the careful nurture of his rapidly ageing parent who wishes to provide himself with an economic position in his declining years. In a great many cases I firmly believe this vision to be the predominant feature in the lack of incentive to return to the old job, and it is very questionable whether the lump sum is of real benefit to injured workpeople, however convenient it may be for the insurance company to get rid of a claim from the annual return of "outstanding claims" in the balance sheet. Ignorance and prejudice, however, may be said to account for a lot of people not resuming work, and racial characteristics play an important part. Irish workmen are notoriously difficult to encourage to return to their labors. They are always so depressed about their never being fit to work again and bemoan their hard luck in not being able to work, because nothing would ever induce them to walk about the streets if they were only fit to go back to work. In some cases this is so marked that one is impelled to agree with Shakespeare, "methinks he doth protest too

people" to be honest in his convictions. The man who is now anxious to try work if you will only tell him what he may, and can do, is generally the man who shakes his head dolefully at every suggestion in the effort to oblige him, and who goes forth to another week of abject wretchedness on half the weekly earnings. My own experience leads me to believe that a very large number of cases of "nervous debility" are not due to the accident but solely and entirely to digestive troubles. Absence of regular manual labour induces sluggishness of bowels and indigestion, the symptoms of which are innumerable, from headache to cold feet. Constipation causes toxoemia, and the more rest and inactivity, with overfeeding to strengthen them, the worse the condition becomes. It is very difficult to persuade them that the cause of their troubles is want of work and a healthy appetite. This is another reason why work is beneficial. On the other hand there are certainly instances of starvation causing incapacity, where a breadwinner of a family denies himself for his wife and children.

One must not overlook the club money as a deterrent to physical exertion, but I fear the National Health Insurance will prevent in the future so much money being received, as it is not payable like the old club money—when in receipt of weekly compensation.

Again the wage-earning wife may fill the gap and satisfy an injured workman that there is no immediate hurry to become the toiler for bread. A case at Stalybridge, in which I was interested, is instructive. A man sustained a fractured femur, and was fortunate in getting a perfect union, and was quite content to let well alone on 15/- per week for twelve months. It was then discovered that his wife kept a small hand laundry, and even a reduction to 2/6 per week was not sufficient pressure to make him go back to work. He would not settle, and it was necessary to apply for a review, which resulted in a nominal penny a week award. This was not enough, and a settlement was effected to dispose of the claim.

There is a widespread feeling among workmen that compensation for injury must be paid, and that they must not return to work until the limb is in exactly the same condition as before the accident. Any alteration in shape or loss of complete function is quite enough to prevent any attempt at work, and they expect compensation for this, as well as for incapacity to earn. One is frequently told that the loss of a part of a finger is absolutely fatal to their ever resuming their old work, and that that special finger on that hand is the only part of the human frame that is necessary for their particular work even though the next man may declare that the opposite limb is his vital part for the same job.

The medical adviser to the employer is frequently puzzled by the technical nature of a man's hand—in mills and workshops. However much he may know of the medical aspect of functions of limbs, there is the technical skill required for different kinds of work that he is not always in a position to judge of.

The position of the employer is one of difficulty at times. He is bound under his insurance policy to give every assistance to the company in dealing with the injured workmen, and he frequently cannot find so-called light employment in a business or trade which is entirely of a heavy nature. I believe on the whole employers are not resentful, and do their best for injured workmen, especially in proprietary concerns, but combines and trusts are not by nature sympathetic. Too often, however, an injured workman presumes on his position of a free lance on the premises and becomes either insolent or a source of annoyance to employer and overlookers or foremen, until the strain causes a rupture, and back the man goes on his compensation.

I am sorry to say that all too frequently the fellow workmen resent the cripple amongst them, and the helping along of the "lame duck" which was the rule before the Act of 1906, is now a thing of the past. The spirit of the combine has percolated to the workpeople. This is a serious and unfortunate position because the injured workman will be in a fit condition to resume work earlier and be better mentally for gradually increasing work at his trade encouraged by his comrades than in any temporary idling about a place of work in fictitious occupation.

The medical service rendered in carrying out the Act is somewhat uneven in its application, and not always given its proper place in administration. There are many cases which could be settled by expert medical opinion without any legal technicalities, and such cases I would refer to a court of medical assessors whose decision on the question of capacity to earn should be final. They should take medical evidence on the history of the case into account, together with their own examination and information as to the technical nature of the work. The reference should be by the judge or by mutual consent.

As a rule the employer is able to engage surgeons of standing and experience in dealing with claims, but the workman has to rely on his own medical attendant who has not had the same experience of surgery, and who is not as a rule so expert in arranging his facts and opinions and for which he is not adequately paid. The workman can only engage experienced surgeons when supported by a trades union. At the same time every possible latitude is given to a workman, and his word is frequently accepted without medical evidence in support. In fact so much encouragement is given to the man that perjury is frequently committed, but is not followed by its legal punishment except in the rarest incidences.

Many difficulties arise in exact diagnosis, and the borderline between injury and disease is often indefinable. This is particularly so in the schedule of diseases in dangerous trades.

What are the remedies which may reasonably be expected to reduce the excessive claim ratio and leave a margin of profit to the accident department of insurance work? First and foremost I would suggest a complete revision of the medical inspection of claims. In many instances it is absolutely necessary that an expert examiner should investigate the injury and accident at the earliest possible moment, failing which it is impossible to dispute liability. Two instances of this occurred in my experience in one day at Wrexham. The first was a claim made by a widow of a man who was stated to have strained his heart by jumping out of a railway coal truck on to a heap of slack. The man died in a few days, and the certificate of the doctor in attendance on the case stated the cause of illness to be "malignant endocarditis." This was in the hands of the insurance company for some days before death and no further notice was taken of it. Malignant endocarditis is a disease caused by septic poisoning and not by a strain, but no refutation of claim was possible, and an award for £150 was made. The next case was that of a man who died suddenly of excitement on a football field nine months after he had resumed work as a "coke drawer," a heavy occupation. He had been off work with a stiff neck some three weeks, said to have been brought on by a strain. A post-mortem was made privately by a doctor for the coroner, and he stated there was a dislocation of the axis vertebra in the neck due to weakness produced by stretched ligaments arising from the alleged injury nine months before. The evidence was unsatisfactory but irrefutable, and an award was given for £150. If this case had been carefully investigated in the early period of incapacity a correct estimate of the state of the neck would have been obtained and money saved. Thousands of pounds are wasted every year on this ground.

Every insurance company or combine might employ a medical referee in chief at a salary of about £2,000 per annum in order to attract surgeons of wide experience. He should devote his whole

time to the work and supervise all claims sent in. To facilitate the selection a scheduled table should be drawn up and printed for use in every office of the company, and should be in the hands of all claims' inspectors. This table would set out the classification of injuries into three main categories according to their import, with a detailed list of the commoner forms of injury in each. (a) Minor injuries, neither serious in themselves nor likely to develop into further trouble. To be investigated by a claims' inspector and reported on at once. Such report to be submitted to the medical adviser, who would note any unusual or peculiar circumstance for further investigation and ask for information from the medical attendant. (b) Cases requiring immediate investigation by a medical man in the locality, if at a long distance from the head or branch office; with report to the chief adviser, or in other cases an examination by the company's chief adviser himself. (c) Cases requiring early and skilled investigation by the chief medical adviser, who would have power to co-opt other expert investigators such as pathologists, eye specialists, radiographers, etc.

In class (a) I should include simple fracture of collar bone, ribs, fingers, forearm, sprains of wrist, and ankle, etc. Class (b) would consist of, among other cases, compound fractures, simple fracture of bones of limbs, especially near or involving a joint, hernia, rupture of muscles, sprained back, etc., doubtful injuries or indefinite certificates. The third (c) would deal with all injuries such as "heart strain," internal injuries, head injuries, and occupation diseases.

Another important duty of a chief medical adviser would be the reviewing of all medical evidence in cases about to be the subject of arbitration, and the correlation of medical facts. He would supervise the evidence to be given by medical witnesses, for some man make bad or indifferent witnesses and lose sight of the fact that they are there to assist the Court by relation of medical history and opinion, and not to support the contention of either side in any partisan spirit. If a company was not in a position to appoint a chief adviser as suggested, it might be accomplished by several companies pooling and employing a surgeon under a joint scheme.

Finally I would offer a solution of the difficulty of resumption of labor and of light work. Colonies should be established, supported by the insurance companies, which would be equipped with all grades of physical exercise, radiant heat baths and dynamic machines to test the power of limbs. Good food would ensure good health, and all work would be prescribed to suit each individual set of muscles or joints. Careful records of progress or failure would be kept, and a financial estimate of the earning would be obtained. I firmly believe the "Kur-Anstalt" could be made more atractive by entertainments and comfortable quarters, and the moral and physical conditions of injured workpeople of both sexes would be enormously benefitted and a great deal of loafing, public park entertainments, and depression of home surroundings and brooding would be avoided.

GAINFUL OCCUPATIONS OF RESIDENTS OF THE STATE OF NEW YORK

THE new workmen's compensation law of New York gives particular interest, despite the now partial obsoleteness of the actual figures, to a bulletin recently issued by the Bureau of the Census, summarizing the gainful occupations pursued by residents of the State of New York in 1910, the year of the decennial census. The bulletin is as follows:

* * *

According to the Report on Occupations recently issued by Director William J. Harris, of the Bureau of the Census, Department of Commerce, there were 4,003,844 persons ten years of age and over in New York State engaged in gainful occupations in 1910. The gainful workers thus formed 43.9 per cent of the total population of the State (9,113,614) and 54 per cent of the population ten years of age and over (7,410,819). In 1900 the 2,996,474 gainful workers of the State formed 41.2 per cent of the total population and 51.6 per cent of the population ten years of age and over.

The male gainful workers in 1910 numbered 3,020,158, or 81 per cent, of all males ten years age and over, as compared with 2,324,429, or 80.8 per cent, in 1900. The female gainful workers in 1910 numbered 983,686, or 26.7 per cent of all females ten years of age and over, as compared with 672,045, or 23 per cent, in 1900.

The 4,003,844 gainful workers in 1910 were distributed among the main branches of occupations as follows: Agriculture, forestry, and animal husbandry, 378,657, or 9.5 per cent; extraction of minerals, 12,265, or 0.3 per cent; manufacturing and mechanical industries, 1,591,529, or 39.8 per cent; transportation, 320,480, or 8 per cent; trade, 545,359, or 13.6 per cent; public service, 67,436, or 1.7 per cent; professional service, 221,168, or 5.5 per cent; domestic and personal service, 535,894, or 13.4 per cent; and clerical occupations, 331,056, or 8.3 per cent.

Of the gainful workers in 1910, 3,020,158, or 75.4 per cent, were males and 983,686, or 24.6 per cent, females. In agriculture, forestry, and animal husbandry, the males numbered 365,602, or 96.6 per cent, and the females 13,055, or 3.4 per cent. Practically all—12,133, or 98.9 per cent—of the persons engaged in the extraction of minerals were males. In manufacturing and mechanical industries, 1,242,556, or 78.1 per cent, of the workers were males and 348,973, or 21.9 per cent, females. Males constituted 95.4 per cent of the 320,480 persons engaged in transportation, 86.1 per cent of the 545,359 persons engaged in trade, and 98.6 per cent of the 67,436 persons engaged in public service. In professional service 128,217, or 58 per cent, of the workers were males and 92,951, or 42 per cent, females, a large proportion of the females being school teachers. Domestic and personal service was the only large field of occupations in which the females outnumbered the males. Here females numbered 322,969, or 60.3 per cent, and males only 212,925, or 39.7 per cent, of the workers. Of the persons pursuing clerical occupations 216,870, or 65.5 per cent, were males and 114,186, or 34.5 per cent, females.

Of the 3,020,158 gainfully occupied males in 1910, 955,733 were native whites of native parentage, 762,994 native whites of foreign or mixed parentage, 1,244,701 foreign-born whites, 49,205 negroes, and 7,525 other colored. The proportion which the gainfully occupied males formed of all the males ten years of age and over in each principal class of the population was for native whites of native parentage, 76 per cent; for native whites of foreign or mixed parentage, 74.8 per cent; for foreign-born whites, 89.9 per cent; and for negroes, 89.2 per cent.

Of the 983,686 gainfully occupied females in 1910, 277,495 were native whites of native parentage, 317,583 native whites of foreign or mixed parentage, 353,303 foreign-born whites, 34,782 negroes, and 523 other colored. The proportion which the gainfully occupied females formed of all the females ten years of age and over in each principal class of the population was for native whites of native parentage, 21.7 per cent; for native whites of foreign or mixed parentage, 29.2 per cent; for foreign-born whites, 28.3 per cent; and for negroes, 57.3 per cent.

The gainfully occupied males in 1910 were distributed, according to age periods, as follows: Ten to thirteen years, 3,600; fourteen to fifteen years, 35,757; sixteen to twenty years, 340,441; twenty-one to forty-four year and age unknown, 1,844,857; and

forty-five years and over, 795,503. The proportion which the gainfully occupied males formed of all males in each age period was: For those ten to thirteen years of age, 1.1 per cent; for those fourteen to fifteen years of age, 23.5 per cent; for those sixteen ot twenty years of age, 80.1 per cent; for those twenty-one to forty-four years of age, 96.9 per cent—that is, all but three men in every 100 had gainful occupations—and for those forty-five years of age and over, 85.3 per cent.

The gainfully occupied females in 1910 were distributed, according to age periods, as follows: Ten to thirteen years, 1,252; fourteen to fifteen years, 24,485; sixteen to twenty years, 259,940; twenty-one to forty-four years and age unknown, 552,642; and forty-five years and over, 145,367. The proportion which the gainfully occupied females formed of all females in each age period was: For those ten to thirteen years of age, 0.4 per cent; for those fourteen to fifteen years of age, 15.9 per cent; for those sixteen to twenty years of age, 56.6 per cent; for those twenty-one to forty-four years of age, 30.4 per cent; and for those forty-five years of age and over, 15.5 per cent.

In New York in 1910 there were 39,357 males and 25,737 females ten to fifteen years of age engaged in gainful occupations; or, stated otherwise, 8.4 per cent of the males and 5.5 per cent of the females ten to fifteen years of age were gainful workers. In 1900 there were 55,218 males and 36,726 females ten to fifteen years of age engaged in gainful occupations, which was 14.4 per cent of all males and 9.5 per cent of all females ten to fifteen years of age.

The principal occupations followed by the males and the females, respectively, in New York in 1910 were as follows:

MALES.

Agents, canvassers and collectors	12,504
Apprentices	14,652
Bakers	18,370
Barbers, hairdressers and manicurists	25,002
Bartenders	19,732
Blacksmiths	21,473
Bookkeepers, cashiers and accountants	50,586
Brick and stone masons	23,360
Builders and building contractors	25,921
Carpenters	93,544
Chauffeurs	13,150
Civil engineers and surveyors	7,499
Clergymen	9,631
Clerks (except clerks in stores)	113,578
Clerks in stores	48,749
Commercial travelers	23,036
Compositors, linotypers and typesetters	22,903
Conductors (street railroad)	8,467
Dairy farmers	18,242
Deliverymen	34,818
Draymen, teamsters and expressmen	60,847
Electricians and electrical engineers	25,195
Elevator tenders	8,495
Engineers (stationary)	28,463
Farm laborers	149,908
Farmers	159,330
Firemen (except locomotive and fire department)	13,702
Foremen and overseers (manufacturing)	20,574
Garden laborers	11,072
Guards, watchmen and doorkeepers	12,903
Hostlers and stable hands	8,166
Hotel keepers and managers	8,623
Insurance agents and officials	13,516
Janitors and sextons	13,715
Laborers:	
Blast furnaces and rolling mills	9,958
Brick, tile and terra cotta factories	7,713
Domestic and professional service	9,934
General and not specified	88,559
Helpers in building and hand trades	9,234
Public service	9,057
Road and street building and repairing	29,766
Steam railroad	31,236
Laborers, porters and helpers in factories	15,322
Lawyers, judges and justices	17,138
Locomotive engineers	7,559
Longshoremen and stevedores	18,545
Machinists and millwrights	65,132
Mail carriers	8,348
Managers and superintendents (manufacturing)	14,624
Manufacturers and officials	52,043
Messenger, bundle and office boys	24,961
Molders, founders and casters (iron)	12,826
Motormen	9,546
Musicians and teachers of music	12,415
Painters, glaziers and varnishers (building)	46,626
Painters, glaziers and varnishers (factory)	8,936
Physicians and surgeons	14,954
Plasterers	7,410
Plumbers and gas and steam fitters	30,730
Policemen	13,973
Porters (except in stores)	15,825
Real estate agents and officials	16,915
Restaurant, café and lunch room keepers	7,700
Retail dealers	168,425
Salesmen (stores)	93,992
Saloon keepers	9,011
Semi-skilled operatives:	
Cigar and tobacco factories	14,334
Furniture, piano and organ factories	12,053
Printing and publishing	9,385
Shoe factories	12,490
Suit, coat, cloak and overall factories	21,542
Servants	39,341
Sewers and sewing machine operators (factory)	40,690
Shoemakers and cobblers (not in factory)	12,202
Soldiers, sailors and marines	9,367
Stenographers and typewriters	9,241
Switchmen and flagmen (steam railroad)	7,880
Tailors	57,732
Teachers (school)	10,162
Tinsmiths	9,608
Waiters	24,054
Wholesale dealers, importers and exporters	10,608

FEMALES.

Barbers, hairdressers and manicurists	5,049
Boarding and lodging house keepers	14,833
Bookkeepers, cashiers and accountants	33,603
Charwomen and cleaners	6,509
Clerks (except clerks in stores)	27,191
Clerks in stores	16,757
Dressmakers and seamstresses (not in factory)	68,082
Farmers and dairy farmers	6,784
Forewomen and overseers (manufacturing)	5,035
Housekeepers and stewardesses	20,648
Janitors and sextons	10,988
Laundresses (not in laundry)	32,465
Laundry operatives	9,822
Midwives and nurses (not trained)	19,701
Milliners and millinery dealers	19,539
Musicians and teachers of music	10,814
Retail dealers	11,726
Saleswomen (stores)	40,231
Semi-skilled operatives:	
Cigar and tobacco factories	11,786
Knitting mills	9,258
Printing and publishing	8,722
Shirt, collar and cuff factories	8,116
Shoe factories	5,460
Silk mills	6,468
Servants	183,807
Sewers and sewing machine operators (factory)	90,243
Stenographers and typewriters	49,281
Tailoresses	11,254
Teachers (school)	50,793
Telephone operators	12,154
Trained nurses	12,877
Waitresses	15,163

The Efficiency of Lightning Rods.—According to a bulletin of the Ontario Department of Agriculture, thirteen years of investigations demonstrate that lightning rods are now 94½ per cent efficient in that Province. In the State of Iowa they are 98.7 per cent efficient, and in Michigan 99.9 per cent. Total lightning claims paid by insurance companies on rodded buildings in Iowa during eight years were only $4,464, while on unrodded buildings, which were of the same number, they paid $341,065. In Ontario, out of every 200 farm buildings insured, forty-two are rodded. Yet out of every 200 struck by lightning in 1912, only three were rodded buildings. According to the Ontario bulletin, the rods should be in metallic connection with the building

NOTES ON INSURANCE, AMERICAN AND FOREIGN

To Write Industrial Disability Insurance.—In a letter to its Superintendents, the Metropolitan Life Insurance Company of New York announces the practical completion of a plan to write industrial disability insurance, although for the present on the group plan only. The letter reads:

"In a public announcement made by the Metropolitan Life Insurance Company in 1909, it was stated that if the demand could be shown and the feasibility demonstrated, the company would attempt to provide insurance against disability due to sickness or accident. In conformity with this statement and in realization of the need for such insurance, the company since the above date has made careful studies of the subject in Europe and in the United States. The results of these studies convinced the officers and directors of the company that the time is opportune for the development of a comprehensive form of disability insurance in the United States, to meet in particular the needs of working men and women.

"An amendment to the insurance law was procured under which our charter could be enlarged. Thereafter the charter was amended and our license has been extended to enable the company to write disability insurance.

"While the results of the studies which have been made in foreign countries with respect to disability insurance have been illuminating, the difficulty which the company has encountered is to find an experience that could be used in the United States. Unfortunately, there are no accurate statistics obtainable. For this reason, the company in the preparation of its tables has had to depend upon the experience of other countries and to adjust these to meet American conditions. It is impossible to say in advance whether these premiums are too high or too low, but it is believed that a sufficient margin has been allowed to permit the company to conduct its business on a safe basis and yet not to charge more for this form of insurance than is actually required. If, in the course of years, experience demonstrates that the rates are too high or too low, they will be changed. The company has no intention to make profit out of the business, but wishes if possible to give disability insurance to the working classes of the United States approximately at cost.

"The present plans of the company contemplate group insurance only. Contracts will be entered into with employers of labor for the insurance of their employes against sicknees and against accidental injuries not arising out of and in course of their employment (industrial accidents being covered in many States by the Workmen's Compensation Laws), the premiums to be paid either by the employer, by the employer and the employes jointly, or by the employes alone.

"To develop this new form of insurance, a new department has been created, to be known as the Disability Insurance Department. The officer in charge will be the Sixth Vice-President, who will pay especial attention to the field work. The Home Office force and work will be in charge of Assistant Secretary Thornton R. Richardson and under the supervision of the Third Vice-President, who already has such supervision in the Ordinary and Industrial Departments.

"Together with this preliminary announcement, we are enclosing a specimen copy of the new policy, which has been approved by the Insurance Department of New York. Under this policy, no benefit is payable for the first seven days of incapacity, nor for the first thirteen weeks of insurance. The benefits are divided into three periods. During the first twenty-six weeks, full benefit will be paid. During the second period of four years and six months, one-half benefit will be paid. During the third period, running to age sixty-five, one-quarter benefit will be paid. In the two last mentioned respects, the policy differs radically from disability policies issued by other companies.

"In due course, full detailed information regarding this policy and rates of premiums will be sent to you."

* * *

Mr. Done's Valedictory.—Concluding his annual report as Commissioner of Insurance of Utah, for 1913, Willard Done says: "From time to time the Commissioner has called attention to great movements in insurance history as they have arisen. It seems certain that the greatest movement now on foot is that for education and conservation. In that work the Utah Commissioner has been active in the past and he leaves this field now to devote his entire time to this line of endeavor. The education of the public regarding insurance itself and the closely related subject of conservation is of paramount importance. It is believed that more benefit can be and will be derived from this work than from any other that can be undertaken. Every State is interested in such a movement, and the people of every State as well as the insurance companies operating therein will enjoy its benefits. To the State of Utah which will be in my future field, I pledge my best efforts to secure beneficial results from this work. The people of Utah are taking a very intelligent interest in the subject of insurance, which interest it is hoped will be increased and will be reflected in greater saving of life and property, and a friendly co-operation with insurance companies and their representatives in bringng about needed reforms. As everyone is interested in insurance, so everyone should know something about it."

* * *

South African Mine Accidents.—In the mines of South Africa, in 1912, by accident, 69 white men were killed, and, of colored, 962; of whites, 359 were injured and 2,300 colored. In 1913, the corresponding figures were 88, 923, 360 and 2,508.

* * *

Marine Insurance in France.—According to statistics published in "L'Argus" the premiums received in 1913 by the principal French marine insurance companies exceeded those of 1912 by 679,811 francs. The claims amounted to 71.05 per cent of the premiums as compared with 72.04 per cent in 1912. The management and agency expenses of the companies collectively amounted to 6,547,530 francs.

* * *

Additions to the Health Conservation Committee.—Mr. Elmer E. Rittenhouse, chairman of the Health Conservation Committee of the World's Insurance Congress, has nominated the following additional members to his committee, and the appointments have been confirmed by the commission in charge of the World's Insurance Congress events: Dr. F. L. Hoffman, statistician, Prudential Insurance Company of America, Newark, N. J.; Dr. Franklin C. Wells, senior medical director, Equitable Life Assurance Society of New York; Dr. H. W. Cook, vice-president and medical director, Northwestern National Life Insurance Company, Minneapolis, Minn.; R. W. Huntington, Jr., president, Connecticut General Life Insurance Company of Hartford; Wilmer L. Moore, president, Southern States Life Insurance Company of Atlanta.

* * *

English Underwriters to Attend Insurance Congress.—The Hon. Henry L. Riseley, a prominent insurance underwriter of Bristol, England, passed through San Francisco en route home from Australia. He was the chairman of the International Convention of

Insurance Agents and Brokers, held at London in 1913. He has accepted an invitation to head a delegation from England to the World's Insurance Congress, to be held in San Francisco in 1915.

* * *

Life Underwriters Programme.—The programme of the twenty-fifth annual convention of the National Association of Life Underwriters, to be held in Cincinnati on September 15, 16 and 17, has been issued as follows:

TUESDAY, SEPTEMBER 15, 1914.—MORNING SESSION, 10 O'CLOCK.

Invocation.
Addresses of Welcome:
Mr. John L. Shuff, president Cincinnati Life Underwriters' Association.
Mr. Jesse R. Clark, president Union Central Life Insurance Company.
Roll call of delegates.
Reading of minutes of previous convention.
Reading of special communications.
President's address.
Vice-President's address.
Secretary's report.
Treasurer's report.
Executive Committee report.
Announcements.

AFTERNOON SESSION, 2 O'CLOCK.

Address—"Life Insurance Education."
Dr. S. S. Huebner, Professor of Insurance and Commerce, Wharton School of Finance and Commerce, University of Pennsylvania.
Report of Committee on Education and Conservation.
Mr. Warren M. Horner, chairman.
Five-minute talks—
"Work Accomplished by Local Associations."
(a) Education.
(b) Publicity.
Question from the Floor.
Action on Executive Committee's recommendations.
Appointment of Nominating Committee.

WEDNESDAY, SEPTEMBER 16, 1914.—MORNING SESSION, 10 O'CLOCK.

Address—"The Taxation of Life Insurance."
Hon. Lawrence Y. Sherman, member United States Senate from Illinois.
Report of Committee on Taxation.
Mr. Edward A. Woods, chairman.
Discussion of five-minute topics—
Mr. Hubert H. Ward, manager, Pacific Northwest, Pacific Mutual Life Insurance Company, Portland, Oregon, chairman:
"Necessity for Action in Matters of Insurance Legislation by Life Underwriters Associations."
Announcement and reading of prize essays—
"Woman's Interest and Influence in Life Insurance."
Presentation of Calef Loving Cup and Medal.
Presentation of Ben Williams Vase.
New Business.

AFTERNOON SESSION, 2 O'CLOCK.

Discussion of five-minute topics—
Mr. Hubert H. Ward, chairman.
1. "Agency System."
(a) Standards of Qualification for Agents.
(b) The Training of Agents.
(c) Proper Service to Policyholders.
(d) Time Accountability and Systematic Reports.
2. "Utilizing Life Insurance for Charitable and Philanthropic Bequests."
(a) Educational Institutions.
(b) Religious Organizations.
(c) Charities.
New Business.
Presentation of resolutions or other business to be referred under the rules to the Executive Committee.
Meeting of Nominating Committee, Hotel Gibson, 10 p. m.

THURSDAY, SEPTEMBER 17, 1914.—MORNING SESSION, 10 O'CLOCK.

Report of Executive Committee.
Address—
(Name and subject to be announced later.)
Five-minute topics—
Mr. Hubert H. Ward, chairman.
"Business Insurance."
Discussion to be led by Mr. Lawrence C. Woods, assistant manager, Equitable Life Assurance Society at Pittsburgh, Pa., who will be given twenty minutes, after which the five-minute discussion of the topic will prevail.
Announcements.

AFTERNOON SESSION, 2 O'CLOCK.

Ten-minute reports on—
"The Northwest Insurance Congress," Malcolm Hughes, Seattle, Wash.
"The New England Congress," Clarence C. Miller, Boston, Mass.
Awarding of trophies—
The Edwards Membership Trophy.
The Whittington Delegates' Trophy.
The Waite Attendance Trophy.
Selection of place for holding convention in 1915.
Report of Nominating Committee.
Election and Installation of Officers.
Unfinished business.
Adjournment.

* * *

Mutual Life Underwriters' Programme.—The programme of the second annual convention of the National Association of Mutual Life Underwriters, to be held at Mackinac Island, Michigan, on August 10 and 11, has been issued as follows:

FIRST DAY.

MONDAY, AUGUST 10, 1914.—MORNING, 10 O'CLOCK.

Address of President—Nelson O. Tiffany, president of Masonic Life Association, Buffalo, N. Y.
"A Psychological Opportunity"—M. F. Van Buskirk, editor Mutual Underwriter and Fraternal Monitor, Rochester, N. Y.
"Valuation as Applied to Assessment Associations"—Lewis A. Anderson, actuary, Fellow American Institute of Actuaries, International Congress of Actuaries; lecturer, University of Wisconsin, etc., Madison, Wis.
"Legislation Problems"—John Sullivan, member, Committee on National and State Legislation of the National Fraternal Congress of America.

AFTERNOON, 2 O'CLOCK.

Report of Executive Committee—F. J. Kuhlemeier, chairman, secretary Merchants Life Association, Burlington, Iowa.
Report of Committee on Legislation—Nelson O Tiffany, Jr., chairman, vice-president and superintendent of agencies, Masonic Life Association, Buffalo, N. Y.
Report of Committee on Statistics and Publicity—Nelson O. Tiffany, Jr., Buffalo, N. Y.
Report of Treasurer—Arthur J. Davies, secretary Knights Templar and Masonic Mutual Aid Association, Cincinnati, Ohio.
"Pure Protection Life Insurance"—Dr. George W. Hopkins, president Pure Protection Life Association, Cleveland, Ohio.
"Uniform Insurance Law"—Edward M. Martin, vice-president Guarantee Fund Life Association, Omaha, Neb.
"Mutual Life Underwriters—What of the Future?"—S. S. Hallam, general manager Illinois Bankers' Life Association, Monmouth, Ill.
"World's Insurance Congress"—Gilbert F. Stevenson, secretary Western Mutual Life Association, Los Angeles, Cal.
"Co-operation"—J. C. Peasley, secretary Bankers' Reserve Life Association, Freeport, Ill.
Executive session.

SECOND DAY.

TUESDAY MORNING, AUGUST 11, 9 O'CLOCK.

General discussion.
Adjournment, 11:30 a. m.

* * *

Co-operative Disability and Life Insurance for Metropolitan Life Employes.—The Metropolitan Life Insurance Company of New York announces details of its plan to furnish co-operative disability insurance coupled with low cost life insurance to its employes as follows:

"The Metropolitan offers to all its employes in the field (superintendents excepted) who have been in the employ of the company over six months and are not over sixty years of age, a plan under which they can be assured of a weekly income in the event of disability due to sickness or bodily injury, and of the payment to their heirs, in the event of death, of a substantial amount of monthly benefit for twelve months subsequent to date of decease. No medical examination will be required for either the life insurance (except in a very few States where statutes require such examination) or the disability insurance, but in the event of incapacity the company will examine, and will require proof of incapacity, as often as it may deem necessary.

"The amount of life insurance to be granted on any life will be fifty-two times the average weekly earnings for the first six months of 1914. For example: an agent has averaged $24 per week for the first half of 1914. He will be eligible for fifty-two times $24, or $1,248. In the event of death, the company would pay to the beneficiary $104 per month for twelve months. Assuming the insured in this case to be twenty-five years of age when this

policy was issued, the monthly premium for the first year would be 1.248 x .71, or 89 cents.

"To each employe on whose life this insurance is placed the company will also issue disability insurance, subject to the conditions of the policy when issued, at the published rates, and in every case the company will pay one-half of the disability premium on men, and on women the difference between the published cost and the sum to be paid by men for like benefit; that is, the sum to be paid by men and women will be the same.

"The weekly benefit insurable in every case will be two-thirds of the average weekly earnings for the preceding six months, taken to the nearest dollar. In the event of disability this benefit will be payable for twenty-six weeks, when one-half thereof will be payable for the next 234 weeks, when it will be again reduced to one-quarter, which will be payable up to age sixty-five. In the case already cited, the benefit will be $16 per week for twenty-six weeks, $8 for 234 weeks and $4 to age sixty-five.

"No benefit is payable for thirteen weeks subsequent to the insurance taking effect, nor for the first seven days of incapacity.

"The premiums on these insurances are to be paid on the first day of each month to the cashiers in the district offices and prompt remittances made to the company, with special report forms. * * *

"The company reserves the right to cancel the disability insurance at any time, and also reserves the right to settle any question in dispute. In the event of the cancellation of the insurance through the non-payment of premiums or otherwise, no further benefits will be paid whether incapacitated or not."

INSURANCE NEWS IN THE WEST

Would Reduce Marquette National Capital.—The Marquette National Fire of Chicago has started on the very large task of securing the consent of all its stockholders to a reduction in the capital stock from $1,000,000 to $300,000. The consent of each individual stockholder must be secured and it must be in writing. Among the hundreds of stockholders it can readily be seen there will be many who will hesitate and require long explanations and probably some who will try to make a bargain, getting some consideration for their consent. The necessity of reducing capital arose through the failure of the La Salle Street Trust and Savings Bank. Besides tying up about $400,000 in funds of the insurance company, the failure made it impossible for the bank to handle a large amount of installment notes for the company, and it also made it impossible for one of its officers to sell the last $150,000 of stock, as he had agreed to do.

* * *

Illinois Case Put Over.—The hearing on the petition for an injunction to restrain Insurance Superintendent Potts, of Illinois, from interfering with the business of the companies operating underwriters' agencies was postponed on Monday until September. Then Mr. Potts will have returned from the insurance commissioners' convention, at which he doubtless will consult with his fellow commissioners on the questions involved in this controversy. Meanwhile the companies will have secured depositions that they want to present to the court at the hearing.

* * *

Tangle in Chicago Fire Board.—For some time past the Chicago Board of Underwriters has been failing to get a quorum at meetings. Another meeting is called for the latter part of this week, and, of course, it is yet uncertain whether enough members will be on hand to transact business. It is surmised that a number of members have absented themselves in order to avoid voting upon the question of increasing brokers' commissions. The brokers, who were hit very hard by the expense reduction programme which became effective on January 1, have been endeavoring to have their commissions advanced from 10, 15 and 20 per cent to 15, 20 and 25 per cent. For an agent to oppose this increase, if any considerable number of board members favored it, would not make him popular with the brokers and might do his agency considerable harm. On the other hand, to grant the increase would reduce the incomes of agents in a way that many of them could not well stand. Hence it is not surprising that some of them desire to sidestep the issue.

Another question likely to come before the board is that of agency representation. There appears little prospect that the board will be able to enforce its present rule of not more than three agents to each company, including underwriters' agencies. This difficulty has given rise to talk of increasing the number to four, if by so doing an agreement can be reached. There are few, if any, signs that an agreement can be reached. When President Bissell, of the Hartford Fire, was here recently, it is reported he made a proposal to the effect that if the board would recognize the New York Underwriters as a separate institution he would agree not to take advantage of such action by appointing for the Hartford Fire and the New York Underwriters together more agents than are allowed to one company. Certain other companies with underwriters' agencies, however, would not agree to this; they would not consent to having the New York Underwriters recognized as a separate institution unless similar recognition was given their underwriters' agencies. It appears impossible to get an agreement. Companies without "underwriters" are not likely to concede any advantages to those with annexes; and no company seems at all inclined to admit that its "underwriting" is any less legitimate than that of any other company.

* * *

Arraigns Liability Companies.—The annual report of the Wisconsin Industrial Commission, whose year closed on June 30, is devoted in large part to arraignment of the liability companies on the score of the rates charged in that State. Pointing out differences between the New York and Wisconsin laws, the commission claims that the cost of compensation in New York exceeds that in Wisconsin by 50 per cent, and the rates should be that per cent higher in New York than in Wisconsin. Yet, it says, the rates on most classifications in New York are lower than those in Wisconsin. Intimating that possibly the companies are discriminating in favor of Eastern industry, the commission says that if the companies are charging inadequate rates in the East they should not be permitted to make good the deficit in the West. "If the stock insurance companies will not provide equitable insurance rates," says the report, "some other solution will be found. The solution may be mutual insurance or it may be State insurance."

* * *

Has Doubts About State Insurance.—State Senator Alroy S. Phillips, a member of the Missouri workmen's compensation commission, has given out a statement correcting certain misquotations of his views on the kind of a compensation law Missouri should have. He states that he did not say that he favored either a law providing for compensation insurance by the State or one providing for a State commission to administer the law with full power to regulate rates and supervise the operations of the companies. He says, however, that he did express himself in favor of State regulation of rates and supervision of the companies. Regarding State insurance, he sees no reason why employes should favor this system and several why they should not. As he views it, the only person who should favor State insurance is the employer, who would benefit by the seeming cheap rates. In Mr. Phillips' opinion

the Missouri commission should not seriously consider the subject of State insurance until there is a strong demand from the employers of the State. When it would be time enough to discuss the question of the adequacy of the coverage of State insurance, the insufficiency of its service and the other respects wherein it falls short of properly performing the functions of an insurer."

* * *

The Hartford Accident and Indemnity has not yet announced the name of its Chicago manager, but an announcement is expected within a few days. The visit of President Bissell and General Manager Moray to Chicago and the fact that they talked with several casualty and surety men of the city gave rise to rumors that one and another had been appointed manager, all of which rumors, with perhaps one exception, were necessarily incorrect. There can be little doubt, however, that the entrance of this company to the city will cause considerable rearrangement. To secure such an office staff as it will require will draw from other offices. Not being a member of the Workmen's Compensation Service Bureau, the Hartford is not bound by its rules, and can therefore appoint as many general agents as it sees fit. There is no doubt that it will be offered several opportunites to appoint individuals or firms controlling a good volume of business either as brokers or as general agents whose present connections are not entirely satisfactory. Should it take any of the latter class, that would leave other general agencies open.

* * *

Vice-President W. L. Taylor, of the Southern Surety, was in Chicago this week and he stated that the company would shortly announce the appointment of a general agent for its casualty department in the city. The company has shown no haste about entering the casualty business in Chicago, recognizing that the game is a hard one in the city and a company would better wait till it can make satisfactory arrangements.

Chicago, July 31, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

On July 28, Chancellor Walker, of New Jersey, after hearing argument upon the report of the commission appointed to ascertain the equity of the stockholders of the Prudential Insurance Company of America in the assets of the company [The Market World and Chronicle, July 4, 1914, p. 11], approved the appraisal of the commissioners, which allows the stockholders $18,174,108.80 as their proper share of the assets. On the 40,000 shares of stock outstanding, this appraisal represents a value of about $456 per share.

During the past ten years 155 fire insurance companies in Canada and the United States have been forced to retire from the field, principally by reinsuring their liabilities with other companies. Nearly the half of these were less than five years old at the time of their retirement. Since January 1, 1913, thirty fire companies have been removed from the list, and on January 1, 1914, there were no less than seventy-two joint stock companies in the hands of the receiver, or in process of winding up.

Disablement benefit under the British Insurance Act became payable on July 13. The benefit amounts to 5s. a week, payable from the date when sickness benefit ceases—that is, after twenty-six weeks—as long as the insured person remains disabled, but not after the age of seventy, when the old-age pension begins. Only persons who have been insured for two years and have paid 104 weekly contributions are eligible for the benefit.

At a meeting of the board of directors of the Canada Life Assurance Company, Herbert C. Cox, until now president of the Imperial Life Assurance Company of Canada, was elected president and general manager of the Canada Life Assurance Company, to succeed his brother, E. W. Cox, who died in England and who succeeded his father, the late Senator George A. Cox, to the presidency only six months ago.

At the annual meeting of the Insurance Institute of London, W. E. Baily (Queen and Commercial Fire) was elected president for the ensuing year in place of Joseph Powell (Commercial Union), who retires from office. Henry Mark (Commercial Union), honorable treasurer, and G. McKay Mowat (Royal) and James A. Pollard (Alliance), honorable secretaries, were re-elected.

Succeeding H. C. Cox who was recently appointed president of the Canada Life Assurance Company, G. A. Morrow has been elected to the presidency of the Imperial Life Assurance Company of Canada. Mr. Morrow is an important figure in the financial world, being vice-president of the Dominion Securities Corporation, assistant manager of the Central Canada Loan and Savings Company and director of the British American Assurance Company, Western Assurance Company, the Canada Steel Company, the Imperial Accident and Guarantee Company and a number of other large Canadian financial institutions.

At the annual meeting of the North Dakota Association of Local Agents, the name of the organization was changed to permit of membership by casualty as well as fire agents, becoming "The Local Agents' Association of North Dakota." Thomas Baker, Jr., of Fargo, was elected president; D. M. Holmes, vice-president, and C. M. Page, secretary and treasurer.

John James has been apopinted commissioner of the Utah Insurance Department to succeed Willard Done, who has recently become connected with the Board of Fire Underwriters of the Pacific. Mr. James was general agent at Salt Lake City for the accident department of the Columbian National Life of Boston.

The Royal Life of Chicago, which has been writing ordinary and industrial life insurance, proposes to enter the health and accident field. A meeting of the stockholders has been called for August 17, to vote on increasing the capital stock to $200,000 and amending the charter to permit the additional lines.

At a recent meeting of the Insurance Brokers' Committee of the World's Insurance Congress, B. F. Brisac was elected chairman, and D. A. Spencer was elected Secretary. The rest of the members are William H. LaBoyteaux, Henry S. Manheim, M. Thompson and Edward A. Schmitt, all of San Francisco.

The New York Life had a $10,000 policy on the life of Associate Justice H. H. Lurton, of the United States Supreme Court, who died July 12. The policy, taken in 1875, contained a permit "to take occasional trips to any part of the State of Tennessee at all seasons."

The Farmers National Life Insurance Company, which was recently organized at Syracuse, N. Y., has an application pending to change its name to the Farmers and Traders Life in order to distinguish it from two Western companies of the same or similar name.

The Commercial Fire of Washington is going to withdraw from all States with the exception of New Jersey, Pennsylvania, Ohio, Indiana and Illinois, and in those States it will confine its operations to cities having fully paid fire departments.

Judge Smith McPherson in the Federal Court at Des Moines has granted an appeal from the recent decision of three Federal judges declaring the "blue sky" law unconstitutional. The decision will go to the United States Supreme Court.

The National Automatic Sprinkler Association has selected its secretary, Ira G. Hoagland, to represent it in the "National Council" of the World's Insurance Congress.

The Union Central Life has so amended its Ohio license as to permit insurance against permanent physical disability. It has also secured an amendment to its charter providing for insurance against accident and sickness.

Hail losses in Texas for the season just closed have been the lightest for many years. Some of the companies' losses have been so small as to be practically negligible, while others have run from 5 to 12½ per cent.

John J. Kennedy, manager of the accident and health department of the Cleveland Life, has been appointed chairman of the Press Committee of the International Claim Association.

The German Security Fire of Louisville, Ky., has reinsured its risks and will wind up its affairs. The business was taken over by the Boston Insurance Company.

The enactment of a fireman's pension bill and a change in the fire marshal law will increase the taxes of insurance companies in Louisiana about 1½ per cent.

Twenty-three rural municipalities in the Southern and Eastern parts of the Province of Alberta have voted to form themselves into a hail insurance district.

Australasian exchanges say that the State Ministry proposes to establish in Melbourne a State insurance office under the Workers' Compensation Act.

The Prudential Insurance Company of America has delegated Harvey Thomas, one of its supervisors, to be in charge of its publicity department.

The St. Paul Fire and Marine has increased its capital to $1,000,000 by transferring $500,000 from surplus to capital.

The National Fraternal Congress will hold its annual convention at Niagara Falls, commencing September 8.

The Standard Life of Pittsburgh will increase its capital from $350,000 to $400,000.

The Equitable Life Assurance Society was formed fifty-five years ago.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

ANYTHING which is written at this time about the monstrous situation precipitated by Europe's mad rush toward the abyss of war has to be subject to all the qualifications that may be made by developments before it appears in print. Mankind has never faced such conditions as those which have been created this week and the train of events is being made by forces that do not lend themselves to any trustworthy conjecture. The world to-day is a vastly different community than the world of the Napoleonic wars, which furnish the only precedent for the general European warfare which has been holding out the most awful menace since a week ago. In every part of the civilized area the disastrous shock of so dreadful a catastrophe must be felt in the economic structure built out of domestic and international trade relations bound together by international banking. To what extent the disruption already sustained may go it is therefore impossible to foretell. All that one can say at this time is that it behooves American citizens to keep their heads and retain their confidence in the future of the United States and in the fundamental soundness of American values.

It now appears more clearly how certainly Europe has been preparing for the crisis which this week emerged out of the clash of Old World politics. The war clouds which made the European sky absolutely black seemed to loom up with astonishing suddenness and yet, as we intimated a week ago, there have long been tokens of an instinctive apprehension abroad that the worst might happen, together with less doubtful evidences of a deliberate and conscious effort to make ready against the most dire contingencies.

When the Balkan war broke out in 1912 all Europe shuddered with alarm because of the traditions which have taught it to regard an explosion in the Balkan powder magazine as tremendously dangerous to the whole peace of Europe. The efforts of the Powers to keep out of the earlier Balkan conflict were successful, but it seems that at no time have the European peoples really believed that the most calamitous danger had been averted. The peasantry everywhere has for two years kept up its gold hoarding, and financial centres have been characterized by a severe underlying strain resulting in large part from the persistent refusal of European investors to return to the market for the purchases of securities customarily made in less troubled times. Meanwhile there has been a determined programme of gold accumulation to strengthen the central banks of the Continent against the requirements of a war in which the leading nations might be involved.

Despite all this there has been a refusal both abroad and here to assent to the theory that any crime of such enormous magnitude as a general war could be committed by the European Powers. And this is why the awful threat that shook civilization this week came like a bolt from the blue. Every conclusion dictated by the intellect was against the possibility even of so catastrophic a conflict, but the trouble with these conclusions was that the circumstances of war defy logical analysis. War is something outside the categories of reason and defies all its processes. Illustration of this has been most agonizingly afforded by the tremendous financial breakdown throughout the world in the last few days, a breakdown which established beyond any question the validity of the economic argument against war. How little war recks of the arguments of reason was convincingly shown by the fact that even this proof of economic disaster seemed impotent to prevail against warlike purposes framed in dynastic policies, smoldering racial hatreds and age-long national strifes and animosities apparently reconciled only in recent years by an armed neutrality.

How mad the whole business is, is further denoted by the astonishing alignment of the European nations on the eve of Armageddon. Great Britain as part of the Triple Entente finds itself allied with France and Russia against Germany, Austria and Italy. We may be sure that the British people have no desire to be drawn into a continental conflict in any case and that Italy has more warrant for antagonizing its ancient oppressor, Austria, than for aiding it. Logically, the European alignment, if war has to be made, should array the Teutonic nations against the Slavs. The Slavonic part of Hungary and the Slav States in the Balkans siding with Russia might comprehensively be opposed to the rest of Europe, but how illogical man can become is demonstrated in the hostilities contemplated among the Teutonic nations. Great Britain and France are Germanic, if they are anything, and the Latin countries are essentially far more in sympathy with them than they are with the Slavs.

Whatever the political occurrences may be the record of the past week is a pitiful one of colossal destruction wrought in advance of an actual clash of arms among the Powers. Financially Europe is to-day all but a wreck. The central banks stand out on the Continent like Gibraltars, and generally speaking, the more important private banking institutions everywhere in Europe have maintained at least outward soundness, while Great Britain has on the whole withstood in good shape so far the pressure of the financial storm that has blown out of the war cloud. Nevertheless the European stock and money markets are full of debris. There have been no one knows how many failures of brokerage and lesser banking concerns and after a stupendous reduction European security values are only nominal. The money markets abroad have been practically paralyzed and official discount rates have been advanced.

Effects of the European tragedy have been produced in every direction here and it is unthinkable to suppose that if the worst should happen abroad worse affects will not be suffered. Occurrences so far have transformed all of our recent financial and business prospects, but they have still provided some encouragement for the view that the first shocks of the European upheaval will cause the greatest damage possible to inflict here, and that when that much damage has been done there must be some restoration of better conditions.

Meanwhile, the Government at Washington exhibits just what

might have been expected of it, an absolutely amateurish conception of the financial and business relations of what is taking place in Europe, to prattle about the business beneficence of its legislative policies as though any one cared a fig about the business bearings of statutory enactment in the face of the calamity which Europe has inflicted. The Treasury prattles in an imbecile fashion about the gold stock which it holds, as though the accumulation on which gold certificates have been issued were so much free metal available for the use of the markets, and it plans to dump actual Government resources into the banks ostensibly to help move the crops at a time when the probable result of its deposits will be to accelerate the foreign drain of gold.

Whatever the development of the near future may be Americans can find satisfaction in the way in which the country has so far borne the brunt of Europe's war panic. The economic strength and fundamental soundness of the United States is concretely symbolized by Wall Street and its activities, and there is proper cause for pride in the manner in which Wall Street proceeded to meet the tests imposed upon it. Long after financial Europe had gone out of business in utter demoralization, causing the primary stock and money markets of all other countries practically to suspend operations, Wall Street maintained a good market for money and a good market for securities. How much longer it can do so against the fears excited by the European convulsion is, of course, a question, but if American finance weathers this storm without any more tokens of disaster than have been noted this week, all the world will have to recognize the immense economic solidity and stability of the United States.

It is the testimony already afforded to this fundamental soundness which encourages conviction that Europe's folly will become American opportunity. All the book economists have been rushing into print to argue that war in Europe can be no advantage to the United States and the formulas of book economics have incontestable merit. Nor can we expect for some time to come to get over the mischief which has already been wrought here, but if we are able to keep our feet in this critical juncture of the world's affairs, a very convincing argument can be offered against the economics of the book and in behalf of the destiny of the great pacific industrial nation which we all love and in which we live and move.

BROAD STREET.

[QUOTED PRICES OF BONDS AND STOCKS ON THE NEW YORK STOCK EXCHANGE WILL BE FOUND ON PAGES 155-159.]

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	—Week July 18, 1914— Banks	Trust Cos	Both	Week July 25, 1914 Banks	Trust Cos	Both
[illegible]	1,131.5	638.5	2,070.0	1,430.7	627.6	2,058.1
[illegible] (net)	1,704.1	749.2	1,953.3	1,468.6	488.5	1,957.2
[illegible] serves	426.2	42.2	455.5	393.4	73.0	466.4
[illegible] ratio (%)	25.0	15.0	25.3	26.6	15.2	23.8

Actual Status.

	—Week July 18, 1914— Banks	Trust Cos	Both	—Week July 25, 1914— Banks	Trust Cos	Both
[illegible]	1,418.4	655.8	2,054.3	1,431.7	625.7	2,057.5
[illegible] (net)	1,700.9	488.3	1,944.2	1,479.5	478.7	1,958.3
[illegible] serves	418.9	73.8	459.8	393.6	74.2	467.8
[illegible] ratio (%)	26.1	15.2	23.6	26.6	15.5	23.8

Actual Status Non-Member Institutions.

	1914 July 11	July 18.	July 25.
[illegible]	577.0	578.9	573.0
[illegible]	569.2	578.5	573.4
[illegible] res	52.5	53.1	52.5
[illegible] erves	82.6	83.1	82.5
[illegible] ratio (%)	26.1	25.8	26.3

Actual Statement Actual.

(Other Banks Not Reporting Weekly.)

	1914 July 11	July 18	July 25.
[illegible]	2,633.2	2,633.2	2,633.5
[illegible] (net)	2,277.7	2,277.7	2,737.0
[illegible] reserves	512.9	512.9	520.3

PHILADELPHIA BANKS STATEMENT.

	1914 July 5.	July 13.	July 20.	July 27.
Loans	398.0	397.1	398.4	396.4
Deposits	459.2	452.8	454.7	446.4
Cash reserves	97.2	100.3	100.6	99.7

BOSTON BANKS STATEMENT.

	1914 July 3.	July 11.	July 18.	July 25.
Loans	242.6	242.5	240.7	242.4
Deposits (net)	230.4	222.2	221.8	226.1
Cash reserves	32.4	30.4	30.8	32.6

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913 June 4-5.	Aug. 9-11.	Oct. 21-22.	1914. Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.1
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913 Aug. 9.	Oct. 21.	1914 Jan. 13.	Mar. 4.
Loans	6,163.5	6,260.8	6,175.4	6,357.5
Deposits (individual)	5,761.3	6,051.6	6,072.0	6,111.3
Cash reserves	899.1	889.6	981.9	968.0
Other reserves	571.3	586.8	588.8	572.5
Reserve ratio (%)	20.75	20.54	21.74	20.62

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week of	1913 New York.	Outside.	Total.	1914 New York.	Outside.	Total.
July 25	1,630	1,286	2,917	1,588	1,364	2,953
July 18	1,609	1,437	3,046	1,725	1,454	3,179
July 11	1,547	1,421	2,968	1,912	1,490	3,402

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week of—	1913 Call money.	60-day loans.	Merc. paper.	1914 Call money.	60-day loans.	Merc. paper.
July 25	2½	3¾	6	2½	2¾	4½
July 18	2½	4	6	3	3	4½
July 11	2½	3¼	6	3	2½	4

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
July 25	1,389,485	12,297
July 18	1,608,068	10,563
July 11	1,072,229	10,151

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914 July 9.	July 16.	July 23.	July 30.
Deposits	56,368	55,803	55,920	67,131
Circulation	29,571	29,315	29,317	29,706
Gold	39,599	40,054	40,164	38,131
Securities	45,837	44,628	44,637	58,312
Reserve ratio (%)	52.58	52.28	52.40	40.03
Discount rate (%)	3	3	3	4

BANK OF FRANCE (In Thousands of Francs).

	1914 July 9.	July 16.	July 23.	July 30.
Deposits	3,019.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,071.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914 July 2.	July 9.	July 17.	July 25.
Gold and silver	1,586.8	1,596.4	1,681.6	1,722.7
Loans and discounts	1,284.3	1,026.0	867.3	801.0
Circulation	2,407.1	2,192.0	1,994.5	1,890.8
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914 March.	April.	May.	June.
Loans on call	211.3	208.1	197.1	204.5
Loans, other	912.3	924.1	927.5	925.5
Deposits, demand	345.5	350.5	340.7	355.0
Deposits, other	766.6	767.0	759.3	767.7
Circulation	96.8	93.0	97.7	99.1
Cash reserves	112.7	113.2	113.3	113.3

THE COUNTRY'S COMMERCE

	May 1913.	1914	June 1913.	1914.
Merchandise.				
Imports	$133,723,713	$163,627,386	$131,245,877	$157,772,973
Exports	194,607,422	161,650,203	163,404,916	157,119,451
Specie.				
Gold Imports	4,561,260	1,972,411	3,386,974	3,817,112
Exports	12,467,492	16,835,902	569,315	48,107,064
Silver Imports	2,093,063	1,775,062	2,365,170	1,822,305
Exports	5,329,354	4,844,241	4,731,557	4,639,077

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	53⅛	52⅝	53⅜	52½	52¼	52¼
London	24 7-16	24 3-16	24 7-16	24	23¾	....

COTTON

August 1, 1914.

IT can hardly be said that there have been cotton markets, in any proper sense of the term, during the past week. Virtually all of the considerations which customarily govern the cotton trade in its operations have been to all intents and purposes forgotten. Nothing has received attention except the swift movement of events in Europe towards an apparently certain general war. Among those regularly engaged in the trade the only desire has been to reduce commitments of every kind, or, where this was impossible, to protect commitments as far as possible from exigencies beyond direct control. All the usual practices of the trade have been thrown into complete confusion by the virtual cessation of commercial intercourse between the United States and the countries of Europe, not by reason of a state of war, of course, but because of the utter uncertainty for ship-owners, marine underwriters and dealers in foreign exchange as to their position, should a general European conflict begin. Great numbers of vessels have been withdrawn from their usual routes, and ocean freights have become almost unobtainable. The war-risk premium demanded by marine insurers has jumped violently upward, until it exhausts five or six times over the common profit on cotton transactions. Foreign cotton merchants are cabling frantically to hold up shipments, because they do not know how to finance the cotton after its arrival at the foreign points of destination. Hence the supply of cotton bills (and the same is true of grain bills) has become almost nil. A consequence of this has been an utter dearth of means of remittance from this to foreign countries, other than actual gold. As Europe has been selling an enormous quantity of securities on our stock exchanges and calling for the money realized from their sale, the necessity of shipping gold has been emphasized beyond anything ever before known. And here the same trouble has developed as with the shipment of cotton or grain. The marine underwriters have more than reached their capacity in covering the shipments of gold, and even an unheard-of war-risk premium does not tempt them to increase their lines. So there is an automatic check upon the shipment of gold, with the result that prices for cable transfers have reached levels never before known. Yesterday, $6.00 per pound sterling (the usual rate being $4.86 to $4.87) for cable transfers from New York to Liverpool was offered to dealers in exchange in New York, and they refused the offers. Cotton exchange operations were greatly affected by this condition of things, inasmuch as the large arbitrage operations between the American and the foreign markets call for continuous large cable remittances, backward and forward. When the American remitter pays a rate of $6.00 per pound sterling, he is actually losing 22.9 per cent upon his remittance, which is of course absolutely ruinous. On such a basis it is out of the question to conduct business. Yet so great is the need of actual money abroad that some foreign correspondents of American houses have been willing to pay rates of exchange almost, if not quite, as high as that quoted above. The inevitable solicitude caused by this state of things, however, has not been the only cause of intense anxiety to the cotton trade in the United States. Looming up in the near future is the question of what is to be done with the new cotton crop, which will begin to move in volume in scarcely more than a fortnight. How is this to be financed? What are cotton merchants to do with it, if they are cut off from exporting the sixty per cent of it which Europe regularly takes? It goes without saying that it cannot all be sold on the American exchanges without complete demoralization of the market. Only by the distribution of the load over the entire world has it been possible to maintain cotton at a reasonable price, relative to the cost of production. If there is to be a general European war and a blockade of the highways of the ocean, the farmer must either hold his cotton off the market or sell it at a price so low as to attract capital from other uses to buy it and hold it for the future. Who can foretell how a problem so vast will be worked out? Hence those who have spent their lives as merchants or traders in cotton are all at sea and dare to make almost no commitments at all. The ruinous results of this situation were illustrated yesterday by the failure of a large commission-house on the New York Cotton Exchange, which had been unfortunate enough to have many customers long of contracts and which, when international uneasiness became acute, could find no market on which to sell out. In the midst of all this confusion and anxiety little attention was paid to the Condition Report, issued yesterday by the United States Department of Agriculture, giving the condition of the crop as at July 25. The average figure published, 76.4 per cent of normal, was much lower than the trade had been expecting; and under normal circumstances it would have been regarded as extremely bullish. The decline in condition between June 25 and July 25 was shown to have been 3.2 per cent, though common opinion had anticipated some improvement for the month. On the basis of the Department of Agriculture's formula for this year, which places the normal (or 100 per cent) for August 1 at 234 pounds of lint per acre, the crop expectancy indicated by a condition of 76.4 per cent of normal, on 36,960,000 acres planted to cotton this season, is 178,776 pounds of lint per acre and a total production of 6,607,560,960 pounds of lint, or 13,823,349 bales of 500 pounds gross weight (478 pounds net weight). This is a decline of 225,808 bales from the report for June 25.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	12.28	12.19	12.10	11.84	11.50	11.05
Low	12.19	12.05	11.74	11.60	11.10	11.05
Close	12.25	12.23	11.73	11.82	10.87	.....
August—						
High	12.10	12.16	12.10	11.88	11.65	11.05
Low	12.05	11.87	11.75	11.50	10.91	9.60
Close	12.10	12.16	11.74	11.86	10.91	9.90
September—						
High	.....	11.97	12.07	11.80	11.71	10.98
Low	.....	11.92	12.02	11.60	11.08	10.08
Close	12.09	12.16	11.80	11.88	11.08	10.40
October—						
High	12.15	12.22	12.17	11.98	11.80	11.00
Low	12.05	11.94	11.83	11.66	11.15	9.50
Close	12.11	12.20	11.83	11.95	11.16	10.50
November—						
High	12.09	11.90	11.90	.....	11.68	.....
Low	12.09	11.90	11.90	.....	11.24	.....
Close	12.11	12.18	11.80	11.92	11.20	.....
December—						
High	12.33	12.41	12.35	12.17	11.99	11.08
Low	12.25	12.16	12.03	11.91	11.45	9.50
Close	12.31	12.38	12.04	12.15	11.45	*10.75
January—						
High	12.21	12.28	12.22	12.05	11.86	11.33
Low	12.14	12.04	11.90	11.79	11.25	9.70
Close	12.19	12.26	11.90	12.01	11.25	10.70
February—						
High	12.15	.....	.....	11.90	.....	.....
Low	12.15	.....	.....	11.90	.....	.....
Close	12.19	12.27	11.91	12.02	11.26	.....
March—						
High	12.25	12.34	12.28	12.11	11.93	.37
Low	12.21	12.10	11.98	11.86	11.35	10.09
Close	12.24	12.33	11.98	12.08	11.35	10.79
April—						
High	12.40	12.33	12.24	12.30	12.07	11.40
Low	12.40	12.24	12.24	12.10	11.60	11.35
Close	12.43	12.32	12.17	12.29	11.60	.....
May—						
High	12.50	12.56	12.49	12.35	12.20	11.50
Low	12.44	12.35	12.22	12.11	11.67	10.80
Close	12.48	12.56	12.21	12.31	11.66	11.10
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

*Exchange operations suspended at 11:15 a. m.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, each day in the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	13.27	13.25	12.89	12.80	.....	.....
Low	13.24	13.24	12.82	12.80	.....	.....
Close	13.28	13.25	12.50	12.8	12.09	.....
August—						
High	12.55	12.68	12.55	12.40	12.02	11.50
Low	12.45	12.40	12.24	12.10	11.41	10.10
Close	12.55	12.68	12.24	12.35	11.46	10.90
September—						
High	12.31	12.39	12.24	12.05	11.87	11.33
Low	12.31	12.38	12.08	12.04	11.20	11.13
Close	12.37	12.38	11.99	12.14	11.26	10.59
October—						
High	12.29	12.34	11.29	12.11	11.89	11.33
Low	12.17	12.13	11.93	11.82	11.17	10.00
Close	12.28	12.32	11.94	12.06	11.26	10.57
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	12.29	12.33	11.95	12.07	11.27	10.58
December—						
High	12.32	12.37	12.32	12.13	11.93	11.29
Low	12.21	12.16	11.96	11.86	11.18	11.07
Close	12.31	12.35	11.96	12.09	11.30	*10.60
January—						
High	12.35	12.39	12.35	12.17	11.95	11.45
Low	12.23	12.13	12.00	11.90	11.29	10.29
Close	12.34	12.38	12.00	12.13	11.37	10.65
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	12.36	12.40	12.02	12.15	11.37	[illegible]
March—						
High	12.44	12.48	12.39	12.24	12.4	11.46
Low	12.34	12.29	12.09	11.98	11.03	10.13
Close	12.44	12.47	12.09	12.22	11.45	10.57

*Exchange operations suspended at 11:30 a. m.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
April—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	12.75	12.10	12.10	12.23	11.46	10.76
May—						
High	12.48	....	....	12.17	11.49	....
Low	12.47	....	....	12.17	11.49	....
Close	12.50	12.52	12.14	12.27	11.50	10.80
June—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, each day in the week, in pence and hundredths of a penny per pound, net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
July—						
Opening	7.08	....	....	6.68½	6.69	6.56
12.30 p. m.	....	....	6.94	6.68	....	6.47
Close	7.04½	6.94	6.90½	6.75	6.65	6.46½
July-Aug.—						
Opening	7.09	7.01	6.99	6.70	6.72	6.55
12.30 p. m.	....	6.97	6.92½	6.70	6.66	6.45
Close	7.04½	6.94	6.90½	6.75	6.64	6.45
Aug.-Sept.—						
Opening	6.84½	6.78	6.79	6.56	6.57	6.40½
12.30 p. m.	....	6.73½	6.74	6.54	6.51	6.35½
Close	6.81	6.73½	6.73	6.58	6.50½	6.35
Sept.-Oct.—						
Opening	6.69½	6.61	6.65½	6.44½	6.47	6.31
12.30 p. m.	....	6.58	6.61	6.46	6.46	6.30½
Close	6.64½	6.59½	6.61	6.49½	6.43	6.21
Oct.-Nov.—						
Opening	6.65	6.58	6.61½	6.42	6.44	6.30
12.30 p. m.	....	6.54	6.57½	6.45½	6.42½	6.28
Close	6.60½	6.55½	6.58½	6.47	6.40½	6.18
Nov.-Dec.—						
Opening	6.58½	6.52	6.56½	6.36	6.38½	6.24
12.30 p. m.	....	6.49	6.54	6.38	6.38	6.24
Close	6.55	6.51	6.53½	6.41½	6.35½	6.12
Dec.-Jan.—						
Opening	6.56	6.50½	6.56½	6.35	6.40	6.22
12.30 p. m.	....	6.50	6.55	6.38½	6.38½	6.23½
Close	6.54½	6.50½	6.53	6.41	6.35	6.11½
Jan.-Feb.—						
Opening	6.60	6.53	6.57½	6.38	6.41	6.30
2:30 p. m.	....	6.49½	6.53½	6.41	6.38½	6.24½
Close	6.55½	6.51½	6.54	6.42	6.36	6.12½
Feb.-Mar.—						
Opening	....	....	....	6.38½	6.40	....
12.30 p. m.	....	6.51	....	6.42	6.39	....
Close	6.56½	6.52½	6.55	6.43½	6.37	6.13½
Mar.-Apr.—						
Opening	6.61½	6.55	6.59½	6.40	6.42½	6.25
12.30 p. m.	....	6.52	6.55½	6.43	6.41½	6.27½
Close	6.57½	6.54	6.56½	6.45	6.39	6.15½
April-May—						
Opening	6.61½	6.55	6.60	6.41	....	....
12.30 p. m.	....	6.54½	....	....	6.41½	....
Close	6.58	6.54½	6.57	6.45½	6.39½	6.16
May-June—						
Opening	6.63	6.55	6.60½	6.42	6.44	6.30
12.30 p. m.	....	6.53½	6.57	6.45	6.42½	6.28
Close	6.58½	6.55	6.57½	6.46	6.40	6.16½

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	87	85⅜	84⅝	81⅝	80½	....
August	85	84	82⅝	79⅜	78¼	....
September	83⅞	82⅞	82⅛	79⅝	78½	....
October	82⅝	81⅝	81¼	79⅞	79	....
November	81¾	80½	80½	79⅛	78⅝	....
December	81⅜	80	80¼	79⅛	78⅛	....
January	81¼	80	80	78⅞	78	....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	13.25	13.00	12.75	12.75	12.50	....
[illegible]	13.5/16	13.5-16	13.5-16	13.5-16	13.5-16	....
[illegible]	13⅜	13.5-16	13⅛	13⅛	....	13⅛
[illegible]	13¼	13¼	13¼	13¼	13	13
[illegible]	13⅞	13⅞	13¾	13⅞	13⅞	13⅞
[illegible]	....	....	....	....	....	....
[illegible]	....	....	....	....	....	....
[illegible]	13¼	13¼	13¼	13¼	13	13
[illegible]	13½	13¾	13½	13½	13½	....
[illegible]	14	14⅛	13⅝	13⅝	13⅝	....
[illegible]	13½	13¾	13¼	13¼	13	13
[illegible]	13⅝	13½	13¼	13¼	13¼	....
[illegible]	13 5/16	13 5-16	12 3-16	13 3-16	13	....
[illegible]	13⅜	13⅜	12⅜	13¼	13	* ....

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	8.23	8.13	8.09	7.87	7.82	7.62
Good middling	7.75	7.65	7.61	7.39	7.34	7.14
Middling	7.27	7.17	7.13	6.91	6.86	6.66
Low middling	6.79	6.69	6.65	6.43	6.38	6.18
Good ordinary	5.83	5.73	5.69	5.47	5.42	5.22
Estimated spot sales	3 0 0	5,000	8,000	5,000	7,000	4,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on each day of the past week, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	93	92¼	91¼	90¾	87	....
Fully middling	89¾	89	88	87½	83¾	....
Low middling	82½	81¾	80¾	80¼	76½	....

The MOVEMENT OF THE AMERICAN CROP.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	8,703	9,881	17,576	16,715
Overland to mills and Canada	1,197	3,228	6,375	631
So. mill takings, est., exclusive of takings from Southern ports.	15,000	10,000	20,000	10,000
Loss of stocks at interior towns	678	10,885	13,711	9,361
Brought into sight for week	24,222	12,224	30,240	17,985
Total Movement—				
Port receipts	8,540,764	11,878,989	9,845,254	10,407,444
Overland to mills and Canada	962,695	1,267,829	1,092,099	1,150,453
Southern mill takings	2,210,000	2,675,000	2,775,000	2,860,000
Stocks at interior towns in excess of Sept. 1	39,292	*684	45,815	2,806
Brought into sight thus far this season	11,752,751	15,821,134	13,758,168	14,420,703

*Decrease.

The total crop movement is respectively for 338 days, 337 days, 335 days and 334 days. *Decrease.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	4,737	3,805,387	21,360	4,323	3,329,410	27,864
New Orleans	3,542	1,430,590	23,863	3,458	1,871,178	37,916
Mobile	567	227,416	3,735	131	434,275	4,717
Savannah	2,553	1,282,552	18,523	1,322	1,814,213	11,282
Charleston	652	308,126	3,377	235	423,078	1,058
Wilmington	37	342,642	9,502	24	398,700	9,017
Norfolk	3,309	597,302	23,030	3,077	584,114	16,024
Baltimore	1,013	78,459	1,603	123	92,496	3,458
New York	.....	15,300	34,294	50	6,682	103,350
Boston	33	45,659	6,032	50	20,988	5,919
Philadelphia	28	8,290	408	.....	3,629	925
Newport News	669	113,792	.....	3,561	138,903	.....
Brunswick	.....	234,334	622	.....	289,816	.....
Pensacola	.....	124,899	.....	.....	164,055	.....
Port Arthur	.....	138,642	.....	.....	46,238	.....
Pacific ports	234	370,970	.....	361	257,598	.....
Texas City, etc.	202	705,342	559	.....	502,826	2,357
Jacksonville, etc.	.....	15,442	380	.....	29,245	145
Georgetown	.....	110	.....	.....	.....	.....
Totals	17,576	9,845,254	147,288	16,715	10,407,444	224,032

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	30	17,896	80	216	4	17,793	35	437
Dallas	151	133,416	570	2,119	.....	100,519	221	539
Shreveport	.....	140,975	.....	3,269	.....	194,978	451	3,496
Little Rock	13	181,423	847	11,309	89	189,836	1,483	7,812
Helena	.....	41,643	...	102	172	65,806	177	1,201
Vicksburg	1	29,354	9	736	12	34,338	.....	710
Columbus, Miss.	.....	27,652	.....	113	.....	38,231	.....	176
Natchez	.....	18,131	34	491	.....	19,706	.....	1,271
Memphis	1,851	816,396	3,827	17,504	1,273	1,126,941	1,814	16,708
Nashville	.....	7,843	.....	376	4	10,988	1	130
Selma	166	118,817	49	881	2	129,450	5	633
Montgomery	675	158,119	941	4,000	126	156,523	123	2,915
Eufaula	138	21,334	103	833	7	22,468	.....	729
Columbus, Ga.	30	75,251	125	7,791	30	81,253	200	2,035
Macon	2	36,799	530	3,097	3	44,469	.....	56
Albany	2	23,963	.....	681	.....	27,423	.....	1,271
Atlanta	860	165,154	1,310	1,208	50	232,494	545	1,000
Rome	36	51,904	100	3,701	87	58,420	350	3,210
Augusta	475	337,521	1,802	10,857	148	375,279	659	10,645
Columbia	2,143	103,540	2,143	.....	1,552	87,611	1,552	.....
Newberry	280	19,107	280	.....	.....	23,421	.....	.....
Charlotte	130	15,001	130	.....	48	14,833	48	.....
Raleigh	97	11,154	150	52	6	11,966	.....	20
St. Louis	2,588	589,772	4,518	11,914	1,284	571,018	1,381	15,125
Houston	3,059	3,115,601	6,577	29,619	1,718	2,764,351	5,196	25,800
Meridian	254	58,881	441	3,009	50	34,009	250	2,100
Cincinnati	3,001	234,437	4,100	23,419	1,279	251,023	1,125	13,360
Yazoo City	.....	22,476	241	2,135	.....	40,937	193	1,234
Totals	16,282	6,573,860	29,210	139,432	7,949	6,733,082	15,808	112,298

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	11,310	1,112	5,277
France	75	3,984	1,898
Continent	15,730	26,157	22,296
Mexico	205	575	500
Japan	147	234	361
Totals	27,467	32,062	30,332
Since September 1.			
Great Britain	4,192,687	3,546,605	3,410,328
France	1,160,698	978,657	1,058,705
Continent	4,475,961	3,529,994	4,097,690
Mexico	15,094	21,663	27,947
Japan	514,770	386,420	346,790
Totals	10,359,210	8,462,739	8,851,460

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	1,000	600	1,000
Since September 1	7,258,528	7,456,709	7,611,296

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	2,000	201,750	....	204,038	2,300	206,195
To Manchester	.....	227,800	1,750	204,862	.....	221,915
To Continent	3,000	381,334	1,750	401,164	2,500	438,664
To America	3,000	118,175	.....	123,270	2,500	87,003
Total exports	8,000	929,059	3,500	933,334	7,300	953,772

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	11,000	2,700,000	10,000	3,718,000
Exports to Great Britain	.....	20,000	.....	70,000
Exports to Continent	.....	460,000	23,000	1,217,000
Exports to Japan and China	9,000	942,000	.....	1,220,000
Afloat in harbor	20,000	.....	15,000	.....
	Exchange, 1s. 4 3-16.		Exchange, 1s. 4 5-16.	

Exclusive of —— American cotton this week, 2,000 this season; —— same last year, 27,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	766,000	566,000	856,000	618,000
London	3,000	.....	5,000	.....
Manchester, in wareh'ses	41,000	27,000	68,000	46,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	4,000	35,000	5,000
Bremen	216,000	213,000	310,000	302,000
Havre	134,000	126,000	239,000	209,000
Other ports—Continent	38,000	29,000	97,000	47,000
Alexandria	91,000	.....	107,000	.....
Bombay	577,000	.....	474,000	.....
U. S. interior towns	139,432	139,432	112,298	112,298
U. S. ports	147,288	147,288	224,032	224,032
Afloat for—				
Liverpool	40,000	11,000	61,000	35,000
London	.....	.....	.....	.....
Continent	147,000	60,000	228,000	72,000
Afloat in Bombay harbor	20,000	.....	15,000	.....
Coastwise to New York	5,000	5,000	6,000	6,000
Exports to-day	.....	.....	.....	.....
Totals	2,379,720	1,327,720	2,840,330	1,676,330

Decrease in general visible supply for the week, 225,047, against decrease last year, 194,072. Decrease in American visible supply for the week, 119,047, against decrease last year, 117,072.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	1,057,598
Crop in sight to date	13,758,168	14,420,703
Total supply	15,117,138	15,478,301
Less visible supply, American, to-day	1,327,728	1,687,795
World's takings, American, to-day	13,789,410	13,790,506
American Takings.		
Stocks at United States ports August 31	296,353	231,106
Returned from foreign countries	469	3,124
Receipts at United States ports to date	9,845,254	10,407,444
Total supply at ports	10,142,076	10,641,674
Deduct.		
Stocks at ports to-day	147,288	224,032
*Exports to date	8,467,739	8,856,954
Southern mill takings from ports	86,367	146,505
Burnt at ports	8	11,465
Totals	8,701,402	9,238,976
To Northern mills from ports	1,440,674	1,402,718
Overland to Northern mills	1,092,099	1,150,453
Total Northern mill takings	2,532,773	2,553,171
Southern mill takings	2,861,367	3,006,505
Total American mill takings, including Canada	5,349,140	5,559,676

*Includes 6,000 in transit between Southern ports and New York, against 5,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	40,250	5,394,140	41,206	5,559,676
Great Britain	46,112	3,301,839	36,277	3,092,326
Continent	60,141	4,685,348	58,688	1,851,767
Mexico	575	21,663	500	27,947
Japan and China	234	386,420	361	316,790
Totals	147,312	13,789,410	137,032	13,790,506

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	36,000	42,000	27,000	26,000
Sales, American	27,000	34,000	22,000	21,000
Sales, speculation	2,000	3,000	1,000	.....
Sales exports	1,000	4,000	.....	1,000
Forwarded	66,000	51,000	43,000	51,000
Imports, all kinds	19,000	27,000	34,000	26,000
Imports, American	12,000	12,000	14,000	21,000
Actual exports, all kinds	4,000	3,000	6,000	2,000
Stock, all kinds	791,000	766,000	868,000	856,000
Stock, American	664,000	566,000	631,000	618,000
Afloat for Great Britain, all kinds	39,000	40,000	97,000	64,000
Afloat for Great Britain, American	21,000	11,000	54,000	35,000

* * *

GOVERNMENT REPORT ON CONDITION OF THE COTTON CROP ON JULY 25, 1914

The Crop Reporting Board of the Bureau of Statistics (Crop Estimates) of the United States Department of Agriculture, estimates, from the reports of the correspondents and agents of the Bureau, that the condition of the cotton crop on July 25 was 76.4 per cent of a normal, as compared with 79.6 last month, 79.6 on July 25, 1913, 76.5 on July 25, 1912, 89.1 on July 25, 1911, and 80.0, the average of the past ten years on July 25. Comparisons of conditions, by States, follow:

	July 25, 1914.	June 25, 1914.	July 25. 1913.	July 25, 1912.	Ten-Year Average.
Virginia	89	86	81	85	82
North Carolina	86	82	77	80	80
South Carolina	79	81	75	75	79
Georgia	82	83	76	68	80
Florida	86	86	82	75	83
Alabama	81	88	79	73	79
Mississippi	79	81	77	68	77
Louisiana	76	81	79	76	77
Texas	71	74	81	84	81
Arkansas	72	80	87	74	81
Tennessee	73	79	90	71	83
Missouri	75	93	86	75	84
Oklahoma	75	79	81	80	82
California	100	100	100	99	..
United States	76.4	79.6	79.6	76.5	80.0

* * *

Says Bombay Cotton Mills Face Crisis.—The following interesting comment anent the cotton mills situation in Bombay, India, is found in the issue of June 14, last, of "The Mahratta," of Poona:

"The Bombay cotton mills have been an object of pride to Bombay as being the most successful speciments of Swadeshi enterprise on a large scale. But internal as well as external circumstances seem as it were combined to check their further progress. Apart from the increasingly vigorous competition from Japan and Lancashire, the mills have now to contend with opposing external circumstances, much nearer home. The Country Piece-Goods Dealers' Association and the Mill-owners' Association are falling foul of each other, and if no compromise is arrived at, the result may possibly be that Manchester and Japanese merchants will take advantage of the situation and appropriate a part of the trade which is now in the hands of the Bombay mill-owners. That these foreign merchants are trying to produce the cheaper kind of cloth which is manufactured in and about Bombay, is a fact; and though circumstances might for a period preclude any possibility of their serious competition with Bombay mill-owners, still future times cannot always be expected to retain the comparative advantages which Bombay now enjoys and unless this city awakens betimes to its duties and responsibilities, it may possibly receive a rude shock from young and vigorous Japan, or astute and powerful Lancashire.

"Some of the important demands made by the Piece-goods

Dealers, as reported by a representative of the Bombay 'Chronicle,' are, 'that the insurance liability on goods not actually delivered and lying in the millgodowns should not fall on the dealers; that they should be provided with specimens of goods, so that they can find out whether the goods supplied are the actual sort they had contracted for; that in case of mills not being able to give delivery of goods within the stipulated period, they (the dealers) should be given the option of cancelling the order, or should be given a certain discount on the goods; that all disputes arising between the contracting parties should be referred to arbitrators as is done in the case of disputes between the dealers in European piece-goods and the Chambers of Commerce and that what they call the other one-sided conditions of the old contract form should be similarly modified so as to make them fair to both parties.'

"The mill-owners' point of view is that they had made all attempts at a reasonable compromise but that the representatives of the Piece-goods Dealers would have 'all or nothing.' They refuse to believe that they are at the mercy of the Piece-goods Dealers for selling their cloth. They do not fear any competition from Japan, or from Manchester. Lancashire, they think, cannot manufacture coarse cloth as cheap as the mills at Bombay and the district do, though it is obvious that as regards the manufacture of fine cloth, Manchester possesses many advantages. Whereas in Bombay cloth of six, eight, ten and twelve counts is made, in Manchester they spin cloth of twenty counts and above. Japan has, it is confessed, better opportunities for competing with Bombay, but the odds are against Japan, for it has to buy cotton in India, pay freight on it to Japan and then again pay another freight upon the manufactured cloth, while Bombay manufacturers have no freight charges to pay at all.

"We do not pretend to say whether reason leans on the side of mill-owners or of Piece-goods Dealers, and indeed are inclined to safely and prudently say with the immortal Sir Roger De Coverley, that 'much may be said on both sides.' But it seems to us that if the dispute be carried on with a spirit of bitter obstinacy on any side, the policy would be not only unpatriotic but suicidal. The mill-industry is still in its infancy and is suffering internally from comparative inefficiency as well as from paucity of labour, as Mr. D. E. Wacha has recently shown in his usual statistical and accurate method—and it would be a grievous calamity if it has to seriously contend with uncongenial and contentious environments at this stage of its life. The ruin of the Bombay mills will not fail to prejudicially affect and even jeopardize the occupation of the Piece-Goods Dealers. We hope that this interdependence of interests will be realized by both the parties and that the trade will soon seen an end of the unfortunate dispute."

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3 3/4	3 3/4
Gray goods, 38 in., standard	5 1/8-5 1/4	5 1/8-5 1/4
Brown sheetings, Southern standard	8	8
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13	13
Standard prints	5 1/4	5 1/4
Standard staple ginghams	6 1/4	6 1/4
Yarns		
Southern 2-ply skeins, 30s	25-25 1/2	25
Southern 2-ply skeins, 40s	45	45
Southern single skeins, 20s	22	21 1/2-22
Southern single chain warps, 20s	22	21 1/2-22
Southern 2-ply chain warps, 20s	22-22 1/2	22 -22 1/2
Southern 2-ply carpets, 8s	22 3/4	22 3/4
Southern frame cones, 30s	25 1/2-26	25 1/2-26
Eastern carded cops, 20s	21	21
Eastern carded cops, 30s	28	28
Eastern carded peeler warps, 30s	30	30
Eastern carded peeler warps, 50s	47	47

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 25	84 5/8	83	83 1/4	82 1/4	86 3/4	84 7/8
July 27	85 1/2	83 5/8	84 1/2	83 1/8	87 1/2	85 3/4
July 28	92 1/4	83 7/8	92 3/8	83 1/8	95 3/4	85 7/8
July 29	90 1/2	88	91 1/2	87 7/8	94 1/4	91
July 30	97	92	97	91	100	94
July 31	91	88	92	88	96	91 1/2

CORN (New Contract).

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 25	73	72 1/2	69 1/8	68 3/4	59 7/8	59 1/4
July 27	73 3/4	73	70 1/2	69 1/2	60 5/8	59 3/4
July 28	74 1/2	72 1/2	71 7/8	69 1/2	62	59 5/8
July 29	74 3/4	73 3/4	72 1/2	70 3/8	62 1/8	60 3/8
July 30	75 3/4	74 3/4	74	72 1/2	65 1/4	62 1/2
July 31	74 1/2	71	73	69 1/2	64 3/8	60

OATS.

	July		September		December	
	High.	Low.	High.	Low.	High.	Low.
July 25	37 1/4	36 7/8	36	35 1/2	37 1/2	37
July 27	36 7/8	35 3/4	36 1/4	35 3/8	37 5/8	37
July 28	37	35 3/8	36 7/8	35 1/4	38 3/8	36 3/4
July 29	36 7/8	35 7/8	37	36 1/4	39 1/4	37 7/8
July 30	37 3/4	36 3/4	38 1/4	36 7/8	40 3/8	39
July 31	36 3/4	34 1/2	37 3/4	35 7/8	39 1/2	37 7/8

LARD.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 25	9.82	9.80	9.90	9.82	9.95	9.92
July 27	.....	.....	10.05	9.90	10.10	10.05
July 28	.....	.....	10.27	10.02	10.35	10.07
July 29	10.20	10.05	10.32	10.05	10.37	10.12
July 30	10.22	10.15	10.32	10.15	10.42	10.25
July 31	.....	.....	10.20	9.60	10.30	9.72

RIBS.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 25	12.10	12.07	11.82	11.75	11.35	11.32
July 27	12.20	12.15	11.95	11.90	11.47	11.42
July 28	12.25	12.22	12.07	11.92	11.57	11.45
July 29	12.40	12.30	12.10	11.90	11.65	11.40
July 30	12.42	12.35	12.05	11.97	11.67	11.57
July 31	12.37	11.90	12.05	11.50	11.50	11.10

PORK.

	July		September		October	
	High.	Low.	High.	Low.	High.	Low.
July 25	.....	.....	20.35	20.10	.....	.....
July 27	22.95	22.75	20.55	20.40	.....	.....
July 28	22.95	22.90	20.92	20.62	.....	.....
July 29	23.25	22.95	21.00	20.50	.....	.....
July 30	23.50	23.25	20.95	20.70	.....	.....
July 31	23.50	23.25	20.75	20.00	.....	.....

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	6.70	6.90	7.00	6.85	7.01	6.50
July	6.79	6.90	7.02	6.92	7.05	6.59
August	6.82	6.89	7.03	6.86	6.93	6.66
September	6.78	6.92	6.74	6.64	6.68	6.53
October	6.59	6.67	6.54	6.50	6.53	6.42
November	6.49	6.53	6.54	6.51	6.54	6.42
December	6.50	6.53	6.55	6.52	6.55	6.47
January	6.52	6.54	6.57	6.54	6.60	6.49
February	6.55	6.55	....	6.55	6.62	6.55

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, each day in the past week, in cents and hundredths of a cent per pound:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	8.19	7.96	7.31	7.37	....	....
August	8.19	7.96	7.31	7.37	6.56	....
September	8.29	8.11	7.46	7.50	6.70	....
October	8.39	8.21	7.56	7.60	6.80	....
November	8.49	8.31	7.66	7.70	6.90	....
December	8.59	8.41	7.76	7.79	7.00	....
January	8.64	8.46	7.81	7.85	7.06	....
February	8.69	8.50	7.87	7.90	7.12	....
March	8.73	8.54	7.94	7.94	7.19	....
April	8.77	8.58	7.97	7.99	7.25	....
May	8.81	8.62	8.01	8.03	7.30	....
June	8.68	8.48	7.86	7.90	7.17	....
Spot Rio 7's	....	....	7 3/4	7 3/4	7 1/4	....

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable	Saturday. July 25. High.	Low.	Monday. July 27. High.	Low.	Tuesday. July 28. High.	Low.	Wednesday. July 29. High.	Low.	Thursday. July 30. High.	Low.	Friday. July 31. High.	Low.
													79	79			79	79		
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S							85	85				
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O												
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*					100¼	100	99¾	99¾	99½	99		
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	100¼	100			99	99			99	98⅞		
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb												
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*												
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O												
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S												
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*												
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-C*							122	122				
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan			64	64			64	64	64	64		
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	92	92	92	91¾	91¾	91½	91⅝	91½	91½	91		
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*			95¼	94⅜	94	94	93¼	92¾	92⅜	92⅛		
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov			85½	85½								
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D			100¾	100½	100¾	100¾	100¾	100¾	100¾	100½		
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D									90½	90½		
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S							92	91¾				
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	90½	90½	90	90					87¼	87¼		
91¾	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	91½	91½	91½	91½	91½	91¼	89⅞	89½	89½	89½		
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	91¾	91¾										
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	85½	85½										
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J							89	89	87⅞	87⅞		
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	99⅞	99¾	99	99	98⅞	98⅞	98⅞	98⅞	98½	98		
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*												
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*			103¾	103¾	102⅜	102⅜	102	102	100¼	100		
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A			102½	102	101¾	101⅝			101	99¾		
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N												
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S												
100	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*							107¼	107¼				
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O			99	98⅞	98⅞	97½	98¼	98	98	96½		
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	117	117							116⅜	116⅜		
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J												
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	93	93	92	92	91½	91½	91	91	90½	90⅜		
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N												
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	93	93	93	92			90½	90½				
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A			76	75½	72	70	70	70	70	70		
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*												
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	37⅛	37⅛							37⅛	37⅛		
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S			93⅛	93⅛	93	91⅞	93	92	92½	92½		
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	96⅞	96½	96⅝	96½	96¼	95¾	96	95¼	95¾	95		
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*			83	83								
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A					95½	95½	95	95	95	95		
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N												
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N					107	107						
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	72½	72½	72½	70½	70	70	70	69	70	68		
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	95½	95½							95⅛	95		
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*												
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	91	91	91¼	91	90	90						
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J			104⅛	104⅛	103¾	103¾						
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*			81	81			81	81				
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*							95½	95½				
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	84½	84½			83	82¼	82	82	81¾	81¾		
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	21⅞	20¾	21½	20½	21	20	20⅞	20	20¼	19¼		
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	69½	69	69⅜	69	69⅛	68	67½	66¾	66¼	66		
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D												
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D												
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*												
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*									71	71		
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*												
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A					90⅜	90⅛	89¾	89¾	89½	89½		
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N							81	81				
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A												
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D			99	99	99	99			98	98		
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N			97⅛	97⅛			96¼	96¼				
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	77	77							76¼	75½		
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	50¼	50	50	50	49⅝	49½	49	49				
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	57½	57½	57¼	57	57	55	56	55	54½	52½		
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*												
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*												
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J							82	82				
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J			69½	68½	69	68½	66⅞	66⅞	67½	67½		
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	67¼	67¼	65⅞	65½			64	64				
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	67	67	65⅛	65	65½	65	64⅝	64	63½	63½		
90	Jan	20	85⅜	July	23	Erie (Pa) col 4s	1951	*F-A			88¾	88¾			88½	88½	88¾	88¾		
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-C												
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*												
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*												
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D			105¼	105¼					105¼	105¼		
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb.												
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J												
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O												
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O			88⅛	88⅛								
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*												
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*			92	92			92½	92½	91	91		
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*			47	44⅞	44½	44½	44⅝	43½	43	43		
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	76½	76⅛	76	75½	75	74	74½	73¾	74	72½		
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	98⅞	98⅞	98⅞	98½	98⅝	97¾	98	97½	98	97½		
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A									100½	100½		
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J												
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S												
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D												
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S												
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	73	72	72	72					71	71		
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O							69¾	69¾				
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	95	94¾					94¾	94⅞				
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O												
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F							102⅛	102				
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J												
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*												
88½	Feb	7	85⅛	Aug	21	Lake Shore gen 3½s	1997	*J-D												
93½	Sept	8	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	93	92½	92½	92½			91¾	91¾	90	90		

Range for 1913 — High.		Low.		Bonds.	Maturity.	Interest Payable.	Saturday. July 25. High.	Saturday. July 25. Low.	Monday. July 27. High.	Monday. July 27. Low.	Tuesday. July 28. High.	Tuesday. July 28. Low.	Wednesday. July 29. High.	Wednesday. July 29. Low.	Thursday. July 30. High.	Thursday. July 30. Low.	Friday. July 31. High.	Friday. July 31. Low.
[illegible]	Dec 3	[illegible]	[illegible] 29	L Cit & More deb g 4s	1931	*M-N	.....	.....	92½	92¼	92¼	91	90⅜	90¾	.....	.....	.....	.....
[illegible]⅛	Feb 19	84	Nov 7	Long Island unified 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
91	Jan 4	[illegible]	July 10	Long Island gen 4s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Apr 23	[illegible]	Aug 22	Long Island ref 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 15	[illegible]	Dec 11	Louis & Nash unified 4s	1940	J-J*	.....	.....	95⅞	95¾	94¾	94¼	94	93½	93½	93¼	.....	.....
[illegible]	Jan 13	[illegible]	Dec 1	Manhattan con 4s	1990	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 22	[illegible]	Dec 19	Man Ry 4s stpd tax exempt	....	....	.....	.....	.....	.....	92	91½	.....	.....	.....	.....	.....	.....
[illegible]⅝	Jan 8	[illegible]	Oct 2	M K & T 1st 4s	1990	*J-D	82	82	.....	.....	82	82	81¾	81¾	81⅞	81⅝	.....	.....
[illegible]	Jan 8	[illegible]	Nov 21	M K & T 2d 4s	June 1990	F-A	.....	.....	60	60	.....	.....	58	58	57	57	.....	.....
[illegible]	[illegible] 10	[illegible]	Nov 12	M K & T ext g 5s	1944	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	[illegible] 3	[illegible]	Jan 23	M K & T ref 4s	2004	M-S*	.....	.....	.....	.....	51⅛	51⅛	51	51	.....	.....	.....	.....
[illegible]	[illegible] 2	[illegible]	Dec 7	M K & T gen 4½s	1936	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 25	[illegible]	Aug 26	M K & T of Tex 5s	1942	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	[illegible] 15	[illegible]	Feb 1	Mo Pac col tr 5s	Jan 1917	M-S	.....	.....	90	90	90	89	89	89	.....	.....	.....	.....
[illegible]	Jan 27	91	July 14	Mo Pac col tr 5s	1920	F-A*	.....	.....	87	87	86	86	86	86	85½	85½	.....	.....
[illegible]	Jan [illegible]	92	Dec 29	Mo Pac 4s	1945	*M-S	41¼	41	40½	40¼	.....	.....	.....	.....	40	39½	.....	.....
[illegible]	Jan [illegible]	77⅜	June 16	Mobile & Ohio gen 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 7	73	Dec 9	Nassau Electric 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 4	50	Dec 17	Nat Rys of M per lien 4½s	1957	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 9	76¼	Dec 28	Nat Rys of M con 4s	1977	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Feb 11	104½	Nov 8	Nash Chatt & St L con 5s	1928	*A-O	.....	.....	.....	.....	.....	.....	107½	107½	.....	.....	.....	.....
[illegible]	Jan 6	99½	Dec 17	N Y Air Brake con 6s	1928	*M-N	.....	.....	98	98	.....	.....	.....	.....	97	97	.....	.....
[illegible]	Jan 30	80	Dec 10	N Y Central ref 3½s	1997	J-J*	81⅜	81½	.....	.....	80	80	80	80	79¾	79½	.....	.....
[illegible]	Jan 9	84	Dec 29	N Y Central deb 4s	1934	*M-N	88	88	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Mar 14	70½	Dec 23	N Y Central L S 3½s	1997	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	May 22	71	Dec 5	N Y Central M C col 3½s	1998	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 2	93½	July 18	N Y C & St L 1st 4s	1937	A-C*	.....	.....	.....	.....	94	94	.....	.....	93½	93½	.....	.....
[illegible]	Jan 10	80	Nov 5	N Y G E L H & P 4s	1949	*F-A	86⅞	86⅞	.....	.....	87	86⅞	86¼	86¼	.....	.....	.....	.....
[illegible]	[illegible] 29	106⅝	June 14	N Y G E L H & P col tr 5s	1948	J-D*	.....	.....	105⅛	104⅞	.....	.....	.....	.....	104	104	.....	.....
[illegible]	Jan 3	102¼	Dec 17	N Y N H & H con deb 6s	1948	*J-J	99⅞	99⅞	99½	99½	100	99	99½	99⅛	99	99	.....	.....
[illegible]	[illegible] 23	85	Nov 12	N Y N H & H deb 3½s	1956	*J-J	61½	61½	.....	.....	61½	61½	.....	.....	.....	.....	.....	.....
[illegible]	Jan 20	84	Dec 23	N Y Ont & W 1st ref 4s	June 1992	M-S	.....	.....	.....	.....	.....	.....	81	81	81	81	.....	.....
[illegible]	Jan 10	72½	June 10	N Y Rys ref 4s	1942	J-D	.....	.....	.....	.....	75½	75½	.....	.....	72	72	.....	.....
[illegible]	Dec 30	51⅞	June 10	N Y Rys adj 5s	1942	J-D	53½	53¼	53	52½	53	52	51⅜	50¼	50¼	45	.....	.....
[illegible]	Jan 31	88	June 11	N & W con 4s	1996	A-O*	.....	.....	.....	.....	95¼	95	94½	94½	.....	.....	.....	.....
[illegible]	Jan 16	87	Dec 20	N & W div 1st lien 4s	1944	J-J*	.....	.....	90	90	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]⅜	May 26	102¼	Nov 5	N & W conv 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 13	83	June 23	N & W P C & C joint 4s	1941	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 10	91½	July 7	North Pac prior 4s	Jan 1997	Q-J	.....	.....	94½	94⅜	94¼	93⅞	94	93	92½	92	.....	.....
[illegible]	Sept 20	63½	June 5	North Pac gen 3s	Jan 2047	Q-F	67¼	67⅛	67¼	67⅛	67¼	67¼	67¼	67¼	67⅜	67¼	.....	.....
[illegible]	Feb 25	86	Nov 6	Oregon Ry & Nav 4s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 14	103½	July 17	Oregon Short Line 1st 6s	1922	*F-A	.....	.....	.....	.....	110	110	.....	.....	.....	.....	.....	.....
[illegible]	Jan 16	103½	June 19	Oregon Short Line cons 5s	1946	J-J*	.....	.....	.....	.....	107	107	.....	.....	.....	.....	.....	.....
[illegible]	Jan 7	83½	June 13	Oregon Short Line ref 4s	1929	J-D*	.....	.....	.....	.....	.....	.....	90¼	89½	89½	89½	.....	.....
[illegible]	Feb 3	98	July 16	Pacific Coast 1st 5s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 11	95	June 11	Pacific Tel & Tel 5s	1922	*J-J	.....	.....	96¼	96¼	96	96	95½	95½	.....	.....	.....	.....
[illegible]	Feb 5	98	Nov 29	Penn con 4s	1948	M-N*	.....	.....	100½	100½	100⅛	100⅛	.....	.....	99	99	.....	.....
[illegible]	Jan 7	95⅞	July 18	Penn con 3½s	Oct 1 1915	J-D	.....	.....	99	98⅞	99	98⅝	98⅝	98	98¼	98¼	.....	.....
89	Jan 2	79	June 27	Peoria & E 1st 4s	1940	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
49⅝	Feb 20	35	June 4	Peoria & E income 4s	Apr 1990	Ann.	.....	.....	.....	.....	.....	.....	.....	.....	21	21	.....	.....
97½	Jan 25	9[illegible]	Dec 19	Reading gen 4s	1997	*J-J	.....	.....	95¼	94½	94½	94¼	94	93½	93½	93	.....	.....
96¾	Mar 12	91½	June 16	Reading Jersey Cent col 4s	1951	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	Oct 11	102	Sept 30	Rep Iron & Steel col 5s	1934	A-C*	.....	.....	.....	.....	.....	.....	.....	.....	104	104	.....	.....
85¼	Jan 13	78	Oct 15	Rio Grande W 1st 4s	1939	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	Jan 23	67½	Dec 17	Rio Grande W col tr 4s	1949	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
84	Jan 31	75¼	Dec 10	St J & G I 1st 4s	1947	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106	Jan 10	100	June 26	St L & I M gen 5s	1931	*A-O	.....	.....	.....	.....	.....	.....	101	101	.....	.....	.....	.....
82[illegible]	Jan 31	74	Dec 22	St L & I M ref 4s	1929	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 3	76½	Dec 9	St L & I M Riv & G Div 4s	1933	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
76¾	Jan 8	65	May 29	St L & S F R R ref 4s	1951	J-J*	67½	67½	67	66	65⅝	65	65	64	63⅝	63⅜	.....	.....
82¼	Jan 7	50½	July 18	St L & S F R R gen 5s	1927	*M-N	.....	.....	.....	.....	35	35	.....	.....	.....	.....	.....	.....
20	Jan 6	83¾	Dec 22	St L S W 1st 4s	1989	M-N*	.....	.....	.....	.....	82	81⅛	81⅛	81⅛	81⅛	81⅛	.....	.....
80	Jan 3	78	Feb 17	St L S W 2d income 4s	Nov 1989	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	Jan 7	75	Nov 26	St L S W consol 4s	1932	*J-D	.....	.....	68¾	68	.....	.....	.....	.....	.....	.....	.....	.....
104½	Jan 13	100¼	July 16	St P M & M con 4½s	1933	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96¼	Apr 4	92	July 21	St P M & M Mont ext 4s	1937	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	95¼	95¼	.....	.....
87⅜	Jan 2	75	Nov 19	San Antonio & A P 4s	1943	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79	Jan 13	72½	Oct 15	Seaboard A L ref 4s	1950	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
86	Jan 23	70½	July 7	Seaboard A L stamped 4s	1950	A-O*	.....	.....	.....	.....	.....	.....	84⅝	84⅝	85	84½	.....	.....
77¼	Jan 20	66½	June 12	Seaboard A L adj 5s	1949	F-A*	75½	75½	75½	75	75¼	74	73	72⅝	72¾	72	.....	.....
94⅛	Feb 4	87	June 12	So Pac ref 4s	1955	*J-J	91⅛	91	90¼	90	89⅜	89¼	89¾	89⅛	89	88¾	.....	.....
98	Feb 7	87⅞	June 27	So Pac col 4s	Aug 1949	J-D	89	88	88	88	.....	.....	85	85	.....	.....	.....	.....
93⅝	Feb 1	84	June 10	So Pac conv 4s	June 1929	M-S	85¼	85	84½	83	83¼	82⅛	83¼	81¾	82	80½	.....	.....
107⅛	Jan 10	101	June 24	So Ry 5s	1944	J-J*	.....	.....	103¾	103¾	.....	.....	103	103	102	102	.....	.....
78½	Jan 2	72¼	Dec 1	So Ry col tr 4s	1956	*A-O	72	72	71⅞	70½	70½	70¼	70½	70¼	70	67¾	.....	.....
[illegible]	Jan 21	78½	June 20	So Ry M & O Div 4s	1938	M-S*	.....	.....	.....	.....	78	77	.....	.....	.....	.....	.....	.....
[illegible]	Jan 8	79⅜	Aug 12	So Ry St L Div 4s	1951	*J-J	.....	.....	.....	.....	86½	86½	.....	.....	.....	.....	.....	.....
100	Jan 11	96	Dec 18	Penn Coal & Iron gen 5s	1951	*J-J	.....	.....	.....	.....	102¾	102¾	102	102½	.....	.....	.....	.....
88⅛	May 10	88	Oct 16	Term Ass'n St L ref 4s	1953	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104¼	Jan 3	99	Nov 24	Texas Pac 1st 5s	2000	*J-D	.....	.....	100⅛	100⅛	99⅞	99⅞	.....	.....	.....	.....	.....	.....
82[illegible]	Jan 10	77⅛	June 10	Third Av ref 4s T R ctfs std	2000	*J-J	.....	.....	82¼	82¼	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Dec 21	80	Dec 18	Tol St L & W 3½s	1925	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
46	Aug 23	45¼	June 9	Tol St L & W 1st 4s	1950	*A-O	46	44⅝	.....	.....	45	45	.....	.....	45	44⅛	.....	.....
98	Sept 23	92½	May 13	Underground London 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
100	Jan 14	94	Dec 2	Union Pacific 1st 4s	1933	*J-J	98⅝	98½	98⅛	97½	97½	97½	97¼	97	97	97	.....	.....
1	Jan 2	86⅞	June 12	Union Pacific conv 4s	1927	J-J*	89¾	89⅝	89½	88¾	89	88	88	88	87½	86	.....	.....
[illegible]	[illegible] 7	86⅞	June 19	Union Pacific ref 4s	June 2008	M-S	.....	.....	94½	94¼	.....	.....	.....	.....	94	93½	.....	.....
60	Jan 3	51½	Nov 24	United Rys San Fran 4s	1927	*A-C	50	50	50	49	50½	50	49	49	.....	.....	.....	.....
[illegible]	[illegible] 13	79	Nov 29	U S Realty & Imp 5s	1924	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Mar 8	25	Jan 2	U S Reduc & Ref 6s	1931	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Feb 8	103	Mar 13	U S Rubber 6s	1930	*M-N	.....	.....	102½	102½	.....	.....	102½	102½	102	102	.....	.....
9	Jan 7	96	June 10	U S Steel 5s	1939	*F-A	102⅝	102½	102½	102¼	102½	101⅝	101⅝	101⅜	101⅝	101¼	.....	.....
[illegible]	[illegible] 13	89[illegible]	July 1	Va-Car Chemical 1st 5s	1918	J-D*	.....	.....	97	96¾	96¾	96¾	96¼	96	96¼	96¼	.....	.....
[illegible]	Jan 9	[illegible]	Jan 5	Wabash 1st 5s	Apr 1936	M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	[illegible] 14	[illegible]	Dec 2	Wabash 2d 5s	1923	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	Jan 2	[illegible]	Dec 12	Wabash ref & ext 4s	1956	J-J*	.....	.....	45	44	45	44¾	44	42	43	41¼	.....	.....
[illegible]	Jan 15	[illegible]	Dec 10	Wab-Pitts T 1st Cen tr c	1954	*J-D	.....	.....	.....	.....	7	6⅞	.....	.....	6⅜	6⅜	.....	.....
[illegible]	Jan 15	[illegible]	Dec 13	Wabash Pitts T 2d tr c	1954	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	[illegible] 13	[illegible]	July 12	West Maryland 4s	1952	A-O*	60	60	59	59	59	59	59	58½	58⅝	58	.....	.....
[illegible]	Feb [illegible]	[illegible]	[illegible] 8	West N Y & P 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
[illegible]	[illegible] 2	95	Nov 24	West Pitton col tr 5s	1938	*J-J	.....	.....	.....	.....	97⅞	97⅞	.....	.....	.....	.....	.....	.....
[illegible]	Dec 15	[illegible]	Dec 4	West Union R E 4½s	1950	*M-N	.....	.....	.....	.....	92¼	91	.....	.....	.....	.....	.....	.....
[illegible]	Jan 13	[illegible]	Nov 22	West Shore 4s	2361	*J-J	93⅝	93⅝	.....	.....	.....	.....	92½	92½	.....	.....	.....	.....
94	Jan 7	87	Dec 14	Westinghouse E & M 5s	1931	*J-J	.....	.....	95⅛	95⅛	.....	.....	94¾	94	93	92¾	.....	.....
86⅝	Jan 14	[illegible]	July 1	Wheeling & L E con 4s	1949	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
91⅝	Jan 11	84	June 27	Wisconsin Central 4s	1949	J-J*	.....	.....	.....	.....	.....	.....	87⅝	87⅝	86	86	.....	.....

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday. July 25. High. Low.	Monday. July 27. High. Low.	Tuesday. July 28. High. Low.	Wednesday. July 29. High. Low.	Thursday. July 30. High. Low.	Friday. July 31. High. Low.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	....	92 - 92	....	....	917/8 - 917/8	....
24¾	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	26¾ - 26⅝	26¼ - 25½	25⅞ - 23	23½ - 20	22½ - 19½	....
9	Dec	26	7⅝	Dec	16	Allis-Chalmers	..	.....	....	9 - 9	8 - 8	8 - 7	7¼ - 6	....
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	....	39½ - 39	38 - 37	....	34¾ - 32½	....
80½	Sept	16	61⅝	June	10	Amalgamated Copper	6	Q May	65⅞ - 64½	65 - 63½	64 - 59½	59⅛ - 55¾	57 - 49	....
57	Jan	3	41¼	Sept	5	Am Agr Chemical	4	Q Jan	....	53¼ - 53¼	53 - 52½	52 - 49¾	50⅛ - 50	....
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	....	....	....	93½ - 92	....	....
50½	Jan	2	19¾	June	10	Am Beet Sugar	..	.....	....	22¼ - 21	21 - 20¾	20¼ - 20⅛	21¼ - 19	....
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	....	....	....	....	....	....
96¼	Jan	4	89½	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	....	....	90¼ - 89⅞	....	....	....
136⅝	Jan	6	127¾	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	....	....	....	....	....	....
46⅞	Jan	31	21	June	11	Am Can	..	.....	25⅞ - 25	25¼ - 23⅞	24 - 21¾	23⅝ - 21	22⅞ - 19¼	....
129½	Jan	30	80½	June	10	Am Can pfd	7	Q Jan	....	89⅛ - 89	89½ - 86½	86½ - 85¾	85 - 80	....
56⅜	Jan	2	36½	June	10	Am Car & Fdry	2	Q Jan	50⅛ - 50	50 - 48⅜	48 - 46⅛	47⅜ - 44	46¼ - 44⅛	....
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	118¾ - 118¾	....	117¼ - 117¼	....	113 - 112	....
48¾	Jan	6	33¼	July	2	American Cities	..	.....	....	....	....	....	....	....
78½	Jan	2	60¼	June	28	American Cities pfd	6	Jan-July	....	61 - 61	....	60 - 60	59½ - 59½	....
57⅜	Jan	2	33½	June	12	Am Cotton Oil	..	.....	....	38 - 38	37½ - 36½	35½ - 35½	35⅛ - 32	....
98	May	6	92½	Sept	2	Am Cotton Oil pfd	6	June-Dec	....	....	....	....	....	....
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	103 - 103	101 - 101	100⅝ - 99⅞	100 - 100	100 - 100	....
5⅛	Jan	3	3½	July	9	Am Hide & Leather	..	.....	....	....	....	....	3¼ - 3¼	....
28¼	Feb	10	15⅛	June	10	Am Hide & Leather pfd	..	.....	....	18½ - 18½	17⅜ - 17⅜	17½ - 17½	17 - 17	....
27¾	Apr	4	17	June	10	Am Ice Securities	..	.....	25½ - 25⅜	25½ - 24½	25 - 21¼	24 - 20⅛	23⅜ - 19⅞	....
12⅛	Nov	7	6⅞	June	10	Am Linseed	..	.....	....	....	8½ - 8½	8⅜ - 8	8 - 7½	....
33⅜	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	....	....	....	....	25½ - 25	....
44½	Jan	6	27	June	10	Am Locomotive	..	.....	28½ - 27¾	28 - 27	27⅝ - 25¼	21⅛ - 22¼	23 - 20¼	....
106¾	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	....	....	97 - 97	....	....	....
13	Jan	3	5¼	Oct	17	Am Malt	..	.....	....	....	....	....	....	....
61½	Jan	3	41⅞	Oct	24	Am Malt pfd	4	May-Nov	....	....	....	34 - 34	34½ - 32	....
86	Jan	9	79½	June	12	Am Smelting pfd B	5	Q Jan	....	....	80 - 79¼	....	....	....
74¾	Jan	30	58½	June	10	Am Smelting & Refin	4	Q Jan	65¼ - 64½	64¼ - 63¾	63 - 58½	60⅜ - 57	59 - 51	....
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	....	101⅝ - 99⅜	101 - 99½	100½ - 100½	100½ - 97½	....
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	....	162 - 162	160½ - 160½	155½ - 154¾	155 - 153	....
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan	....	....	....	....	....	....
40½	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	....	30 - 29½	....	....	27½ - 27½	....
118	Jan	31	99⅞	Dec	9	Am Sugar Ref	7	Q Jan	....	105 - 105	105½ - 103	....	102¼ - 101	102½ - 100
116⅝	Jan	28	110⅛	June	12	Am Sugar Ref pfd	7	Q Jan	....	111 - 111	....	....	108 - 108	....
66⅛	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	....	....	....	....	....	....
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	119¾ - 119¾	119⅞ - 118⅝	119¼ - 118	118¼ - 116½	116¾ - 114	....
204¾	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar	227 - 226¼	228 - 226¼	227 - 223	223 - 220	221 - 215	....
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	107 - 107	107½ - 107½	107 - 105	105 - 103	104⅛ - 104	....
23½	Sept	27	15	Dec	1	Am Woolen	..	.....	....	....	....	....	12 - 12	....
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	....	74 - 74	73¾ - 73¼	....	....	....
32¼	Jan	2	11⅞	Nov	14	Am Writing Paper pfd	..	.....	....	....	....	11 - 11	....	....
41½	Jan	2	30⅞	June	10	Anaconda Copper	3	Q Jan	30 - 29¾	29⅞ - 29⅛	29 - 27	27⅜ - 25	25¾ - 25	....
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	....	....	....	....	....	....
43⅛	Feb	19	42¼	Jan	30	Associated Oil	6	Q Jan	....	....	....	....	....	....
106¾	Jan	6	90¼	Nov	10	Atch Top & Santa Fe	6	Q Mar	96½ - 95¾	95½ - 94⅛	95½ - 91	94⅛ - 90¼	92⅞ - 89½	....
102¼	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	....	....	98¾ - 98¾	98½ - 98½	98¼ - 97¾	....
133¾	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	....	117⅞ - 117⅞	118 - 115	114⅛ - 114	114⅞ - 114	....
52½	Jan	8	36½	Dec	13	Baldwin Locomotive Co	2	Jan-July	....	....	....	....	42 - 41	....
105½	June	6	100¼	June	25	Baldwin Locomotive Co pfd	7	Jan-July	....	107 - 107	....	....	105¾ - 105¾	....
106⅜	Jan	22	90⅝	June	10	Baltimore & Ohio	6	Mar-Sept	78⅝ - 78	78 - 76½	77 - 72¼	75⅞ - 72¼	74¼ - 72	....
88	Jan	10	77¼	June	18	Baltimore & Ohio pfd	4	Mar-Sept	74⅝ - 74⅜	74⅜ - 73¾	74 - 72½	74½ - 71¾	73½ - 72½	....
41½	Jan	9	25	June	10	Bethlehem Steel	..	.....	39 - 38	38 - 36¼	37¼ - 35½	35⅞ - 34	33¾ - 30	....
74	Aug	12	62¼	June	10	Bethlehem Steel pfd	5	Q Jan	....	84 - 83	83¼ - 82¾	83 - 83	82½ - 81	....
92¾	May	26	83¾	June	10	Brooklyn Rapid Transit	6	Q Jan	9[illegible]½ - 89⅞	89¾ - 89⅛	89½ - 85⅞	87¾ - 84¾	86 - 79	....
137⅞	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	....	....	....	....	....	....
116	Jan	30	100½	June	9	Buffalo Roch & Pitts	6	Feb-Aug	....	....	....	90 - 90	....	....
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	....	....	29½ - 29½	29⅛ - 29	....	....
56½	Feb	3	16	Oct	22	California Petroleum	..	.....	20⅝ - 20⅝	[illegible]½ - 20	19½ - 17½	19¼ - 16¾	18 - 16⅛	....
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	....	58½ - 58	55 - 53½	52 - 52	52 - 50	....
63	Feb	13	58½	May	13	Canada Southern	3	Feb-Aug	....	....	....	....	....	....
266¾	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	179¾ - 177½	177 - 175⅛	175¾ - 157	166½ - 160	163 - 156¾	....
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	....	....	....	....	....	....
30⅛	Feb	5	17	June	10	Central Leather	2	Feb	35¼ - 35	35 - 34⅛	34⅝ - 30	32⅜ - 29¼	31 - 26	....
97¼	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	....	100 - 98	97½ - 97	97 - 96¼	96⅜ - 96¼	....
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	....	....	....	....	....	....
80	Jan	2	51⅛	July	11	Chesapeake & Ohio	4	Q Mar	45⅜ - 44⅜	45⅛ - 44¾	45¼ - 42¾	44⅜ - 42	43 - 41½	....
18	Jan	2	7½	June	12	Chicago & Alton	..	.....	....	....	....	....	....	....
25¾	Feb	25	17¼	Aug	21	Chicago & Alton pfd	..	.....	....	12¾ - 12¾	....	....	....	....
17⅞	Jan	9	10⅛	June	4	Chicago Great Western	..	.....	12⅛ - 12	12¼ - 12	12¼ - 11½	11 - 10½	10½ - 8	....
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	....	34⅜ - 34¾	33¼ - 30⅞	31 - 28⅞	30⅛ - 26	....
116¼	Jan	9	96¾	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	96¾ - 95¾	96½ - 94½	95⅛ - 90¼	92⅝ - 88½	91 - 85	....
145	Jan	30	131½	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	....	....	131⅛ - 130⅞	130 - 130	130¾ - 126	....
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	131¾ - 131¾	131 - 130	128 - 128	130½ - 126	128 - 127½	....
188	Mar	3	171¼	Nov	19	Chicago & N W pfd	8	Q Jan	....	....	....	....	....	....
125	Mar	8	119½	Aug	25	Chicago St P M & O	7	Feb-Aug	....	....	....	....	....	....
150½	Jan	21	120½	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	....	....	....	....	....	....
47⅝	Jan	2	30⅜	June	10	Chino Con Copper	$3	Q Jan	39⅛ - 38⅞	38½ - 37⅜	38½ - 35½	36⅛ - 33	34½ - 32	....
54	Jan	21	34⅞	Aug	26	C C C & St L	..	.....	....	....	....	....	....	....
94¾	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	....	40 - 40	....	....	....	....
41½	Feb	3	24½	June	10	Colorado Fuel & Iron	..	.....	25 - 25	24⅞ - 24⅞	24⅛ - 22¼	23⅛ - 22	23⅛ - 20½	....
175	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	....	....	....	....	....	....
33	Jan	3	23¾	June	12	Colorado Southern	..	.....	22¼ - 22	....	20½ - 20½	....	20 - 20	....
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	....	....	....	....	....	....
65⅛	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	....	....	....	....	....	....
102¼	Feb	25	102¼	Feb	25	Consolidation Coal	6	Q Jan	.. ..	....	....	....	....	....
142⅜	Jan	9	125⅛	June	10	Consolidated Gas	6	Q Mar	127 - 127	126½ - 125¾	125½ - 122½	124½ - 120	122 - 116	....
17⅛	Jan	31	7⅜	June	10	Corn Products Ref Co	..	.....	....	8 - 8	8 - 7½	7⅛ - 7¼	7⅜ - 7	....
79¼	Jan	31	61½	June	10	Corn Products Ref Co pfd	5	Q Jan	....	....	61 - 61	60½ - 60½	60½ - 58⅛	....
100⅛	Jan	16	91½	Dec	27	Deere & Co pfd	7	Q Mar	....	....	....	93¾ - 92¾	92½ - 92½	....
167	Jan	8	147½	June	11	Delaware & Hudson	9	Q Mar	....	146 - 145¾	146 - 145¾	145⅛ - 144⅛	145⅛ - 140	....
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	....	....	399 - 392½	.. ..	392 - 390	....
23¼	Jan	9	13⅜	June	11	Denver & Rio Grande	..	.....	....	5 - 4¾	4⅞ - 4	....	....	....
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	10⅛ - 10	9 - 8	....	10 - 8½	8⅞ - 8⅞	....
30⅜	Feb	4	6⅞	June	3	Detroit United Railway	6	Q Mar	....	....	....	....	....	....
21¾	Jan	2	9[illegible]	June	10	Distillers' Securities	....	....	....	13⅞ - 13½	14 - 13	13¼ - 12	12½ - 11	....

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Saturday, July 25. High.	Saturday, July 25. Low.	Monday, July 27. High.	Monday, July 27. Low.	Tuesday, July 28. High.	Tuesday, July 28. Low.	Wednesday, July 29. High.	Wednesday, July 29. Low.	Thursday, July 30. High.	Thursday, July 30. Low.	Friday, July 31. High.	Friday, July 31. Low.
8½	Jan	2	4	Dec	19	Duluth S S & Atl	..	.....	.. ..		4	4	3	3	....		....		....	
16¼	Jan	2	10	July	11	Duluth S S & Alt pfd	..	.....	....		8	8	....		....		....		....	
32½	Jan	6	20¼	June	10	Erie	..	.....	24¼	23½	24¼	23¼	23¾	21	23⅜	21	22¾	20	....	
49½	Jan	30	33½	June	10	Erie 1st pfd	..	.....	36½	34⅞	36¼	37⅞	35½	33⅞	35	33⅜	34	32	....	
41	Jan	30	28¼	June	10	Erie 2d pfd	..	.....	30	30	.....	.....	29½	27½	.....	.....	26½	26¼	....	
18	Jan	22	11	Dec	17	Federal Min & Smelt	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	10	10	....	
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd	6	Q Mar	.....	.....	.....	.....	33	33	32⅞	32⅞	31¾	29½	....	
185⅛	Apr	23	175	Jan	14	General Chemical	6	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	145½	145¼	144⅞	144	144	141¼	143¼	141	140¾	138¾	....	
40	Aug	18	25	May	15	General Motors	..	.....	89	88¼	83⅛	79	83⅝	78	78	76	78	54⅞	....	
81¾	Sept	30	70	May	8	General Motors pfd	7	May-Nov	91	90½	90¼	89¾	90	88	88	87⅞	87	70	....	
180	Jan	11	150	May	19	Geo W Helme Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co	..	.....	23¾	23⅛	23⅛	23	24⅜	23¼	23½	22¾	23	20	....	
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd	7	Q Jan	.....	.....	88⅜	88⅜	.....	.....	89	88⅜	89	88	....	
132⅝	Jan	9	115½	June	10	Great Northern pfd	7	Q Feb	120¾	119½	120½	118⅝	120⅛	116½	118½	113	116⅜	113	....	
41¼	Jan	3	25½	June	10	Great Northern Ore ctfs	..	.....	29¾	29½	29	28	28	25	26⅞	24⅜	25¼	22½	....	
52¾	Jan	7	40¾	July	11	Guggenheim Exploration	3½	Q Jan	53	52	52	51⅞	51⅜	48⅝	49	47¼	47¼	40½	....	
87	Feb	6	80	Oct	17	Havana Electric Ry	5	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
96	Jan	8	90	Nov	5	Havana Electric Ry pfd	6	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
125	June	4	125	June	4	Hocking Valley	8	Q Mar	.....	.....	.....	.....	.....	.....	.. ..		.....	.....	....	
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly	.....	.....	112½	112½	112¾	112¾	109¾	109¾	110	110	....	
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	111	111	110⅛	110⅛	110⅛	109¼	109¼	109	108⅞	105⅜	....	
39	Jan	11	5	June	6	Inter Agricultural Corp	..	.....	.....	.....	.....	.....	10	10	.....	.....	.....	.....	....	
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	.....	.....	23	22	22	21	.....	.....	21	20¾	....	
195⅝	Jan	30	123⅜	June	4	Interborough-Met	..	.....	138⅜	133⅜	134¼	134¼	134¼	121½	121½	118⅜	117⅛	103¼	....	
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	62¼	61½	61⅞	61¼	61	57½	58⅜	56	55½	52	....	
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	.....	.....	102	102	102	98	97	96	95	84	....	
114¾	Sept	19	111	May	12	International Harv pfd	7	Q Mar	.....	.....	.....	.....	116⅜	116⅜	.....	.....	117	117	....	
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	.....	.....	2	1¾	1¾	1¾	2	2	.....	.....	....	
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd	..	.....	.....	.....	7⅛	7⅛	6¾	6¾	7	6¼	.....	.....	....	
125⅝	Jan	30	6½	Oct	9	International Paper	..	.....	7½	7½	7½	7½	7⅛	7⅛	7½	6¾	7⅛	6¾	....	
48½	Jan	30	32⅛	Oct	15	International Paper pfd	2	Q Jan	32¾	32¾	.....	.....	.....	.....	.....	.....	32	30½	....	
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
23	Jan	2	13	June	6	Iowa Central pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd	4	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
110	Jan	2	106½	Oct	10	Kansas City Southern	..	.....	26¾	25⅝	25	23⅞	25	22¼	24½	23½	23½	21⅛	....	
78	Jan	7	53½	Sept	9	Kan City Southern pfd	4	Q Jan	.....	.....	59¼	59	58	58	.....	.....	55	55	....	
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd	7	Q Feb	.....	.....	.....	.....	.....	.....	107½	107½	.....	.....	....	
83	Sept	15	58	June	9	Kresge (S S) Co	6	Jan-July	.....	.....	.....	.....	92	92	92⅛	92	.....	.....	....	
102	Jan	4	97	June	10	Kresge (S S) Co pfd	7	Q Jan	.....	.....	101	100¼	.....	.....	.....	.....	.....	.....	....	
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	..	.....	.....	.....	29¾	29½	29	29	.....	.....	28⅛	26½	....	
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	85	85	....	
11½	Feb	5	7	May	2	Lake Erie & Western	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
35	Jan	6	16	Nov	10	Lake Erie & Western pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July	134¼	133⅛	131¼	131½	133	129½	131	129	129⅞	119	....	
235	Mar	6	195	June	6	Liggett & Myers	12	Q Mar	.....	.....	.....	.....	.....	.....	208	208	.....	.....	....	
116½	Jan	23	106½	July	22	Liggett & Myers pfd	7	Q Jan	.....	.....	.....	.....	114	114	.....	.....	.....	.....	....	
43⅛	Jan	6	30	June	10	Long Island	..	.....	.....	.....	.....	.....	33	32	.....	.....	31½	31	....	
200	Jan	28	150	June	13	Lorillard (P) Co	10	Q Jan	.....	.....	.....	.....	166	166	161	161	160⅛	160	....	
116½	Jan	22	103	June	10	Lorillard (P) Co pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	111¾	114	115	115	....	
142¼	Jan	10	126¼	June	11	Louisville & Nashville	7	Feb-Aug	132	132	130⅛	130⅛	131½	129⅞	130	128½	130½	127	....	
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	.....	.....	.....	. ...	76½	73½	71	70	70	61	....	
69	Apr	7	62	Dec	17	Mackay Companies pfd	4	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	128¼	128	....	
76⅞	Jan	2	65	Oct	14	May Department Stores	5	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
105½	Jan	2	97½	June	10	May Dept Stores pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	99½	99½	....	
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..	.....	66⅛	63½	65	64	64½	61¼	63	59	61	53	....	
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
26½	Jan	4	20⅜	June	10	Miami Con Copper	50c	Q Feb	21¾	21½	21½	21⅛	21	20⅜	20	20	19½	17½	....	
23¼	Jan	2	12	June	11	Minn & St. Louis	..	.....	12	12	.....	.....	.....	.....	.....	.....	.....	.....	....	
47	Jan	29	30	Dec	4	Minn & St. Louis pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
142¼	Jan	9	115¼	June	11	M St P & S S M	7	Apr-Oct	.....	.....	119	116½	116⅛	114	115¼	111	112	102	....	
145	Apr	8	131	Nov	12	M St P & S S M pfd	7	Apr-Oct	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
83½	Mar	5	81½	Dec	10	M St P & S S M 1'd line	4	Apr-Oct	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
29⅛	Jan	7	18⅜	June	10	Missouri Kan & Tex	..	.....	12	11¼	11	10⅞	10⅜	10¼	11⅛	10	11	10	....	
64½	Apr	11	52	June	10	Missouri Kan & Tex pfd	..	.....	30	29	29	29	29	28½	29	29	28⅛	27⅛	....	
43⅝	Jan	9	21¼	Dec	23	Missouri Pacific	..	.....	10⅜	9⅜	10½	9⅜	10	9½	9⅞	9¼	9¼	8	....	
.....	.....	.....	.....	.....	.....	Montana Power	2	Q Jan	48	48	47½	46½	45½	45	44½	44	44⅜	43½	....	
.....	.....	.....	.....	.....	.....	Montana Power pfd	7	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	...	....	
170	Jan	14	132½	June	9	Nashville Chatt & St L	7	Feb-Aug	.....	.....	.....	.....	136⅛	136¾	.....	.....	135	135	....	
130	Sept	13	104	June	11	National Biscuit Co	7	Q Jan	132	132	131	130	131	128	128	128	125	120	....	
124⅞	Jan	8	116	June	4	National Biscuit Co pfd	7	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	125¼	125	....	
19¼	Jan	30	9	June	5	National Enameling	..	.....	10	10	10	10	9¾	9¾	9½	9	.....	.....	....	
92¼	Jan	30	74¼	Oct	21	National Enameling pfd	7	Q April	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
56¼	Jan	2	43	Oct	20	National Lead Co	3	Q Mar	13½	13	13	13	12⅜	11½	13½	10	11¾	11⅝	....	
107¾	Oct	4	102	Oct	31	National Lead Co pfd	7	Q Mar	.....	.....	.....	.....	.....	.....	106½	106½	.....	.....	....	
59	Mar	3	31	Dec	8	Nat Rys of Mex 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
27½	Jan	2	8¾	Dec	26	Nat Rys of Mex 2d pfd	..	.....	10½	10½	.....	.....	10	8	.....	.....	8	7⅛	....	
20	Jan	2	13	June	10	Nevada Con Copper	37½c	Q Mar	13⅝	13¾	13⅜	13¼	13⅜	12⅛	12¼	11⅞	12	10¼	....	
82½	Jan	8	56	July	16	New York Air Brake	6	Q Jan	.....	.....	.....	.....	62	62	60	59	58	58	....	
109¾	Jan	30	90⅜	Dec	15	New York Central	5	Q Jan	81	83	84	82¾	81	80⅞	83¼	80⅞	82	77	....	
62¼	Jan	15	47	Dec	31	N Y Chicago & St L	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
10	Oct	14	8	Nov	10	New York Dock	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
129⅞	Jan	10	65⅝	Dec	12	N Y N H & Hartford	..	.....	52¾	51⅜	53⅜	51¾	52½	51½	53½	51⅝	52¼	51	....	
23⅞	Jan	11	25⅛	June	11	N Y Ontario & West	..	.....	19⅞	19½	20⅛	19½	.....	.....	20	19	19⅜	18¼	....	
47½	Apr	5	39	Dec	19	Norfolk & Southern	½	Jan	.....	.....	25⅝	25⅝	.....	.....	25⅛	25⅛	.....	.....	....	
113½	Jan	3	98	June	10	Norfolk & Western	6	Q Mar	104¼	103¾	103¾	102½	103	100½	102½	101	101	97½	....	
87	Feb	13	80¼	Aug	16	Norfolk & Western pfd	4	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
81½	Jan	9	60	June	9	North American	5	Q Jan	.....	.....	73	73	73¼	72	70⅜	70⅜	70¼	65	....	
75¾	Jan	13	54	Dec	27	Northern O Tr & Light	5	Q Mar	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
122⅝	Jan	6	103¾	June	10	Northern Pacific	7	Q Feb	106¾	104¼	106⅜	104½	105½	100	103½	100	102¼	97	....	
31½	Jan	10	16	June	10	Pacific Mail	..	.....	.....	.....	.....	.....	18½	18¼	18	17¼	18	17⅛	....	
46	Jan	4	22	Nov	18	Pacific Tel & Tel	..	.....	.....	.....	21½	21½	22½	22	21	21	21	20	....	
96	Feb	19	82	Dec	4	Pacific Tel & Tel pfd	6	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	....	
123¾	Jan	7	106	Dec	13	Pennsylvania Railroad	6	Q Feb	109⅞	108⅞	109⅞	109¼	109⅜	107½	108⅝	106¾	108⅛	105⅛	....	

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Saturday, July 25. High. Low.	Monday, July 27. High. Low.	Tuesday, July 28. High. Low.	Wednesday, July 29. High. Low.	Thursday, July 30. High. Low.	Friday, July 31. High. Low.
129¾	Sept 23	104	June 10	Peoples' Gas & Coke.....	8	Q Feb	120½-120½	120 -119⅞	119¼-119	118 -116	116¾-106	....
99⅞	Jan 29	85	Sept 12	Philadelphia Co.....	7	Q Feb	....	....	....	....	....	....
104	June 11	77⅛	Dec 11	P C C & St Louis.....	3	Q Jan	....	68 - 68	....	....	65¼- 64⅛	....
100	June 25	100	June 25	P C C & St Louis pfd.....	4	Q Jan	....	....	....	....	....	....
24⅜	Jan 2	14½	June 11	Pittsburgh Coal.....	..	.....	....	18½- 18⅛	18½- 16½	18½- 17	17⅞- 16½	....
95	Jan 9	73	June 11	Pittsburgh Coal pfd	5	Q Jan	....	87 - 86¼	86½- 84	87 - 83½	83¾- 82	....
100	Jan 6	90	Nov 12	Pittsburgh Steel pfd	7	Q Jan	....	....	86 - 85	....	....	....
36	Jan 7	18½	June 10	Pressed Steel Car	3	Q Mar	41½- 41	40¾- 39¼	40¼- 38½	39 - 37¾	38½- 34	....
101⅛	Jan 7	88½	June 10	Pressed Steel Car pfd	7	Q Feb	....	....	104½-104½	....	....	....
118	Jan 21	105	Dec 12	Public Service Corp N J ..	6	Q Jan	....	111½-111½	....	....	....	....
165	Jan 2	149	Sept 5	Pullman Co.....	8	Q Feb	....	156 -155¼	156 -154¼	....	154 -153⅞	....
4⅜	May 16	1	Dec 11	Quicksilver Co	..	.....	....	....	....	....	1 - 1	....
8	May 17	2	Dec 11	Quicksilver Co pfd.....	..	.....	....	....	....	....	1⅝- 1½	....
35	Jan 9	22¼	June 11	Railway Steel Spring	..	.....	26 - 26	25 - 25	25 - 23⅞	23 - 20½	22¾- 19¾	....
100	Jan 13	90¼	June 10	Railway Steel Spring pfd..	7	Q Mar	....	....	90 - 90	....	....	....
22	Jan 2	15	June 10	Ray Consol Copper	37½c	Q June	20⅜- 20	19⅞- 19⅛	19¼- 18⅜	19 - 17¾	18½- 14¾	....
171¾	Dec 26	151⅜	June 10	Reading	8	Q Feb	161¼-160	160⅞-159⅜	c159⅞c153½	154⅝-150½	152½-137	....
92½	Apr 10	82½	Oct 14	Reading 1st pfd	4	Q Mar	....	88 - 88	87½- 87	....	....	....
95	Apr 10	84	June 10	Reading 2d pfd	4	Q Jan	84 - 84	85 - 85	....	84 - 83½	83 - 82	....
28⅜	Jan 31	17	June 10	Republic Iron & Steel	..	.....	20 - 19⅞	21¾- 19⅞	20 - 19⅞	20¼- 19½	20¼- 18½	....
92¼	Sept 13	72	June 11	Republic Iron & Steel pfd..	7	Q Jan	80 - 79¾	79¾- 79¾	81 - 80	81½- 80	80⅛- 78	....
24⅞	Feb 4	11⅝	Oct 17	Rock Island	..	.....	1⅝- 1	1 - ⅞	....	....	1 - ⅞	....
44¾	Jan 2	17½	Oct 17	Rock Island pfd	..	.....	1½- 1½	1¾- 1¾	1½- 1½	1⅞- 1¾	1¾- 1⅝	....
92¼	Jan 7	14	Nov 24	Rumely (M) Co.....	..	.....	....	9¾- 9¾	9⅜- 7¾	9⅜- 7½	8⅞- 8	....
99¾	Jan 4	33	Dec 18	Rumely (M) Co pfd.....	..	.....	....	25½- 25½	25½- 22	22⅝- 22⅝	24 - 22	....
20¾	Apr 1	14½	June 10	Seaboard Air Line.....	..	.....	....	18 - 17½	16⅝- 16⅝	17½- 16⅛	16⅛- 15	....
49⅜	Sept 23	38	June 12	Seaboard Air Line pfd.....	4	Q Nov	53 - 52½	52¾- 52	53 - 51	51 - 50	49¼- 47	....
19¾	Jan 11	2¾	June 17	St L & San Fran	..	.....	....	....	....	....	2⅛- 2⅛	....
59	Feb 11	13	June 28	St L & San Fran 1st pfd...	..	.....	....	....	....	....	....	....
29	Jan 11	5½	June 17	St L & San Fran 2d pfd....	..	.....	....	....	....	....	....	....
96½	May 15	96½	May 15	St L & S F C & E I pf ctf..	..	.....	....	....	....	....	....	....
35½	Jan 13	20	Dec 19	St Louis S W.....	..	.....	....	....	18½- 18½	....	....	....
75	Jan 9	56¼	Dec 20	St Louis S W pfd.....	2	Q Jan	....	....	....	....	....	....
213½	Jan 2	154¾	June 12	Sears-Roebuck	7	Q Feb	191 -191	191 -189	189 -185	185⅛-185	180 -170¼	....
124½	Jan 2	116	June 19	Sears-Roebuck pfd.....	7	Q Jan	....	....	....	....	122 -122	....
45½	Jan 28	23	July 8	Sloss-Sheff St & I Co.....	..	.....	24 - 24	....	24 - 22¼	21 - 21	21 - 19½	....
93¼	Feb 8	88	Apr 30	Sloss-Sheff St & I Co pfd..	7	Q Jan	....	....	....	....	....	....
110	Jan 30	83	Nov 10	Southern Pacific	6	Q Jan	94¾- 93⅜	93½- 92⅛	92⅞- 88⅜	91 - 86½	89 - 84⅞	....
28⅝	Jan 2	19⅛	June 12	Southern Railway	..	.....	20½- 20	20 - 19⅛	18⅞- 17	19 - 17¾	18 - 17	....
81½	Mar 26	72	June 10	Southern Railway pfd.....	5	Apr-Oct	74¾- 74⅝	75 - 74	73⅞- 72	72½- 71	72 - 67½	....
40½	Jan 31	31	Dec 9	Standard Milling	3	June	36 - 36	....	....	....	33 - 33	....
66⅞	Feb 4	52½	May 1	Standard Milling pfd.....	5	Apr-Oct	....	....	....	....	....	....
36	Feb 6	15¾	Dec 1	Studebaker	..	.....	32 - 31¾	30¾- 30	31 - 29	29½- 28	27½- 26⅝	....
93¼	Jan 13	64½	Nov 10	Studebaker pfd.....	7	Q Mar	....	82¼- 82¼	83 - 80	....	82¾- 82¾	....
39½	Jan 4	26¾	June 10	Tennessee Copper	75c	Q Mar	....	32 - 30¾	31½- 31	30 - 28	29 - 24¾	....
132½	Dec 31	89	June 10	Texas Co	10	Q Mar	134 -133¼	133 -130¾	130 -120	125½-118	123 -112	....
22⅝	Jan 28	10¼	June 4	Texas Pacific	..	.....	14½- 14½	13⅝- 13⅝	13⅛- 12⅞	13 - 12⅞	12 - 12	....
97	Jan 18	93	June 4	Texas Pacific Land Tr....	..	.....	....	....	....	....	95 - 95	....
43⅜	Sept 23	27⅞	June 10	Third Avenue R R.....	..	.....	39¼- 39	39 - 38⅛	38½- 36	37½- 36	36 - 33	....
3	Jan 14	2	June 4	Toledo Railways & Light..	..	.....	....	....	....	....	....	....
13	Jan 9	7⅛	July 9	Toledo St L & W.....	..	.....	....	5 - 5	....	....	....	....
29¾	Jan 9	15¼	June 4	Toledo St L & W pfd.....	..	.....	....	....	....	....	....	....
109	Sept 6	101⅛	June 6	Twin City Rap Tran.....	6	Q Jan	....	....	99⅝- 99	97 - 97	97 - 94⅞	....
7¾	Jan 3	4	Nov 14	Union Bag & Paper Co....	..	.....	....	....	4½- 4½	4⅜- 4⅜	4¼- 4	....
41¾	Jan 3	18½	Nov 20	Union Bag & Paper Co pfd	..	.....	....	....	20 - 18¼	....	18½- 18½	....
99½	Jan 3	78	June 10	Underwood Typewriter	4	Q Jan	....	....	....	....	....	....
113	Jan 21	104	July 10	Underwood Typewriter pfd	7	Q Jan	....	....	....	....	....	....
162¾	Jan 6	137¾	June 11	Union Pacific	8	Q Jan	125¼-124¼	124½-122⅝	124½-118¼	121¼-116½	118⅞-112	....
93½	Jan 6	79¾	June 10	Union Pacific pfd.....	4	Apr-Oct	....	81 - 80¾	80¼- 80	80 - 78	80 - 78½	....
50½	Feb 7	40¼	June 10	United Cigar Mfg Co.....	4	Q Nov	43⅛- 43⅛	41 - 41	41 - 41	....	40¼- 40	....
103	May 7	96	Sept 3	United Cigar Mfg Co pfd..	7	Q Mar	100 -100	....	....	....	....	....
101	Jan 8	87	July 2	United Dry Goods.....	..	.....	....	....	....	....	....	....
105½	Jan 14	95	Dec 16	United Dry Goods pfd....	..	.....	....	....	....	60⅛- 60⅛	....	....
35½	Jan 3	16	June 11	United Rys Invest Co.....	..	.....	9½- 9½	....	....	....	....	....
63½	Jan 3	30	June 11	United Rys Invest Co pfd..	..	.....	25½- 25	24½- 24½	25 - 25	26½- 25½	24 - 22	....
16¾	Jan 30	9¼	June 10	U S Cast Iron Pipe.....	..	.....	9 - 9	....	....	....	9 - 9	....
56¾	Jan 31	40	Dec 31	U S Cast Iron Pipe pfd....	4	Jan	....	....	....	30 - 30	....	....
44	Jan 6	25	June 9	U S Industrial Alcohol	..	.....	....	....	....	16 - 16	....	....
97	Mar 4	85	June 18	U S Industrial Alcohol pfd.	7	Q Jan	....	....	....	....	....	....
77	Jan 9	49¾	Nov 28	U S Realty & Improv.....	5	Q Feb	....	....	56¾- 56¾	53 - 53	....	....
1⅞	Jan 16	½	Sept 25	U S Reduc & Refin.....	..	.....	....	....	....	....	....	....
4	Jan 10	3	Apr 25	U S Reduc & Refin pfd....	..	.....	....	....	....	....	....	....
69½	Apr 4	51	Nov 10	U S Rubber	6	Q Jan	56⅛- 55⅞	56¼- 54⅜	55½- 52¼	53¾- 52	52¾- 44½	....
109¾	Apr 9	98	June 10	U S Rubber 1st pfd.....	8	Q Jan	101⅛-101⅛	101⅜-100¾	101⅜- 99¾	99¾- 98½	99½- 95⅛	....
81½	Jan 9	78¾	Feb 13	U S Rubber 2d pfd.....	6	Q Jan	....	....	....	....	....	....
69⅛	Jan 2	49⅞	June 11	U S Steel	5	Q Mar	59⅞- 58¾	59¾- 58¼	58⅝- 55⅝	56⅞- 54	55½- 50⅝	....
110¾	Jan 30	102½	June 10	U S Steel pfd.....	7	Q Feb	110¼-109¼	109¾-109	109¼-107¼	108¼-106⅞	107⅜-106¼	....
60⅝	Jan 2	39⅝	June 10	Utah Copper	75c	Q Mar	55¼- 54½	54⅞- 53¾	54⅛- 52	53½- 50	51½- 45⅞	....
43⅛	Jan 3	22	July 1	Va-Car Chemical	..	.....	27½- 27½	27 - 26⅞	26¾- 24	24½- 23¼	24⅛- 21	....
114	Jan 3	93	June 30	Va-Car Chemical pfd.....	8	Q Jan	100 -100	100 - 99¼	99 - 99	....	98 - 86	....
54	Jan 28	36	Dec 15	Va Iron Coal & Coke.....	..	.....	....	40 - 40	37 - 35	37 - 37	37 - 37	....
58	Feb 13	51	Jan 7	Va Ry & Power.....	3	Apr-Oct	....	....	....	....	....	....
90¾	Dec 11	89	July 24	Va Ry & Power pfd.....	6	Jan-July	....	....	....	....	....	....
21¾	Jan 24	11¼	Aug 8	Vulcan Detinning	..	.....	....	....	....	....	....	....
90	Jan 6	49	Oct 1	Vulcan Detinning pfd.....	..	.....	....	....	....	....	....	....
6	Aug 12	2	June 11	Wabash	..	.....	....	½- ½	....	¾- ⅝	....	....
17⅛	Aug 13	6⅛	July 8	Wabash pfd	..	.....	....	2⅛- 2½	2⅛- 2⅛	....	....	....
123	Jan 6	85¼	Dec 18	Wells-Fargo Express.....	6	Jan-July	....	91½- 91½	....	....	85 - 80	....
46	Jan 2	28⅞	Dec 12	Western Maryland Ry.....	..	.....	16 - 15½	15½- 15¼	15½- 14½	14¾- 14¾	14¾- 13	....
65	Jan 27	53½	June 18	Western Maryland Ry pfd.	..	.....	....	....	....	....	30 - 30	....
75½	Jan 9	54⅛	Dec 22	Western Union Tel.....	4	Q Jan	58 - 57¾	57⅞- 57¼	57⅝- 55⅝	57⅝- 55	56¼- 53¼	....
79¼	Jan 2	53⅝	June 10	Westinghouse E & M.....	4	Q Jan	77¾- 77¼	77 - 75¾	76½- 74	74¼- 72¾	73⅜- 65½	....
119¾	Jan 7	107⅞	June 13	Westingh'se E & M 1st pfd	7	Q Jan	....	....	....	120¼-120¼	119 -119	....
8	Jan 3	3¾	Oct 24	Wheeling & L E.....	..	.....	....	....	2⅞- 2⅞	....	2½- 2½	....
28⅛	Jan 13	13	June 11	Wheeling & L E 1st pfd....	..	.....	....	....	10 - 10	9⅞- 8¼	....	....
14	Jan 3	5⅝	Dec 19	Wheeling & L E 2d pfd....	..	.....	....	....	....	....	....	....
58½	Apr 23	40⅛	June 11	Wisconsin Central	..	.....	38 - 38	37 - 36½	36 - 35	34½- 34½	34 - 29¾	....
112	Jan 2	81½	June 20	Woolworth (F W) Co.....	6	Q Feb	96 - 95⅝	96⅛- 96	95 - 93	93⅛- 92⅞	93 - 89	....
115½	Jan 3	109	June 14	Woolworth (F W) Co pfd..	7	Q Jan	....	....	....	....	116 -116	....

c Ex. dividends. e Ex. rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Sterling—						
[illegible]	488.85	494	495	496	520	6.00 bid
[illegible]	488.05	491	492	490	503	
[illegible]	485¼					
[illegible]	484¼					
France—						
[illegible]	5182—1-32					
[illegible] sight	520					
Reichsmarks—						
[illegible] sight	945/8					
[illegible] sight	943/8					

[Foreign exchange quotations have been utterly chaotic during this week, owing to the impending war in Europe, and it is useless to try to give a record of them.]

SUMMARIZED STATISTICS OF AMERICAN RAILROADS AS COMPILED BY THE INTERSTATE COMMERCE COMMISSION

THE forthcoming twenty-sixth annual report of the Interstate Commerce Commission will give completed statistics for American Railroads for the governmental year, ended June 30, 1913. In the meantime, advance figures have been given out by the Commission for some of the more important statistical categories. The final figures may show slight modifications here and there, switching and terminal operations not being now included, but the present figures may be expected to be substantially the same as those contained in the report. Although the statistics represent a state of things already more than a year old, they are the latest obtainable which cover all the railroads of the country. They are given below, in tabular form wherever possible:

CAPITALIZATION OF AMERICAN RAILROADS, 1912-1913.

Preferred stock	$1,379,036,282
Common stock	7,231,515,045
Total stock	$8,610,611,327
Mortgage bonds	$8,186,366,426
Collateral trust bonds	1,189,636,796
Plain bonds, debentures and notes	1,107,076,783
Income bonds	250,290,655
Miscellaneous funded obligations	32,858,275
Equipment trust bonds	369,285,450
Total bonds and funded obligations	$11,185,514,385
Grand total of stocks and bonds	$19,796,125,712

Out of the total preferred and common stock outstanding $2,836,023,744, or 32.94 per cent, paid no dividends during the year 1912-1913. The total amount of dividends declared during the year (by both operating and holding companies) was $368,606,327, or 6.38 per cent on all the dividend paying stocks. It is to be observed here, however, that the dividend distributions to the ultimate owners of the railroads fell much below this sum, inasmuch as dividends by operating companies paid to holding companies and by them distributed to the ultimate owners are included in the figure, as well as the dividends of the holding companies. The same remark, to a considerable extent, applies to the figures of capitalization given above, there being much duplication of stocks and bonds of the operating roads and of the stocks and bonds of the operating or holding companies, the latter being issued against holdings of the securities of the operating roads. Exact figures for these duplications have not yet been issued by the Interstate Commerce Commission.

The operating revenues and expenses of the roads in 1912-1913, as compared with 1911-12, were as follows:

	1911-1912.	1912-1913.
Operating revenues	$2,826,958,266	$3,125,135,798
Operating expenses	1,959,094,658	2,169,968,924

The difference between operating revenues and operating expenses is applied to interest on obligations, dividends on stock, betterments of property accounts and similar expenditures.

The number of passengers carried during the year was 1,033,670,755. The corresponding number for the year 1912 was 994,372,283. Increase, 39,307,397.

QUOTED PRICES OF STOCKS OF NEW YORK INSURANCE COMPANIES

American Surety	*170	176	Metropolitan Life	*160	...
Commonwealth	300	...	National Surety	185	193
Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...			

*Per cent price.

The passenger mileage, or the number of passengers carried one mile, was 34,575,872,980; the corresponding return for 1912 was 1,536,762,172 less. The number of passengers carried one mile per mile of road was 143,067, as against 140,293 for the preceding year.

The number of tons of freight reported as carried (including freight received from connections) was 2,058,035,487, while the corresponding figure for the previous year was 1,818,795,630, the increase being 239,239,857 tons.

The ton mileage or the number of tons carried one mile, was 301,398,752,108. The corresponding ton mileage as reported for the year 1912 was 263,779,908,254, the increase over the returns for 1912 being 37,618,843,854.

The average receipts per passenger per mile were 2.008 cents; the average receipts per ton per mile, 0.729 cent. The passenger service train revenue per train mile was $1.35555; the freight revenue per train mile was $3.24347. The average operating revenues per train mile were $2.45387. The average operating expenses per train mile were $1.70374. The ratio of operating expenses to operating revenues was 69.44 per cent.

The following table contains the more important statistics of the physical property and of the operating personnel of the railroads of the United States for the year 1912-1913:

Total railroad mileage of all kinds	369,579
Miles of single (main) track	*244,418
Miles of second (main) track	26,270
Miles of third (main) track	2,588
Miles of fourth, fifth and sixth (main) track	1,964
Miles of yard tracks and sidings	94,338
Increase of total track over 1911-1912	8,628
Passenger locomotives in service	14,396
Freight locomotives in service	37,924
Yard locomotives in service	9,834
Locomotives in miscellaneous service	1,224
Total locomotives in service	63,378
Passenger cars	51,700
Freight cars	2,273,564
Cars in companies' service	120,244
Total cars of all classes	†2,445,508
Average number of locomotives per 1,000 miles of line	259
Average numbers of cars per 1,000 miles of line	10,005
Number of passenger-miles per passenger locomotive	2,341,269
Number of ton-miles per freight locomotive	7,843,663
Number of persons on pay-rolls of roads	1,815,239
Average number of employes per 100 miles of line	743
Total amount of wages and salaries paid	$1,373,830,589
Increase of employes over 1911-1912	115,298

*Including 11,162 miles used under trackage rights.
†An increase of 76,566 cars over 1911-1912.

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United States Statement, Jan. 1, 1914

Assets	$2,578,165.43
Surplus in United States	1,053,888.67

New England Mutual Life Insurance Co.

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Assets, January 1, 1914	$66,168,702.53
Liabilities	61,182,456.00
Surplus	$4,986,246.53

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Ike Lewis, as Superintendent of Insurance of the State of Kansas.

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of the

SUPREME COURT OF THE UNITED STATES
UPHOLDING THE RIGHT OF THE STATES TO
FIX THE PRICE OF INSURANCE

together with the Dissenting Opinion

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By
ARTHUR R. MARSH

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

AN exceedingly serious problem has to be solved by the United States in the very near future, by reason of the conditions brought about by the general war in Europe. We do not mean to say that there are not many such problems; but this is the most serious of all. As everybody knows, this country is the most important of all the sources of the cotton supply of the world. Nearly three-quarters of all the cotton annually consumed in the world to-day (leaving out of account the domestic consumption in China, India and part of Africa) is produced in the United States. The demand for American cotton has been so insistent and so steadily increasing that cotton growing has become the chief agricultural pursuit of all our Southern States, from the Atlantic seaboard to Texas. The economic welfare of those States is bound up with cotton. Deprive them of a ready market for their cotton, and a large portion of their population is at once reduced to almost penury, and the entire population undergoes a serious economic setback. Moreover, the country as a whole has come to be largely dependent upon cotton for the maintenance of its economic and financial equilibrium. Approximately sixty per cent of the cotton crop of the United States is exported to foreign countries, chiefly to the very countries which are now engaged in desperate war one with another in Europe. The value of the exports of cotton from the United States in the governmental year ended June 30, 1914, was well over $600,000,000, leaving all other agricultural exports far behind, and affording this country vast credit balances abroad, wherewith to offset the various adverse items of our international financial and commercial situation. Through this exported cotton our balance of trade with other countries has for long years been equilibrated, our stock of gold has been protected, our credit has been kept reasonably free and flexible at home, and all the departments of our industry and commerce have been enabled to fulfil their economic functions without disturbance or interruption. Such are the benefits we derive from our annual cotton crop, which more directly and advantageously affects our economic position than any other crop we produce or than the product of any of our industries, even the greatest, like iron and steel.

It goes without saying that one of the most important economic aspects of the American cotton crop is the marketing of it. Through the development of the great cotton exchanges in this country and abroad, with their system of future contracts used as hedges against future commitments,—whether those commitments be in cotton owned and on hand, or in cotton to be delivered in the future, or in cotton needed presently or in the future by manufacturers, it has become possible and usual for the farmer who grows cotton to sell it when he pleases, to turn much of it into cash as soon as it is picked and ginned, and to carry along such portion of it as he does not need to sell at once, until he can obtain a market price satisfactory to himself. Much of the cotton, however, has to be sold by the producers almost as soon as they have got it out of their fields, because they must pay off their bills to the country merchant; the latter, in his turn, must meet his engagements with his local bank or with the wholesaler who has sold him his stock of goods. Both the local bank and the wholesaler, again, are in the same position, for the local bank must pay off its debt to the metropolitan bank and the wholesaler must meet the bills or notes he has given either to his bank or to the manufacturer or importer, which latter have been discounted with banks and must be paid. The chain does not end even here; for the metropolitan banks must provide the means of meeting the bills of exchange drawn against this country by all foreign countries, whether against commodities bought by us abroad or against the vast transactions of international finance. Thus the four months from September to December of each year, when the greater part of the cotton crop is marketed, have come to be almost a national debt-paying period, similar,—to compare a great thing with a small,—to those periodical debt-paying days which some Western communities have instituted. In a way, of course, wheat and corn may serve the same purpose; and they formerly did so on a large scale, when we had an exportable surplus of grain. This year the large wheat crop again brings wheat into this function. But in general it is true that in recent years we have had to rely chiefly upon cotton to enable us

to straighten out our international accounts and to get ourselves in a good state for the coming year's campaign. The machinery by which all the important processes just described are accomplished has been developed to a high degree of perfection, and in normal years its working is so smooth and noiseless that it scarcely attracts attention.

In a sense the most important cog in this machinery is the modern cotton exchange, with its system of employing contracts for the future delivery of cotton, as a means of insurance for all those in the long chain of merchants, bankers, and manufacturers who must take part in the tremendous operation of collecting the cotton from the million and a half farmers who produce it, and of distributing it to the ends of the earth, to those who use it and ultimately pay for it. Without insurance against price fuctuations and the losses occasioned by them, the cotton business of to-day is impossible. The price insurance which the cotton trade has created for itself, as has been said, is the insurance obtained through contracts for future delivery made on the great cotton exchanges. This is the only kind of price insurance now available. In normal times it functions as perfectly as any human institution can; but like all human institutions which private persons, however numerous, create and conduct, it does not and cannot in the nature of things make provision for the great catastrophes which befall mankind. These catastrophes are happily of the rarest occurrence; but when they do come the ordinary machinery of economic activity must inevitably prove inadequate to deal with them.

All the processes, described above, of marketing the annual cotton crop of the United States, have for the past forty years and more revolved about the great cotton exchanges at home and abroad. In them has been found the insurance against loss through price fluctuations which has made it possible for cotton merchants, co-operating with bankers and manufacturers, to provide an instant market for all the cotton offered for sale by the farmers in the Autumn months, and to send this cotton along its route to the ultimate users of it, while performing the indispensable office of clearing up for stratum upon stratum of users of credit the obligations, domestic and foreign, which must annually be liquidated, if industry and commerce are to proceed in the modern way. Nor, under this system, has it made any material difference that the greater part of the annual crop is sold in one-third of the year, while the consumption, of course, is stretched over the entire year. The known needs of the future, insured against through future contracts on the exchanges, have been entirely able to take care of the temporary surplus.

But now the cotton trade, and the country with it, is face to face with a breakdown of the customary method of insurance against the price fluctuations of cotton, just as it has already had to face the breakdown of existing marine insurance. A vast catastrophe is upon the world. Nation is warring against nation; all communication between part and part of the commercial and financial fabric created during the past century is profoundly disturbed or interrupted altogether; the co operation of every portion of the cotton trade and cotton industry, wherever located, in maintaining the insurance of handlers of cotton against ruinous losses is rendered impossible. Hence every great cotton exchange in the world has closed its doors. Business upon these exchanges has utterly ceased; and there is no possible way of obtaining anywhere in the world that protection against losses through price fluctuations, without which the cotton merchant cannot prudently buy or own a bale of cotton or the banker lend a single dollar upon it.

It is no secret that the immense problem here presented is at this moment engaging the attention, not only of the most experienced American cotton merchants, but also of the most skilful of American bankers. The economic loss and the financial confusion that would result to the country, if the cotton that must be sold in the months from Sepember to December cannot be handled in substantially the usual fashion, are too vast for contemplation; and the most experienced and steadfast men who have been conversant with both the commercial and the financial side of cotton for many years past realize this most keenly. They know that some form of insurance against price fluctuations must be provided for the cotton trade within the next three weeks, or else the cotton farmers will be left prostrate at the end of this crop, the country merchants and bankers will be severely and perhaps ruinously strained, the liquidation of all kinds of accounts all along the line will be postponed and exposed during the period of postponement to an immense risk, the credit facilities of the country will be curtailed, and our international commerce and finance will be exposed for a long time to come to inability to protect our gold supply, to a heavy burden of adverse foreign balances and to a probable retardation of our national prosperity, when the fierce world storm of to-day has at last blown itself out.

What the cotton trade needs, and all that it needs, to enable it to work out all the details of this vexing problem is credit, and that antecedent to credit, insurance against losses from price fluctuations such as hitherto has been afforded by the cotton exchange contracts for future delivery. There can be no question that the coming cotton crop can be marketed and marketed advantageously, provided only it can be safely carried by merchants and worked off gradually. The danger lies in the possibility of forced selling by farmers during the early months of the season, under conditions that preclude the merchants from buying, except from hand to mouth, and the banks from lending. The world must have the greater part at least of the crop before twelve months are past; the nations, both those at war and also those great countries of the Orient, of Africa and of South America which are not engaged in the war, must somehow get their customary supply of cotton fabrics. The mills of the United States will almost certainly consume more cotton in 1914-1915 than ever before in their history; England will find a way to get cotton to Lancashire; France and Italy and Spain and Russia can all find means of obtaining the American cotton they regularly consume. It is only Germany and Austria and perhaps one or two of the smaller European countries in the war area that may find themselves confined to the supplies of cotton they already have on hand. The difficulty is not going to be with regard to the ultimate consumption, but with regard to the slowness with which the cotton is contracted for by the spinners, in view of the hand-to-mouth method of financing they will be compelled to follow by their banks. It may be that at the end of August, 1915, the carry-over of American cotton will be larger than usual by two or three million bales, or some two months' consumption; but this is not an unbearable load. The problem, then, is not that of dealing with such a superfluity of cotton as will, like the visible supply of Brazilian coffee six or seven years ago, evidently supply the entire demand for coffee for more than a year,

during which year a new crop will be added to the supply. In fact, it is a technical problem, rather than one of long-run supply and demand, that has to be solved. In all probability more cotton must be sold by farmers during the months from September to December than can possibly find an immediate demand, but not more, or not much more, than can be distributed during the twelve months from September, 1914, to August, 1915. The cotton trade will readily carry this load, if only it can find enough price insurance. The cotton exchanges can furnish much of this price insurance, but lacking the instantaneous world-wide market they are accustomed to, they cannot carry it all; nor, if the risk appears too great, will they dare to carry any of it.

Some form of price insurance, in sufficient amount to enable the cotton trade to perform its function of buying, carrying and distributing the cotton crop, is what is primarily required at this juncture. The question is how this can be best obtained. England has had a similar problem to deal with in connection with the war risk on her food supply; and she has recognized that the amount of war risk marine insurance obtainable while the general war is on, falls far short of the amount required to enable wheat merchants to bring to Great Britain enough wheat to feed the population. Accordingly, she has undertaken to assume the most of this war risk on wheat herself, by giving a governmental guarantee to pay 80 per cent of the cost of it. In other words, she has made her entire population assume the function of war risk insurers, because the entire population is vitally concerned with having enough wheat come to England to enable the individuals constituting the population to live.

However individualistic may be one's conception of the duties and purposes of government, it is difficult to argue against the proposition that the whole people, through its government, should undertake to supply means for mitigating the effects of catastrophes which touch all. We need not say that we are ourselves unalterably opposed to all schemes of governmental interposition in the economic life of the people, which have for their end and aim the benefit and support of a part of the people in the competitive struggle of life. But we do conceive it to be not only defensible but advantageous to have government, as representing the entire people, use its power to diminish as much as possible the consequences to each and every citizen from a world catastrophe. This interposition should, in our opinion, be restricted to the smallest possible extent and should be so devised that it will leave to the ordinary initiative of those concerned with the matter demanding help, the freest possible opportunity to do as much of the work as it can.

The Government of the United States, then, unless there comes a sudden and totally unanticipated conclusion of the general war in Europe, must lend its power to cotton merchants and bankers, to the end of preventing the sacrifice during the next four months of our greatest single quick asset, our cotton crop. But the method of using this power should be in the way of providing a sufficient supply of insurance against unnecessary losses through temporary fluctuations of the price of cotton. This is the method long in use by the cotton trade itself and the method to which the cotton trade should be left to return at the earliest possible moment. And the way, in our opinion, in which the Government of the United States should now proceed is to press the immediate organization of the new banking system, and to provide such temporary legislation as will permit the rediscounting of bills and notes against cotton, with a lower requirement in the way of a gold reserve for a limited period, when cotton is the collateral. If in addition to this the Government should guarantee these bills and notes for the reserve banks, at a specified price for cotton sufficiently below the cost of production to make the paper ultimately sure to be safe, the insurance against losses through price fluctuations, of which we have spoken above, would be provided, and the cotton trade would see to it that the coming crop will be marketed at no ruinous level of prices.

Arthur Richmond Marsh

THE DECISION OF THE INTERSTATE COMMERCE COMMISSION IN THE EASTERN INCREASE OF RATES CASE

ON Saturday, August 1, the Interstate Commerce Commission handed down its long awaited decision upon the increase of freight rates asked by the railroads of New England, the trunk line territory and the Central Freight Association territory, being the fifty-two railroad lines and systems in the entire section of the country East of the Mississippi River and North of the Potomac and Ohio Rivers. The case had its inception in May, 1913, when the railroads concerned filed freight tariffs with the Commission, in which the proposed increases were embodied. It has been generally understood by the public that a uniform increase of 5 per cent was asked for, and the case has come to be known as the "5 per cent rate case." In fact, however, the railroads did not ask for a uniform increase of 5 per cent on all commodities, but in general for this amount of increase in rates higher than $1.00 per ton, and for five cents per ton in rates lower than $1.00 per ton. As many commodities are hauled at less than $1.00 per ton, particularly for short distances, the increase asked was on a percentage basis for all commodities from 5 per cent to perhaps 50 per cent.

When the tariffs were filed, they were immediately ordered suspended by the Interstate Commerce Commission, and hearings were ordered. These hearings were of the most extensive character, lasting throughout 1913 (after May) and through the first five months of 1914. Arguments were made by leading railroad executives, elaborate statistics were prepared under the direction of the Commission and other statistics were submitted by the railroads, numerous protesting shippers and representatives of associations of protesting shippers were heard, and thus probably the most elaborate investigation of freight rates ever made in this country was carried through. In the meantime, the patience of the financial community was sorely tried, particularly by reason of the fact that the general financial conditions were becoming increasingly disturbing, and there was the severest criticism of the Commission for spending so much time in arriving at a decision upon what the business community had come to regard as something indispensable to a revival of confidence and prosperity. It is probable that an overwhelming majority of that public which has to do with affairs and a very large proportion of the intelligent public as a whole became convinced that an increase of at least the 5 per cent in freight rates desired by the railroads was not only justified in itself because of the higher "cost of living" for the railroads, but also because of its expected effect upon general business conditions.

It is hardly possible to read the decision and the accompanying opinion of the Interstate Commerce Commission without having at the end the feeling that after all that body was justified in the time spent by it in examining into the facts. The opinion presents

many angles to the matter which have either been unknown to the public or which have been only obscurely perceived. It is of immense importance to the economic welfare of the country that the railroad rates upon essential commodities and its railroad passengers are maintained at not only sufficiently remunerative to the railroads to enable capital to continue the increase and improvement in our railroad facilities, but that they should also be properly coördinated, properly balanced between one class of traffic and another, and above all, that they should be so calculated that every part of the traffic pays its part of the burden. The opinion of the Interstate Commerce Commission brings out convincingly that these essentials of a sound system of rates are far from being in effect to-day upon the fifty-two railroads applying for the higher rates. A vast reform of all kinds of minor and some major practices is shown conclusively to be required, before the railroads can come into court with a case above criticism.

Before speaking of these matters of criticism it is well to state exactly what the Commission has allowed to the railroads in its decision. It has divided the fifty-two railroads applying for the increase of rates into three groups, the New England roads, the trunk lines and the lines in Central Freight Association territory, the last being the lines west of Buffalo and Pittsburgh, north of the Ohio River and east of Cairo, St. Louis and Chicago. To the first two of these groups,—the New England lines and the trunk lines,—the Commission has granted no increase of rates, on the ground, to use the words of the opinion, that: "We find that the financial condition of the trunk line carriers does not warrant a general increase of freight rates and shall also show that the needs of the New England lines are being cared for locally. The carriers failed to prove either that existing rates in trunk line or New England territories are too low or that the increased rates proposed for those territories would be just and reasonable rates. Nor have they proved that the existing inter-territorial rates in official classification territory are too low or that the proposed increases in those rates would be just and reasonable." With regard to the lines in Central Freight Association territory, however, a very different situation was, in the opinion of the Commission, disclosed as existing. This situation is set forth as follows in the opinion:

"The attitude of the officials of the roads operating in Central Freight Association territory, as disclosed on the record, indicated that they joined in this proceeding, not because they thought the so-called 5 per cent increase of rates would meet their requirements or that this form of relief is appropriate in Central Freight Association territory, but only because of the desire of other and more powerful lines operating in trunk line territory to present to us in this proceeding one general plan of relief.

"These officials, while stating that the so-called 5 per cent increase would add substantially to their revenues, expressly condemn the present basis of rates as unsuitable and unsatisfactory. The leading railroad witness on the question affirmed with some earnestness that 'the class rates do not sustain any logical relation to each other,' and that under the present basis of rates 'certain shippers of certain classes of freight have not for years borne their share of the burden of transportation, and in addition to the relief [some extremely low they are unscientific and illogical.'

"[illegible] also expressed of record by many large shippers. A [illegible] Chicago shipping interests, whose testimony [illegible] put on record here, testified that the [illegible] scale was a 'relic of barbarism.'"

[illegible] and argued the case for the Central [illegible] admitted and definitely stated that while the [illegible] would help the financial situation the whole rate structure in that territory needed a readjustment; that many of the lines in the territory would not survive without an 'overhauling of their rates and could not serve the public as they should until those rates are readjusted and brought upon some logical basis.' He also stated that if the rates were now advanced on the so-called 5 per cent basis it would be but a short time before those lines would be before us again. He gave express notice that the Central Freight Association lines, if the 5 per cent increase were not allowed, would 'in due time file tariffs and bring the matter to the attention of the Commission.'"

Whence the Commission draws the conclusion that:

"There can be no doubt upon the record that the carriers in Central Freight Association territory ought, in the public interest, to have as much additional revenue as would be produced by a 5 per cent increase, as modified herein, and possibly more. It is not improbable, however, in view of the modifications we have required in those tariffs, that they will find it more desirable at once to undertake the readjustment which they assert is necessary."

As confirmatory of its conclusions with regard to the propriety of granting rate increases in Central Freight Association territory which are not granted to the trunk lines and the New England lines, the Commission compares the average ratio of net operating income to property investment for seventeen trunk line systems with that of thirty-eight Western roads, from 1903 to 1913, in the following table:

RATIO OF NET OPERATING INCOME TO PROPERTY INVESTMENT.

Year.	Seventeen Eastern Lines. Per Cent.	Thirty-eight Western Lines. Per Cent.
1913	5.98	4.35
1912	5.67	4.30
1911	5.96	4.47
1910	7.04	5.48
1909	6.39	4.63
1908	6.23	4.59
1907	7.14	5.49
1906	7.36	5.18
1905	7.19	4.44
1904	6.67	4.38
1903	6.67	4.90
Average	6.52	4.72

Accordingly, the Interstate Commerce Commission allows increases in freight rates in Central Freight Association territory alone; and these increases, though not the horizontal 5 per cent asked for by the roads, with the allowing of 5 cents per ton on ton-rates below $1.00 per ton, are estimated to be sufficient to yield approximately the same additional revenue that would have been obtained by the roads from their own proposal as regards this territory, i. e. somewhere from $16,000,000 to $20,000,000 per annum. It is noticeable, however, that none of this increase is to come from increased rates on heavy commodities, largely hauled in train loads, such as coal, iron ore, coke, clay, brick, tile, plaster and the like.

Some 112 railroads are affected by the new rates, most of them belonging to thirty-five railroad systems with an aggregate capitalization of $6,389,535,638, and having gross operating revenues in 1913 of $1,424,119,991. It is to be noted that through their ownership of roads in Central Freight Association territory, the larger trunk line systems, though refused an increase for their trunk lines proper, obtain a share of the increase. Thus the New York Central, operating 12,690 miles of road altogether, has 8,938 miles in the Central Freight Association territory. Of the Pennsylvania's 11,228 miles, 4,838 are in Central territory. In the case of the Baltimore and Ohio, 2,443 miles out of a total of 4,480 miles operated are in this territory. In a less degree the Erie, the Chesapeake and Ohio, the Norfolk and Western, benefit through their ownership of Western lines.

The amount of rate increase accorded to the railroads by the Interstate Commerce Commission is certainly far below what the railroad executives have thought it to be imperative for them to have. Yet the Commission has at last shown that it will not turn a deaf ear to pleas for higher rates, when it can be proved statistically that existing rates are absolutely below the line of what is just and reasonable. There is some degree of satisfaction to be derived by the railroad managers from this fact. For the public, however, and particularly that part of the public which would invest in railroads, perhaps the most interesting portion of the opinion is that which points the way which railroad rate regulation may be expected to take in the future. The Commission makes a series of criticisms of existing railroad practice, and indicates how reforms here would aid the railroads to procure the income needed to make them prosperous. It is clear that the ideas of Mr. Brandeis have counted for much in respect of these matters; yet it must be said that a general air of reasonableness prevails. The railroads are told that their passenger rates are too low, taking into account the cost of the service given, to enable their passenger traffic to bear its share of the cost of railroad transportation in this country. Suggestions, and valuable ones, are given for the correction of this evil. Then insufficiently remunerated services to shippers, particularly to large shippers, are dwelt upon as requiring attention. The cost of inefficient methods of employing rolling-stock and lack of efficiency in various other directions are dwelt upon. The extravagant giving of free transportation and of special cars or trains to persons connected directly or indirectly with the railroads is pointed out as a serious cause of leakage. Improvident holding of unproductive and unneeded real estate and extravagant practices in the purchase of supplies, rolling stock, equipment, etc., are likewise pointed to as diminishing the net operating revenue of the roads. And, finally, the irregularity of rates, often the result of pure inattention, is given as a cause of an unremunerative return from the operation of the roads. On this last point, the ideas frequently expressed by Professor William Z. Ripley, the eminent professor of railroad economics of Harvard University, appear to have had their influence. To sum all up, the railroads are urged to seek within themselves gains and savings which will give them the income requisite both to meet the rising "cost of living" and to yield an attractive return for their stockholders. Taken all in all, this is not a bad direction for the Interstate Commerce Commission to press in. The railroads will doubtless learn much, in spite of their general scepticism about the suggestions of the Commission, from these suggestions and recommendations.

THE TEXTILE INDUSTRY IN GERMANY AS COMPARED WITH OTHER COUNTRIES

By A. Raffalovich

Translated from "L'Économiste Français"

TAKEN in its entirety, with its 1,100,000 workers, with an aggregate import and export movement that amounts to very nearly 3,100,000,000 marks [mark=23.8 cents], or 3,875,000,000 francs [franc = 19.3 cents], the textile industry represents a very important part of the manufacturing and commercial activity of Germany. It is compelled to obtain from abroad its entire supply of raw cotton, jute and silk, and a constantly increasing proportion of its wool and flax. From this source the merchant marine of Germany derives a considerable portion of its freight, just as the textile industry itself profits through the science of the German chemists and the skill of the machinery manufacturers. Although formerly it was forced to seek madder and indigo from France and to go to tropical countries for dye-woods, it now gets its coloring materials from German factories which, over and above German requirements, export colors extracted from coal and its by-products, valued at more than 250,000,000 francs annually. Though once forced to buy most of its machines in England, it now obtains from that source very few of them, all specialties; and Germany herself exports mechanical appliances for spinning and weaving over the entire world. Working with raw materials which are subject to the vicissitudes of the seasons, such as cotton, flax and jute, or which are affected by drought or excessive rainfall, as is wool, the textile industry presents considerable risks in all that concerns the purchase of the raw material, the sale of yarns and other products and the relativity of price between the partially and the completely manufactured goods. It is subject to the unfavorable effects of speculative operations, which are carried on in the United States (cotton), at Liverpool (cotton), in Italy (silk), at Lyons (silk), at Roubaix (cotton and flax), and at Leipzig (wool). It is much affected by the operations of customs tariffs, which put a burden on the importation into Germany of yarns of the finer and finest counts and which, on the other hand, interfere with the industry at its foreign outlets. It numbers, among the larger manufacturers, leaders of the doctrine of protection. Nevertheless, however important it may be, however considerable may be the volume of its business, still it does not play in Germany a rôle comparable to that of the mineral and metalurgical industries, to that of electricity nor to that of chemical products. Less is said of it in the newspapers and in economic and financial journals. It is true that textile securities quoted on the stock exchange are relatively very few. The situation of the industry must, nevertheless, be taken into account, in the country's general balance sheet, for a large amount; and that all the more because prosperity and depression are swiftly reflected in the textile trade. If business is good, if money is easy to make, expenditures for articles of wearing apparel increase rapidly; a good harvest, for instance, has a considerable effect upon the demand for ready-made clothes and for fabrics. A bad harvest, slack business, fear of war very soon cut down the wholesale demand and the purchases of customers. A factor with which the industry must reckon is fashion, however bizarre it may become. Fashions change infinitely more rapidly to-day than ever before. The length of time for which there will be a demand for certain goods is proportionately modified. Clothing is not, however, the only outlet that absorbs the production; upholstery, awnings or hangings and wrappings or bagging are but a few of the other sources of demand. There also the influence of fashions and of a good or bad trade situation make themselves felt.

During the Middle Ages, Germany possessed a very flourishing textile industry, the decline and final ruin of which was precipitated by the Thirty Years' War. The evolution of spinning and weaving in England, which led to the era of machinery, also had a bad effect upon the industry in Germany. The lost ground was regained but very slowly. Germany occupies to-day the third rank in the textile industry as a whole; in cotton, it comes after England and the United States; in wool, after England and France; in silk, it comes after France, America and Italy; in jute, after England; in artificial silk alone it holds first place.

The Germans of their own accord date the renaissance of their textile industry, as of other branches of industry and trade, from the period which followed the war of 1870. Along with quantity, there was an improvement in quality; in this new period great progress was made in the construction of machines and in the preparation of materials intended for dyeing, finishing and mercerising.

According to Professor Oppel, there are, in England, 6,000 textile establishments, employing 1,200,000 workmen. These establishments contain 67,000,000 spindles (of which 56,600,000 are used

for cotton), and nearly a million power looms, of which 750,000 weave cotton yarns. If there be added workers in clothing manufactures, a total of 1,400,000 active employes is reached. The annual value of the production (average) is at least 5,000,000,000 francs [$965,000,000]; in exceptional years it may exceed that figure by 600,000,000 francs. Exports reach a value of 3,125,000,000 francs annually. In the United States, there are employed in the cotton industry 31,500,000 spindles; in wool, 4,000,000; and in silk, 2,500,000. The evolution of the industry in America has been extraordinary for the last fifty years. The United States, after having been forced for a long period to import from abroad the largest part of their textile consumption, are now to a certain degree exporters. They have also made great progress in silks, imports of raw silk having increased from 24.7 to 43.6 million pounds, the number of spindles by 45 per cent and the number of looms by 70 per cent.

Germany comes third in rank in the world's textile industry, with 162,000 establishments, 1,100,000 persons employed of both sexes, 16,000,000 spindles, and 500,000 power looms. The annual value of the production amounts to 2,500,000,000 francs, of which a little less than half is exported.

France holds first place in the silk industry, with 2,000,000 spindles, 150,000 power looms and particular excellence in diversity, quality and elegance of goods. It is likewise in the lead, as regards excellence of products, in the wool industry (Lille, Roubaix, Amiens, Sedan, Reims, Épernay, Elbeuf, Paris). It has only 8,000,000 spindles in the cotton industry, principally in the Northern, the Eastern and Lower Seine districts. The linen industry is concentrated in the North, the jute trade at Dunkirk, and the corduroy business at Angers. The French textile industries are remarkable rather for quality than for quantity of production. In the French clothing industry there are employed 2,000,000 persons, and France is acknowledged mistress of taste and elegance in this field.

Russia boasts of nearly 10,000,000 spindles, 200,000 looms, and 6,000,000 workers, male and female, without counting rural spinning, weaving and knitting, which, in the long Winter months, employs some millions of persons. The Russian textile industry dates from a half a century ago, the emancipation of the peasants having furnished the labor supply. It was created by German, French, (especially Alsation), and English settlers in Russia. The three principal centres are St. Petersburg, Moscow, and Poland. Of first importance is the cotton industry with 9,112,000 spindles: of the forty-eight spinning mills in Continental Europe which have installed at least 100,000 spindles, there are twenty-eight Russian and eleven German. In St. Petersburg (1911), there were 1,643,710 spindles; in Ghent (Belgium), 1,129,403; in Lodz (Poland), 911,190; in Gronau (Germany), 640,500. The wool industry in Russia employs 700,000 spindles. The silk industry is principally carried on at Moscow. During the last twenty years, very large amounts of capital have been invested in the Russian textile industry by French manufacturers and capitalists of the Northern (Roubaix) and Eastern districts. Considerable establishments owned by them are to be found in Poland, Moscow and Odessa. The Russian State accords large protection to the industry, but increases the cost of the raw materials for its use by import duties on cotton and wool, although repaying these duties when any manufactured articles are exported. Russia is the only country in Europe which obtains from Asiatic cotton-producing districts about one-half its consumption of cotton.* In 1912, the quantity of native cotton consumed by the Russian mills was 14,301,338 poods [pood 36.07 pounds], or 57 per cent of the total.† The total world's spindleage was figured at 141.2 million in 1912, of which 7,988,000 spindles, or 6.4 per cent, were in Russia and Finland. The average consumption in Russia, figured in bales of 13.9 poods, was 261 bales per 1,000 spindles, as compared with 77 in England, 167 in Germany and 178 in the United States. Russian mills produce 22,000,000 poods of yarns and 19,000,000 poods of cloth. Russia exports cotton manufactures particularly to Asia. In Austria-Hungary, where are found some 5,000,000 to 6,000,000 spindles and 100,000 power looms, all told, the cotton industry, which has been in existence for a century, employs 4.3 million spindles and 200,000 workers; the wool industry, 900,000 spindles, 17,000 hand looms, and 30,000 power looms. This country is noted for the Brünn cloths and the Tyrolese plushes and velveteens.

Belgium specializes in the spinning and weaving of flax; the wool trade is important at Vervins and Liège; the cotton industry, established in 1790, employs 1,300,000 spindles, principally at Ghent, with 50,000 workers. Switzerland produces particularly embroideries and machine-made laces for export, but a considerable silk industry likewise flourishes at Lugano, Zürich and Basel. The recently established Italian cotton industry employs 4,000,000 spindles. It frequently complains of business crises; but in spite of the customs tariff it does much of its work for export to the Orient and Argentina. As a silk producer, Italy's chief mill centres are Milan, Como, Genoa, Florence and Palermo. In Spain the textile industry is concentrated at Barcelona. Outside of Europe, except for the United States, the only important textile manufacturing countries are British India with 6,000,000 cotton spindles and 30,000 jute spindles, and Japan.

Having indicated the position of the German textile industry, as compared with those of the other countries of the world, it is interesting to consider the conditions of its production, the source of the raw materials that it manufactures, and the outlets that it has for its finished goods; and to see whether the hope of obtaning colonial cotton has any very substantial foundation.

Before undertaking this summary description of the textile industry in Germany, it should be noted that the crisis of 1907 was a severe blow to the trade, both on account of the increase in the cost of capital, not to say the difficulty of procuring it at all, and also on account of the diminished purchasing power of the greater part of the mass of consumers. In 1908, all branches,—spinning, weaving, manufacturing of clothing,—suffered from the depression, and that in all the different districts of Germany (Saxony, Rhenish Prussia and Alsace). Raw materials underwent a considerable decline; the same was true of the manufactured products; it was necessary to make concessions to purchasers who held old contracts, in order to prevent failures. Production was curtailed, particularly in June of 1908; the German spinning mills in the South decided upon a reduction of 14 per cent, and others followed. The effects were felt till the end of the year. There was then a revival of business which was especially marked in the linen industry, favored by the fashions, and in wool, which profited by the development of various sports. But the spinning and weaving of cotton had to deal with a tremendous increase in values, which transformed the manufacturers into speculators. The price of the raw material and the prices for yarns and cloths were thrown all out of line. In 1910, the situation remained critical. A spinning company in Saxony remarked, in its report issued in the month of July, that never, except in the period between 1861 and 1864, had the situation been as difficult. During the American Civil War, there was no cotton to be had. In 1909-10, American speculation produced results almost as disastrous as the destruction of the plantations. The fluctuations in the

*In 1912-1913, the total Russian consumption was 1,941,762 bales.

†Turkestan produced 12.4 million poods [pood 36.07 pounds]; Transcaucasus, 1.9 million poods.

price of cotton terrified the purchasers of partly manufactured and manufactured products. The increase in the number of spindles was also a disturbing factor. The spinners complained of lack of work. The consumption of cotton (to judge by the imports) was 12 per cent below that of 1909. The cotton and jute industries were in an unfavorable condition, as compared with the wool, flax and velvet industries.

In 1911 and 1912, the cotton trade had an opportunity to replenish its supplies of raw material under better conditions. Besides, stocks of goods were much diminished and the trade was forced to bring them up again. The textile industry, in its most considerable branch, cotton, was slow to profit by the revival of business which manifested itself between 1910 and 1912.

Some branches (silk and flax) profited by the fashions. Others attempted to protect themselves by understandings and agreements, and by imposing price conditions under threat of not delivering the merchandise. Embroidery suffered from changes in process, modifications in fashion, and the transplantation of the industry to America.

In 1913, the German spinners and weavers of cotton had very deceptive conditions to deal with. On the one hand, the price of raw cotton did not decline; on the other, they were unfavorably affected by the efforts of the Austrian industry to throw its goods on the foreign market.

NATIONAL, STATE AND MUNICIPAL INDEBTEDNESS IN THE UNITED STATES

THE Bureau of the Census (Department of Commerce) has recently issued a valuable bulletin with regard to the amount of the National Debt and of the indebtedness of the several States of the Continental United States on June 30, 1913,—the end of the last governmental year for which complete statistics have been compiled,—and with regard to the history of the National and State debts since 1870. The last report of the Bureau of the Census upon the municipal indebtedness of the country covered only the 146 cities having a population of 30,000 persons or more, and gave the returns for these cities as of June 30, 1912. It is, therefore, not possible to obtain an absolutely accurate, or indeed entirely complete, conspectus of the entire indebtedness, —National, State and municipal,—of the country at a recent date. A near approach to the facts, however, may be obtained from combining the National and State figures for June 30, 1913, and the municipal figure for 146 cities for June 30, 1912. The following table shows the aggregate thus obtained:

	Amount.	Per Capita of Inhabitants.
Net National indebtedness, June 30, 1913...	$1,028,564,055	$10.59
Net State indebtedness (less sinking funds), June 30, 1913	345,942,305	3.57
Net indebtedness of 146 cities (less sinking funds), June 30, 1912	*1,932,547,523	$70.47
	$3,307,053,883	

*Of this amount $792,927,021 ($156.57 per capita) was the indebtedness of New York City alone.

Interesting details of the National and State debts are given in a summary of the full bulletin on the subject, which has just been issued by the Bureau of the Census. This summary is therefore given here in full:

* * *

The full report on National and State indebtedness and funds and investments from 1870 to 1913 has just been issued by Director William J. Harris, of the Bureau of the Census, Department of Commerce. The bulletin gives information for the United States as a whole and for each State separately, and it is now ready for distribution.

According to this bulletin, the total debt of the forty-eight State Governments on June 30, 1913, amounted to $422,796,525. Of this total, $403,366,569 represented funded debt, and $19,429,956 represented floating debt. Of the funded debt, $364,836,427 are represented in bonds and $38,530,142 are special debt obligations to public trust funds. As an offsetting item against this total debt, the forty-eight States reported $76,980,571 in sinking fund assets, leaving their debt (less sinking fund assets), $345,942,305. The per capita debt for the forty-eight States amounted to $3.57 on June 30, 1913.

In contrast with the debt of the forty-eight State Governments, the National Government had a total debt on June 30, 1913, of $2,916,204,914. Of this total, the funded debt amounted to $2,540,-523,329, while the floating debt amounted to $375,681,585. Of the funded debt, the bonded indebtedness amounted to $967,366,160, while the special debt obligations amounted to $1,573,157,169. The sinking fund assets, or cash in the United States treasury available for the payment of debt, consisting of accumulated trust funds, gold and silver and general treasury cash, not only were sufficient to eliminate entirely the special debt obligations, but also to reduce the bonded debt. The National debt, less cash in the Treasury available for the payment of debt amounted to only $1,028,564,055, or a per capita debt of $10.59.

The net debt of the National Government represents three times the total net debt of the State Governments. Of the total per capita debt of $14.15 (National and State), the debt of the National Government is $10.59, or 75 per cent, while the debt of the State Governments amounts to $3.57, or 25 per cent of the total.

History of the National Debt.—The debt of the National Government was higher in 1870 than at any time since that date; the per capita debt that year being $60.46. This amount, though large, was a material decrease over the debt as it stood August 31, 1865. On that date the indebtedness of the National Government (less funds available for the payment of debt) amounted to $2,766,431,-571, an average of $79.44 for every inhabitant of the country. The rate of decrease between 1865 and 1870 was continued until in 1880 the indebtedness of the National Government had decreased so that, together with the rapid increase in the population, the per capita debt had been reduced to only $38.27. Ten years later (1890) it had been reduced to $13.60, at which point it remained with only comparatively slight fluctuations, increasing somewhat during the Spanish-American war and decreasing somewhat since that date, until, at the latest date reported (1913), the indebtedness of the National Government amounts to only $10.59 per capita, an amount slightly higher than in 1907, when the per capita indebtedness was $10.05, the lowest recorded.

No data are available to show the debt of the forty-eight State Governments, or the territory from which they have been formed, in 1865; but in 1870 the indebtedness of the State Governments, less sinking fund assets, was $352,866,698, or $9.15 per capita. The indebtedness of the State Governments decreased in somewhat the same proportion as the indebtedness of the National Government, and in 1880 the per capita debt for the forty-eight State Governments was $5.48. Ten years later (1890) this had been reduced to $3.37. Further fluctuations during the last twenty years brought the per capita down to $2.67 in 1909, the lowest amount shown in the period covered. Since 1909 there has been some increase, the per capita debt for the forty-eight State Governments being $3.57 on June 30, 1913.

Although there is a net decrease during the period covered in the actual outstanding indebtedness, the material part of the de-

crease in per capita debt, both for the National Government and the forty-eight State Governments, is due to the very material increase in population, amounting to 138.5 per cent in the period named. Considering the total debt for the National Government and the forty-eight State Governments, the total amount outstanding decreased from $2,684,036,654 in 1870 to $1,374,506,360 in 1913, a decrease of almost 50 per cent. In contrast, the per capita debt decreased from $59.61 in 1870 to $14.15 in 1913 (almost 80 per cent), the lowest point reached being in 1907, when it amounted to $12.74.

The figures in the report show that Arizona and Massachusetts are the only States where the State debt, less sinking fund assets, amounts to more per capita than $10.59, the per capita debt for the United States. The debt of the National Government, therefore, is a greater financial weight upon the people of every State in the Union (excepting these two) than is the debt of the State in which they live. In only a very small number of States does the per capita State debt amount to one-half the per capita debt of the National Government. New York, for example, has a per capita State debt of $9.05, due largely to the cost of the Erie Canal; while other States show a very low per capita debt,—for Oregon it being only $0.04; for Kansas, $0.14; for Iowa, $0.16; for New Jersey, $0.24; while for Pennsylvania it is nothing, since in that State the sinking fund assets exceed the total debt.

TEN YEARS' GROWTH IN THE COMMONWEALTH OF AUSTRALIA

[From "The Australasian Insurance and Banking Record"]

THE Bulletin just issued by the Commonwealth Bureau of Statistics on the production of Australia is of supreme importance, furnishing, as it does, the best material for a study of the growth of the resources of the Commonwealth. Summarizing the figures for ten years, from 1903 to 1912, it is necessarily a publication of considerable volume. There are twelve sections, containing in all 187 tables, the subjects being:

I. Land Settlement.
II. Agriculture.
III. Pastoral Products.
IV. Farmyard and Dairy Products.
V. Mineral Products.
VI. Forestry.
VII. Fisheries.
VIII. Manufacturing.
IX. Value of Production.
X. Bounties.
XI. World's Gold Production.
XII. Statistical Summary, 1860-1912.

The tables are practically exhaustive, leaving no room for further investigation. They might have been made more valuable by the addition of the figures for 1902, which would have facilitated a decennial comparison. We will, however, deal with them in the form and the order in which they are presented.

I.—LAND SETTLEMENT.

The total area of the Commonwealth is estimated at 1,903,731,840 acres. The area alienated, in process of alienation, leased or licensed, Crown lands, and other Crown lands as at 31st December, 1903, 1911, and 1912 are stated as follows:

	1903, Acres.	1911, Acres.	1912, Acres.
Alienated	80,236,068	100,713,498	102,154,452
In process of alienation	34,828,805	46,479,854	50,735,129
Leased or licensed Crown lands	748,662,720	822,440,546	847,651,820
Other Crown lands	1,039,004,247	934,097,942	903,190,439

For the last three years the increases under the first, second and third headings are as follows:

	1910, Acres.	1911, Acres.	1912, Acres.
Alienated	2,585,322	4,562,643	1,440,954
In process of alienation	3,720,261	1,730,796	4,255,275
Leased or licensed	20,071,143	6,502,309	25,211,274

Alienation has been proceeding at a rather rapid rate during the past nine years. The proportions of total area for the several States, as at 31st December, 1912, are approximately as follows: New South Wales, 28¾ per cent; Victoria, 55 per cent; Queensland, 6 per cent; South Australia, 5 per cent; Western Australia, 3½ per cent; Tasmania, 37½ per cent.

The number and area of private holdings in five States (Queensland not being included) and the Territories are given in Table No. 3. The figures for the last three years compare as follows:

NUMBER OF HOLDINGS.

Acres.	1910-11.	1911-12.	1912-13.
1 and under 50	68,359	69,577	72,751
50 and under 100	20,384	20,465	21,058
100 and under 500	62,437	63,389	65,267
500 and under 1,000	22,952	23,809	26,591
1,000 and under 5,000	17,049	18,315	19,948
5,000 and under 10,000	1,395	1,502	1,567
10,000 and under 20,000	659	693	689
20,000 and under 50,000	382	371	361
50,000 and over	111	95	95
Totals	193,728	198,216	208,327

AREA OF HOLDINGS.

Acres.	1910-11. Acres.	1911-12. Acres.	1912-13. Acres.
1 and under 50	1,036,050	1,040,658	1,093,524
50 and under 100	1,561,397	1,568,391	1,616,473
100 and under 500	15,856,055	16,131,260	16,647,036
500 and under 1,000	16,347,267	16,880,187	18,997,616
1,000 and under 5,000	32,125,887	34,432,276	37,523,232
5,000 and under 10,000	9,573,012	10,351,070	10,754,656
10,000 and under 20,000	9,085,546	9,675,578	9,514,769
20,000 and under 50,000	11,334,787	11,105,180	10,408,407
50,000 and over	10,174,828	8,469,431	8,418,308
Totals	107,099,829	109,654,031	114,974,021

As was to be expected, the principal increase is in holdings of from 500 to 5,000 acres. They now amount to 56,520,848 acres, or 49.16 per cent of the total area, as against 46,148,654 acres, or 44.14 per cent of the total two years ago. The holdings of 20,000 acres and more now amount to 18,826,715 acres, or 16.37 per cent as against 21,466,169 acres, or 20.53 per cent two years ago. So far as the decrease is the effect of the land tax, the Labour party may congratulate itself upon its success in diminishing the number of valuable clips of fine wool without any compensating advantage.

The second division of the Bulletin relates to agriculture. Under the three general headings: Fallow, permanent artificially-sown grasses, and crops, the areas for all States for the last three seasons are summarized as follows:

	1910-11. Acres.	1911-12. Acres.	1912-13. Acres.
Fallow	3,338,207	3,534,940	4,330,138
Grasses	2,714,691	2,869,866	2,987,419
Crops	11,893,838	12,107,017	13,038,049
Totals	17,946,736	18,511,823	20,355,606

For the last season an increase of 1,843,783 acres is shown, as against one of only 565,087 acres for the previous season. The increase is almost entirely under the headings Fallow and Crops, the latter heading accounting for 931,032 acres. But when we come to analyse this increase, the position revealed is not altogether

satisfactory. The following is a summary for the last three seasons:

	1910-11. Acres.	1911-12. Acres.	1912-13. Acres.
Wheat	7,372,456	7,427,834	7,339,651
Other cereals	1,210,287	1,079,236	1,377,843
Hay and green forage	2,633,267	2,942,728	3,644,797
All other crops	677,828	657,219	675,758
Totals	11,893,338	12,107,017	13,038,049

Apart from wheat and food destined chiefly for animal consumption, agriculture practically makes no headway in Australia. Wheat only is an export staple. Under the heading Agriculture there are no less than fifty-eight tables generally of a very elaborate description.

II.—PASTORAL PURSUITS.

This section of the Bulletin commences with a statement of the numbers of the live stock in the Commonwealth. The totals as at 31st December, 1903, 1911, and 1912 are stated as follows:

	1903.	1911.	1912.
Horses	1,546,054	2,279,027	2,408,113
Cattle	7,247,508	11,828,954	11,577,259
Sheep	56,932,705	93,003,521	83,263,686
Pigs	837,368	1,110,721	845,255

During 1912 the losses, excepting of horses, principally from drought, were serious, but for the nine years covered by the foregoing figures large increases are shown.

The quantity of wool produced during the last eleven years is estimated as follows: 1903, 414,120,000 lbs.; 1904, 473,598,000 lbs.; 1905, 522,062,000 lbs.; 1906, 577,673,000 lbs.; 1907, 690,139,000 lbs.; 1908, 642,184,000 lbs.; 1909, 718,037,000 lbs.; 1910, 792,868,000 lbs.; 1911, 758,090,000 lbs.; 1912, 785,753,000 lbs.; 1913, 668,667,000 lbs. There appears to be some doubt as to the accuracy of these figures, but it must be admitted that there are great difficulties in the way of arriving at exactitude. But the movements from year to year are approximately indicated.

One of the tables shows the value of the principal pastoral products exported from the Commonwealth from 1903 to 1912. For 1903, 1911, and 1912 the figures are as follows:

	1903.	1911.	1912.
Wool	£14,001,599	£26,061,687	£26,354,563
Sheepskins	1,070,662	1,614,411	2,003,592
Tallow	308,465	1,936,599	1,549,694
Meats	1,771,409	4,054,578	4,466,861
Other enumerated articles	933,676	2,173,792	2,850,907
Totals	£18,085,811	£35,841,067	£37,225,617

The total has more than doubled from 1903 to 1912, showing how greatly the welfare of the Commonwealth is dependent upon the pastoral industries. Prices have generally risen in higher proportions than quantities.

III.—Farmyard and Dairy Products.

The principal tables in this section are those relating to the number of dairy cattle and the production of butter. The following are the totals under these headings for the years 1903, 1911 and 1912:

	1903.	1911.	1912.
Number of dairy cattle	1,270,787	2,120,469	2,086,885
Butter produced, pounds	100,332,000	211,573,000	187,194,000

Here, again, an enormous development is indicated.

IV.—Mineral Production.

The values of the principal minerals produced in the Commonwealth in the three years are summarized in the following table:

	1903.	1911.	1912.
Gold	£16,234,684	£10,551,624	£9,879,928
Copper	1,788,697	2,564,278	3,244,550
Lead, silver-lead, and silver	2,112,212	3,021,284	4,219,013
Tin	770,779	1,209,973	1,348,992
Zinc	87,833	1,415,169	1,766,459
Coal	2,616,859	3,923,673	4,418,025
All other	479,436	788,210	752,271
Totals	£24,150,500	£23,480,211	£25,629,238

Apart from gold mining, a very great development has taken place, but to a considerable extent it has been due to a rise in market values.

With the exception of Manufactures the rest of the sections are of minor importance. As regards the exception, it must be a matter of great difficulty to arrive at a close approximation.

The estimated total value of the production of the whole of the Commonwealth for the last three years is stated as follows:

	1910.	1911.	1912.
Agricultural	£39,752,000	£38,774,000	£45,754,000
Pastoral	56,993,000	50,725,000	51,615,000
Dairying, etc.	17,387,000	19,107,000	20,280,000
Forestry and fisheries	4,789,000	5,723,000	6,432,000
Mining	23,215,000	23,480,000	25,629,000
Manufactures*	45,598,000	50,767,000	57,022,000
Totals	£187,734,000	£188,581,000	£206,732,000

*Net after deducting cost of materials.

The foregoing figures can hardly be accepted as perfectly accurate, but they are, no doubt, pretty close approximations. They indicate steady progress in the industrial development of the Commonwealth.

CLEARING HOUSE CERTIFICATE ISSUES IN THE UNITED STATES FROM 1860 TO 1914

The New York "Sun," in a recent issue, has published a brief history of the various occasions on which the bankers of the United States have felt it advisable to resort to the issue of clearing house certificates to relieve financial tension. It is as follows:

There are two kinds of clearing house certificates, those issued on the deposit of gold coin and those issued on the deposit of collateral securities. Clearing house loan certificates are temporary loans made by the banks associated together as a clearing house association to the members for the purpose of settling clearing house balances.

Following a resolution of the New York Clearing House the first loan certificates were issued on November 23, 1860. This issue aggregated $7,375,000 and the last certificate was cancelled March 9, 1861. The relief thus obtained was only temporary, as the Civil War followed closely on the heels of the issue. In September of 1861 another issue was made, and again in 1863 and 1864. The amounts of the last named three issues were respectively, $22,585,000, $11,471,000 and $17,728,000. No more loan certificates were issued until 1873 during the panic following the Franco-Prussian War. That issue amounted to $26,410,000. Philadelphia, Boston, Baltimore and other financial centres took similar measures.

The next report of clearing house certificates was in 1879, when New Orleans made an issue of $54,000. In 1884 New York made another issue this time amounting to $24,915,000. In 1890 there was an issue of $16,645,000; in 1893, $41,490,000. There were small issues in Boston and Philadelphia in 1895 and 1896. Between October, 1907, and March, 1908, there was a very large issue which aggregated $101,060,000. This was the last issue until that authorized on August 2, 1914.

INDUSTRY, COMMERCE AND FINANCE

European Bank Rates.—The following are rates of the fourteen [illegible] banks with the date of the last change:

Banks of	Rate	Date of Last Change.
England	5	Aug. 6, 1914
France	5	Aug. 6, 1914
Germany	5	Aug. 1, 1914
Holland	6	Aug. 1, 1914
Belgium	7	Aug. 3, 1914
Austria	8	Aug. 3, 1914
Italy	5	May 9, 1914
Russia	6	July 29, 1914
Switzerland	5½	Aug. 1, 1914
Denmark	7	Aug. 4, 1914
Spain	4½	Sept. 24, 1903
Portugal	5½	Jan. 15, 1914
Sweden	5½	July 30, 1914
Norway	6½	Aug. 4, 1914

* * *

Metal Mining in the Eastern States.—The value of the mine output of gold, silver, copper, lead, and zinc in the Eastern or Appalachian States in 1913, according to H. D. McCaskey, of the United States Geological Survey, was $13,753,557, against $13,470,376 in 1912 and $11,787,942 in 1911. The figures for 1913 represent the production of ninety mines, of which forty eight were gold placer mines (many of them small), nine zinc mines, and seven copper mines. The total recovery of gold was less, but the yields of silver, lead, copper, and zinc were larger, in 1913 than in 1912.

The gold output from all mines was 8,017.33 fine ounces valued at $165,733, a decrease of 2,715.91 ounces in quantity and of $56,763 in value from the production of 1912. The silver output, recovered entirely as a by-product in refining the gold and copper produced, was 111,214 fine ounces, valued at $67,173, an increase of 14,691 ounces in quantity and of $7,812 in value. Of the gold output in 1913 the placers yielded 733.65 ounces, against 774.83 ounces in 1912, and the quartz or deep mines produced 6,892.09 ounces, against 9,302.99 ounces in 1912. The copper mines produced 443.50 ounces in 1912 and 391.59 ounces in 1913. Of the forty-eight producing gold placers in 1913, there were twenty seven in Georgia, seventeen in North Carolina, and four in South Carolina. There were 18,883 short tons of siliceous ore sold or treated from Appalachian gold mines in 1913, of which 11,186 tons were from North Carolina, 1,068 tons from Alabama, 2,614 tons from Georgia, and 1,010 tons from South Carolina.

The output of siliceous gold ore in 1913 was about 15,000 tons less than in 1912, and the gold from deep mines decreased about 2,100 ounces.

The average recovery of gold (including nominal recovery of silver) per ton of siliceous ores treated in the Eastern States in 1913 was $7.06. The average in Alabama was $2.71, in Georgia $2.51, and in North Carolina $10.83.

The copper production in 1913 was 19,961,229 pounds, valued at $3,094,723, a decrease of 688,784 pounds in quantity, but a decrease of $81,210 in value. Of the total output 19,390,750 pounds came from [illegible] of Eastern Tennessee, from 652,[illegible] short tons of siliceous ores were treated. The remainder was [illegible] from [illegible] in the Cornwall iron mines, magnetic [illegible] in Lancaster [illegible] as results in the recovery of copper [illegible]. Virginia also contributed to the copper output, and Maryland and North Carolina, which were producers of copper in 1912, reported no output of copper in 1913.

The production of lead was 1,632,000 pounds, valued at $71,808, an increase of 1,070,974 pounds in quantity and of $46,562 in value. The production was derived from the lead-zinc mines of Wythe County, Va.

The zinc output, figured as spelter, was 184,898,400 pounds, valued at $10,354,310, an increase of 40,198,537 pounds in quantity and $370,019 in value. Of the total production, 168,244,000 pounds, valued at $9,421,664, came from the zinc mines at Franklin Furnace, N. J., and over 11,000,000 pounds came from Eastern Tennessee. About 5,400,000 pounds was produced in Virginia, and smaller quantities in North Carolina and New Hampshire.

* * *

The Production of Millstones.—The production of millstones and related quarry products—burrstones, chasers and drag stones—in the United States in 1913 amounted to $56,163 in value, a decrease of $15,251 compared with the value in 1912. The production of millstones in this country in 1913 was nevertheless larger than in all but three years since 1888, when it was valued at $81,000. Millstones were produced in 1913 in Alabama, New York, North Carolina, Pennsylvania and Virginia.

* * *

The Budget of Turkey.—The proposed Turkish budget for 1915, just submited to Parliament by the Finance Minister, represents a total of $290,086,641, of which $140,453,117 is receipts and $149,633,524 is expenditures. The deficit therefore is $9,180,407, as compared with $15,840,000 in each of the two preceding years.

The principal items of expenditure provided for in the new budget are as follows: Public debt, $66,135,205; Ministry of War, $26,400,000; Ministry of Finance, $10,487,663; gendermerie (police), $9,815,168; Ministry of Marine, $5,891,301; Ministry of the Interior, $4,596,470; postal service, telegraph, and telephone, $3,186,584; Ministry of Justice, $2,944,924; Ministry of Public Works, $2,452,223; Ministry of Public Instruction, $2,440,206.

* * *

Fuel Production in Germany.—The production of fuel in Germany during the first five months of 1911 was as follows: Coal, 79,132,000 metric tons against 77,648,000 tons in the corresponding period of 1913; coke, 13,309,000 tons, against 13,333,000 tons in 1913; lignite, 37,193,000 tons, against 35,041,000 tons in 1913; briquets, 12,110,000 tons against 10,965,000 tons in 1913.

* * *

The Population of Buenos Aires.—Figures of the census of the city of Buenos Aires, recently taken, show the number of inhabitants to be 1,560,163. In 1900 the total was 821,291.

* * *

Russian Industrial Statistics.—The number of manufacturing establishments (exclusive of mines) under factory inspection in Russia was 17,356 in 1912, with 2,151,191 operatives, as against 16,600, with 2,051,198 operatives in 1911.

A comparison of the wages paid to operatives shows that the aggregate earnings in establishments where fines are in force amounted to $196,730,000 in 1912, this being an increase of $6,180,000 as compared with the $190,550,000 earned in 1911, while the average earnings per operative rose from $129 in 1911 to $131 in 1912.

If the average earnings per operative in establishments where fines are not enforced are the same as in establishments where

operatives are fined, the total earnings of all operatives for 1912 amounted to $282,735,000, or an increase of $17,510,000 over 1911 ($265,225,000).

The factory statistics for 1908, as reported by the Ministry of Commerce and Industries, show that the aggregate annual production of all establishments (including mines and metal works) amounted to $2,218,105,000. The output for 1912 of the factories and works employing 2,151,000 operatives was estimated by the same ministry at $2,644,010,000. The net production, after deducting the cost of materials and fuel, was calculated at $761,260,000 for 1908, and at $910,520,000 for 1912.

* * *

The Trade of Dutch Guiana.—The trade of Dutch Guiana, in 1913, amounted to $6,661,625, of which $2,859,595 represented imports and $3,802,030, exports; as compared with a total, for 1912, of $6,367,475, imports being valued at $3,012,605 and exports at $3,354,870. The following table shows the principal countries of origin and destination in 1913:

Countries.—Imports.	Value.	Countries.—Exports.	Value.
Netherlands	$1,600,986	Netherlands	$1,507,116
United States	669,476	United States	1,365,207
British Guiana	414,836	United Kingdom	450,122
French Guiana	67,956	British Guiana	330,668
All other countries	106,341	France	81,493
		All other countries	67,424
Total	$2,859,595	Total	$3,802,030

* * *

The Trade of Portuguese East Africa.—The total imports of Portuguese East Africa in 1913 amounted to $12,678,336, as compared with $13,483,297; exports, $5,346,243 as against $6,229,276 in 1912; re-exports, $8,935,355, an increase from $6,294,516 in 1912; transit trade, $34,044,435 as compared with $32,322,748 in 1912; and total trade, $61,004,369 against $58,329,837 in 1912.

* * *

Production of Abrasive Garnet.—The production of abrasive garnet in the United States in 1913 amounted to 5,308 short tons, valued at $183,422, according to the United States Geological Survey. This was the largest in the history of the industry and an increase of 361 tons in quantity and of $20,185 in value, compared with the production for 1912. The industry was confined to three States—New Hampshire, New York, and North Carolina.

MOVEMENT FOR THE COMPILATION OF NATIONAL FIRE STATISTICS IN THE UNITED STATES

AS the result of an expert study of the losses and fire dangers of the country, the Actuarial Committee of the National Board of Fire Underwriters has recommended to that organization the establishment of a special bureau to make reports to the State Governments on behalf of the various companies. The report of the committee, which is now under consideration by the Executive Committee of the National Board of Fire Underwriters, gives this tentative proposition:

"First, a complete and carefully compiled record of all fire losses upon insured property in the United States, with information regarding location and character of property, values, insurance, origin of fires, etc., thus enabling the board to report to such States as may require, a complete list year by year of the losses occurring therein, with correlative facts.

"Second, for the investigation of fire dangers to which each class of property is subject, and the development of thorough and scientific information concerning the causes of fire and their prevention, and, third, for a complete record of claimants."

Ellis G. Richards, president of the Commonwealth Insurance Company, who is chairman of the Actuarial Committee, says of the recommendations:

"It is hoped and intended that such a department of the National Board once created shall become a real factor in reducing the fire waste of the country, as well as a valuable colleague to the Committee on Construction of Buildings, the Committee on Fire Prevention, and the Incendiarism and Arson Fund Committees, all of which are already established departments of the National Board.

"To accomplish these objects will require large appropriations of money by the fire insurance companies, and in carrying on such a work co-operation from State and local authorities is most important.

"It is desired by this committee, that, if possible, assurance be obtained from State officials having supervision of or responsibility for such matters, that when such a loss bureau as now suggested has been established by the National Board of Fire Underwriters, and such bureau is in efficient operation, in place of the present burdensome requirements upon the individual companies for reports of fire insurance losses, etc., may be substituted on behalf of its members an annual report by the National Board to each State so requiring, which shall embrace all necessary information concerning fires occurring therein.

"It would not be reasonable to expect the National Board to assume the necessary work and expense incident thereto in the absence of specific assurance on the part of the supervising officials hereinbefore indicated. We also urge upon those officials the importance of State laws requiring full reports from property owners of all losses, insured or uninsured, to State or local officials such reports to be quite independent of any received by the companies from their claimants."

In this connection the committee further recommends that the National Board begin the preparing of a standard form of classification of fire hazards of the United States, together with some feasible plan for schedule rating founded upon the combined classified experience of its members, which shall be national in its scope and justify general recognition as a conclusive and scientific system. Anticipating the difficulties of making a standard rating schedule, the Actuarial Committee, which is composed of Mr. Richards, C. H. Coffin, J. H. Stoddard, F. C. Buswell, H. A. Smith, C. D. Dunlop, and George W. Babb, says:

"It is the marked inequalities, inconsistencies and unreasonable discrimination of rates and methods in various States of this nation that have caused and have justified State regulation. Here you have the 'look in' of a State official. How then are we to meet these conditions in a way to solve the problem of rate-making, in order that the soundness of our methods may be provable and rate-making taken out of the hands of the theorist, the inexperienced and the politician, in no less degree than are the rates of the life insurance companies?"

The first step toward accomplishing the reform, the committee suggested, necessitated expert and scientific study of the whole situation, and their recommendation for placing the subject before a special committee for consideration has been complied with and the work is now in progress.

A special meeting of the National Board will be called if the work is concluded sufficiently in advance of the regular annual meeting for the board to give its approval to the recommendations, which the fire insurance men consider one of the most important features now affecting the national fire business.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

LAST week it was noted on this page that marine insurance had emerged from its customary inconspicuous and unobtrusive position as a handmaiden of commerce and had become the mistress of the great world of finance, as well as commerce. The public suddenly found out that without the assistance of marine underwriters it could not go on with the interchange either of goods or of money between most of the nations of the world. The vast war which has blazed up in Europe, including now all the greatest commercial nations of that Continent, has produced a war risk, the like of which has never been known to men. Even in the old piratical days, when the pursuit and capture of the great galleons of Spain, laden with the gold and silver bullion of Mexico and Peru, was the favorite pastime, not only of pirates and buccaneers proper, but of adventurers of a much higher class, like Drake and Raleigh, it is improbable that the actual war risk on one of those galleons was as high as has been that on one of our giant modern steamships, laden with gold from America to some European country, during the past week. The substitution of cargo intrinsically less valuable, like wheat or cotton, even under the international agreements making these commodities non-contraband of war, has really made little difference in the risk, as measured by the minds of men engaged in commerce, on the one side, and in marine insurance, on the other. As day after day has gone by and nation after nation in Europe has been drawn into the dreadful struggle by alliance or ultimatum or violated territory, the war risk has increased, not arithmetically but geometrically, until at last the marine underwriters have been compelled to withdraw almost completely, finding that their capital did not suffice for the undertaking of even a small portion of the risks offered to them. Hence virtually all commerce on the high seas has been brought to an end for lack of marine insurance, and for the first time in the memory of living men is to all intents and purposes non-existent to-day.

It is a matter of simple economics that the reason why marine underwriters have been compelled to give over attempting to insure the marine risks that are pressed upon them is that the capital at their disposal is totally insufficient for what they are called upon to undertake in such an emergency as the present. There is, of course, some rate based upon some average which should make marine underwriting sound business even under these circumstances. To be sure, there is now no experience in existence to serve as a sure guide, and the pure cost of the insurance would have to be arrived at tentatively and through having the existing conditions continue long enough to build up a trustworthy experience. It is the case, however, in dealing with insurance problems that the adequacy of capital employed to amount at risk is just as important as the correlation of rate to experience (translated into premium). And it is another economic principle that the amount of capital employed in a given department of business will always tend to be just the amount that is required and can be remuneratively employed in that business when its condition is normal. Great emergencies, therefore, affecting a given department of business, always and necessarily find it unprepared, in respect of available capital, to meet them. And the process of getting new capital into any department of business is difficult and slow. It is out of the question to obtain it off-hand, just because it is suddenly needed. Marine underwriters have gathered for their use as the years have gone by capital enough to enable them to assume the risks of the sea for the continually expanding commerce of the world; but they could not, as a matter of pure business, keep a special hoard of capital, like Germany's war hoard of gold in the Julius Tower, to be used for underwriting the risks to which commerce is exposed by a war among the majority of the great commercial nations of the world.

It is fortunate that the world is so ordered that these great emergencies of war come only at intervals of long years. But they do come, despite all the supposed influence of civilization upon the war-like passions of nations and the apparent progress of the propaganda of universal peace, so striking during periods of peace. At the same time, the reliance of society upon insurance in all its various forms grows greater year by year. In some way a means of accommodation must be found between this comparatively recent social function of insurance and the catastrophic struggles into which we know mankind or large portions of mankind will certainly enter from time to time. For all normal periods insurance predominantly conducted by private initiative, and providing just the supply to meet the demand, is superior in every way to insurance provided otherwise. But, as we have seen, private insurance must always fail to be adequate to what is needed in periods of world-wide disturbance which recur only at intervals of one or more generations.

What, then, is to be done about it? The world needs marine insurance, life insurance, fire insurance, accident insurance to run right on through any and every kind of times, always sufficient to indemnify the losses incurred. How can this be accomplished? It would seem that the British Government has pointed out the only possible way, when this week it undertook to assume the marine war risk on all grain ships laden with wheat for the United Kingdom, up to 80 per cent of the value of ship and cargo. Only compulsory bringing the public at large in as underwriters, forced by the power of taxation to support such losses as occur, is adequate to provide capital commensurate with the amount at risk in such a case as now presents itself. And it may be assumed that, if the war in Europe is of long duration, the principle will have to be extended to many other commodities besides wheat. Thus the moving of the American cotton crop, which is about to begin, is a national question for the United States, which has not immediate resources to support the entire load of it for any long time, and is at the same time a national question for great cotton-consuming countries like England, which must have the cotton or see large portions of the population deprived of their livelihood and reduced to starvation. As things now are all the capital of all the marine underwriters would be inadequate to warrant them in insuring the cotton alone which must somehow be exported from the United States during the next four months, supposing the war to continue so long as that and supposing no one of the warring nations to get effective command of the sea. It will not be surprising, therefore, if as a part of the plans which are now under consideration among merchants, bankers and officers of the National Government for providing the usual outlets for our cotton, as well as our wheat and other crops, a scheme of insurance against the war risk, perhaps international in character, is found to be included.

Seamen and the Workmen's Compensation Laws in the United States

THE question of the effect of State workmen's compensation laws upon the relations between seamen and their employers, whether engaged in intrastate or interstate commerce, is complicated by the intrusion of the maritime law. In giving a general survey of the subject a further complication also arises in that the State laws are not uniform, some being elective and some compulsory in respect of the theory on which they are drawn. In the former case, the benefits under the acts may be considered as being in substance contractual rights, but in the latter they are purely statutory. Mr. Harry B. Bradbury, in discussing the theory of workmen's compensation ["Extra-Territorial Effect of Workmen's Compensation," MARKET WORLD AND CHRONICLE, Vol. VI, page 654 ff.], says: "Workmen's Compensation statutes usually, although not universally by any means, have been understood to create contractual relations between employers and employes. * * * In those States where compulsory acts are in force, it may, perhaps, be said that there is no contract between the employer and the employe, but that a specific duty is imposed upon the employer by force of the statute. In those States where elective laws are in force it would appear that the right to compensation depends upon an implied contract between the employer and the employe. (*Decny vs. Wright & Cobb Lighterage Co.*, 36 N. J. Law J. 121). In a decision recently rendered by Judge Killets (*George Schuede vs. The Zenith Steamship Co.*, U. S. District Court, Northern District of Ohio, Eastern Division, No. 8694) it is stated that: "A State may not pass any act which abridges or enlarges the responsibilities of duties of maritime law; rights in admiralty cannot be affected by State enactment." (*The Moses Taylor*, 4 Wallace 411; *The Hine vs. Trevor*, 4 Wallace, 555; *Butler vs. Boston Steamship Co.*, 130 U. S., 527; *Workman vs. New York*, 179 U. S. 552.) And again: "As we look at it, the provisions of the law maritime as to the relation of a seaman to his employment are part of the substance and obligations thereof, which cannot be modified by State law, even through recourse to the saving clause of the code."* But: "It is worthy of note that in all these cases from one of the earliest (*Steamship Co. vs. Chase*, 16 Wall 552) to the latest (*The Hamilton*, 207 U. S., 398-404, and *Thompson Towing and Wrecking Ass'n vs. McGregor*, 207 Fed. 209), the application of State laws is sustained, not because such laws can be utilized in all cases when a suitor prefers to enter a State court, but because 'where no remedy exists for an injury in the admiralty courts; the fact that such courts exist and exercise jurisdiction in other causes of action leaves the State courts as free to exercise jurisdiction in respect to an injury not cognizable in the admiralty as if the admiralty courts were unknown to the Constitution and had not existence in our jurisprudence.' (*Steamboat Co. vs. Chase, supra.*) In admiralty no remedy exists for a death resulting from a maritime tort."†

The opinions of the two authorities cited seem to be well founded, and apparently under an elective compensation law the following would be the situation: If the employer and employe choose to come under the law, they may do so and the compensation provisions will apply, because the parties have in effect written those provisions into their contract of employment. If, however, the parties refuse the law, their status is exactly the same as if the law had not been passed, except in case of death; for a State has not power to modify the relations between seamen and their employers, where the maritime law has already made provision. In cases of death to seamen all the provisions of the compensation law would apply. That is: (a) If the employer elects not to come under the law, he may be sued for damages at common law with his ordinary common law defenses of fellow servant, contributory negligence and assumption of risk abrogated; (b) if the employe elects not to come under the act his dependents may sue for damages at common law, but all the common law defenses may be used in defending the suit.

It would appear that most of the compensation laws could be held effective in part in this way, although no specific provision is made in them for such a contingency, since most of the laws provide, as does the New York act, that: "If any section or provision of this chapter be decided by the courts to be unconstitutional or invalid, the same shall not affect the validity of the chapter as a whole or any part thereof other than the part so decided to be unconstitutional or invalid." (Chapter 816, Laws of 1913, New York State, as re-enacted and amended, Article 6, Section 118.)

Under a compulsory workmen's compensation act‡ the situation would be less flexible. Here, apparently, the act would under no circumstances apply in cases of injury to seamen, because a State seems to have no power to impose a statutory right in conflict with the maritime law. In cases of death, however, the act would seem to apply in every particular, even to the provision for penalty to the employer if he does not properly insure, because the maritime law makes no provision for recovery by dependents in cases of accidental death to marine employes. This whole question has, of course, still to be settled by the courts before any certainty can be felt as to the outcome. On the face of it, however, the above would seem to be the reasonable hypothesis.

There is, however, another contingency which must be taken into consideration before it can be said that any preponderant probability has been reached as to the ultimate settlement of the problem. The question has been raised whether the enactment of a compulsory workmen's compensation law may be considered as coming within the police power, as reserved to the States by the Federal Constitution; and, if so, whether the States have the right to enforce the police power even in contravention of the maritime law. Definition of what may and what may not be considered as coming within the police power must of necessity be extremely elusive. In *Ives vs. South Buffalo Railway Co.* (20 N. Y., 271, 94 N. E. Rep. 431), Judge Werner said: "In order to sustain legislation under the police power the courts must be able to see that its operation tends in some degree to prevent some offense or evil, or to preserve public health, morals, safety and welfare." It

*Paragraphs 3, respectively, of sections 24 and 256 of the Judicial Code of the United States (Act of March 3, 1911, sec. 711, R. S. U. S.) provide for a saving to suitors, against the exclusive jurisdiction of admiralty, "in all cases the right of a common law remedy, where the common law is competent to give it." This Judge Killets takes to mean (in conformity with justice Field in the Moses Taylor case, supra) that "the suitor who has a right of action growing out of a maritime contract may not go into a law court to find a new remedy, but he may employ a common law forum, if one is found competent to work out the rights involved in his contract."

†See also Cornell Steamboat Co. vs. Fallon, 179 Fed., 293, Circuit Court of Appeals, Second Circuit.

‡The New York Workmen's Compensation Act is the only State compensation act under which this question would arise, for the only other compulsory act now passed (Washington) is so framed as not to apply to marine employes.

is true that with this dictum in mind Judge Werner in the same case ruled that the original New York workmen's compensation act (Laws of 1910, ch. 674) did not come within the police power and that the law could not be sustained through pleading the exercise of that power. At a later date, however, the Supreme Court of Washington sustained the compulsory compensation law of that State purely as a proper exercise of the police power. (*State ex rel. Davis Sash Co. vs. C. H. Clausen as State Auditor*, 117 Pac. Rep. 1101; Bradbury, "Workmen's Compensation and State Insurance Law," 1st Edition, p. 703 ff.)

Assuming that the more recent decision should be held by courts of last resort of other States to govern, there nevertheless does not seem to be any ground for believing that a State law, even though passed under the police power, would be held to supersede the maritime law, which is Federal and not State and solely under the administration of the Federal courts. In *Sinnott vs. Davenport* (22 How., 242-243) the Supreme Court stated that: "The nullity of any act inconsistent with the Constitution is produced by the declaration that the Constitution is the supreme law. The appropriate application of that part of the clause which confers the same supremacy on laws and treaties, is applicable to such acts of the State legislatures as do not transcend their powers, but, though enacted in the execution of acknowledged State powers, interfere with or are contrary to the laws of Congress, made in pursuance of the Constitution, or some treaty made under the authority of the United States. In every such case the act of Congress or treaty is supreme; and the law of the State, though enacted in the exercise of powers not controverted, must yield to it." [See also *Connolly vs. Union Sewer Pipe Co.* (184 U. S. 558) and *Crutcher vs. Kentucky* (141 U. S., 59, 60).] There can be no doubt that the supervision and control of the whole subject of navigation is vested in Congress (Elliot, Deb., V, p. 548; Curtis, Const. Hist., Vol. I, p. 551); hence a reasonable certainty appears to be established as regards this question.

The points so far touched on concern themselves purely with the primary application of workmen's compensation laws, as affecting maritime employes, whether these be engaged in intrastate or interstate commerce. The mere fact that by far the larger proportion of maritime employes are engaged in interstate commerce raises a new and complicated set of problems. Practically all State workmen's compensation acts are so worded as to include employes engaged in interstate commerce for whom the Federal Government has not already provided. This would obviously include maritime employes, if the acts can be held to apply to them at all. The objection, however, has been raised that such State acts cannot apply to interstate commerce at all, because they burden and interfere with and interrupt the due course of interstate commerce. This point has been clearly set forth by Messrs. Foley and Martin, attorneys, of New York City, in an opinion written recently by them for the New York Boatmen's Association, as to the applicability of the New York compensation act to seamen. Their reasoning is, in part, as follows:

"While the State has the right to regulate the relationship between master and servant under a contract of employment within the State in relation to employes engaged in interstate commerce, where no act of Congress has been passed regulating such relations, this does not warrant the State legislature in passing a law which burdens or interferes with or interrupts the due course of interstate commerce, and we think this act does, among others, for the following reasons: the act as a whole places a burden on interstate commerce, in compel those engaged in interstate commerce to insure and pay a premium for such insurance which is a tax and burden, as we look at it, on interstate commerce; and it provides that, if said tax or premium is not paid, then the employer is liable to a fine or penalty; it takes away the defenses which the employer operating this class of vessels [barges] is entitled to avail himself of in the admiralty courts under the contract of employment; it interferes with the uniformity and unanimity of action of interstate commerce, in the sense that it burdens an employer engaged in interstate commerce in the State of New York, whereas a person engaged in interstate commerce in many of the other States of the United States may not be subject to such burden * * *."

This specific question as regards the application of workmen's compensation acts appears never to have been decided by the courts, although a number of cases involving the interstate operation of such acts have been decided by courts of first instance (See Bradbury, "Extra-Territorial Effect of Workmen's Compensation," *supra*). In most of these cases the workmen's compensation law of one State has been held to apply in other States, in respect of employers and employes of the first State; and the *lex loci contractus* has been held to rule, even though the case came to trial in the courts of another State. Of course, under an elective compensation law, the parties are at liberty to choose the act of their home State and, so to speak, make it a part of their contract, when undoubtedly the act would apply regardless of its burden. Whether an elective act would be declared burdensome and void as regards employers engaged in interstate commerce when they refused to come under the provisions of it, or whether the same would be said of a compulsory law, is, however, another matter, raising serious grounds for doubt. Certain it is that in *Hennington vs. Georgia* (163 U. S., 299) it was held that a State might forbid the running of interstate freight trains on Sunday, this being held to be a proper exercise of the police power. And, again, in *Smith vs. Alabama* (124 U. S., 465), a State law requiring the examination and licensing of railroad engineers in the State was held to apply to engineers engaged in interstate commerce and to be valid. Both of the laws under which these cases arose might well have been considered as constituting an interference with and as imposing a burden on interstate commerce, yet their constitutionality was upheld. This, however, in itself is not convincing of anything except that a good margin of doubt must exist until the matter has made its way through the courts and been adjudicated by the Supreme Court of the United States.

RATE MAKING IN FIRE INSURANCE

MR. S. EPSTEIN, Commissioner of Insurance, Colorado, has written the following letter to the editor of "Insurance Report" of Denver:

"To the Editor: In accordance with your request I am writing for publication in 'Insurance Report,' a brief statement of my position on the question of fire insurance rates.

"The recent decision of the Supreme Court in the case of the German Alliance Insurance Co. vs. the Superintendent of Insurance of Kansas, raises some very interesting questions. The gist of this decision is that the State has a right to regulate insurance rates.

"Since there is no higher tribunal than the Supreme Court we needs must accept this decision as final and bow to the dictum that the State has the right to regulate the cost of insurance. However, it seems to me that it would be unwise for a State to avail itself of this right.

"Fire insurance men frequently assert that state officials do not, and cannot, understand the question of rate making; and, indeed, that no one can understand it who has not devoted all his life

to the business. My own limited experience rather confirms this statement. I have made an effort to understand the question of rate making in fire insurance and have not been successful. Were the legislature of Colorado to pass a law requiring the Commissioner to revise the rates in this State I do not see how I could do this, either wisely or well. To be perfectly frank, I suspect that the company executives do not understand the rate making question either. In fact, some of them have admitted as much to me in conversation. They are selling goods before they know what the goods will cost, i.e., they make a rate before the fire occurs, and it is well nigh impossible, on account of our insufficient statistical data, for anyone to do this correctly, be he State official or company executive. Since the rates are based in a measure on guess work, it is impossible to gainsay the assertion that the company executive who has devoted thirty years to the problem is more likely to make a good guess than the State official who has studied the matter only during his brief term of office.

"The average citizen looks at fire insurance from a rather narrow point of view. He thinks because he has been paying premiums for twenty years and has never had a fire, that his rate is too high. He does not stop to realize that if every house which is insured should burn, fire insurance companies would have to go out of business. The entire public sentiment on the question of rates in fire insurance is a most unfortunate one, and is based on unfounded prejudice against insurance companies and on a lack of understanding of the business of insurance.

"To my way of thinking, this public antagonism can only be removed by education. It is but a short time since it was announced that Commissioner Done of Utah had resigned in order to take up the publicity and educational work on behalf of the fire insurance companies on the Pacific Coast. Obviously this is the beginning of a great and valuable line of work, viz., the education of the public on the value and the merit of insurance. I believe this to be an important step in a long campaign which will prove of an utmost value to the business of insurance and to the people of the United States.

"An example from my own experience might help to illustrate the point of view of many citizens. For many years I lived in a beautiful town of 10,000 population. A number of citizens have frequently pointed out to me the fact that the loss ratio in the town has been an exceedingly low one, 5 per cent or 10 per cent. They claim that this good fortune entitles them to a materially lower rate for their fire insurance. I have argued with my good friends and have explained to them that other cities of the same State have a much larger loss ratio and the insurance companies cannot base their rates on the experience of a single town, but must base it on the experience of a much larger area. It seems, however, that the old adage is perfectly true: 'A man convinced against his will, is of the same opinion still,' and every time I visit my former home and meet my insuring friends the same arguments are repeated to me.

"The fact of the matter is that even the State is not a sufficiently large unit. The loss ratio in one State may be low and in another State high. Therefore a company operating in both States must base its affairs on the average of the two States instead of the experience of each separate State.

"It is therefore obvious that the unit for rates cannot be the town; that the problem is larger than a problem of towns. The unit is not even the State; the problem is larger than a problem of States. The unit is really the Nation, the entire United States.

"Of course some modifications, due to the fact that some communities are more hazardous and others less hazardous, come in, but to my mind this is really a subsidiary qualification and does not affect the main theme, which is that the unit for rates is not the town, nor the city, nor the State; the true unit is the Nation. Other modifications can easily be thought of. For instance, the existence of fire prevention apparatus, sprinklers, extinguishers, up-to-date electric wiring, etc., entitles the assured to special credits or allowances on his rates. However, proper provision is made for credits to cover all such cases; witness the Dean Schedule, now in force in our own State, and also in about two-thirds of all the United States. But one must not lose sight of the fact that these are minor modifications and in no way negative my main proposition.

"Further, I do not think that the time unit should be the year. A company may do very well one year and may do poorly the next year. A company may seem to be accumulating a large surplus and suddenly a Chicago conflagration comes; a Baltimore conflagration; a San Francisco catastrophe; and the seemingly enormous earnings are wiped out in less than a week.

"My position, therefore, may be summarized as follows:

"For the making of rates, the unit of area is the Nation and the unit of time should be twenty-five years.

"I trust that you will construe this in a reasonable and not in an extreme way. For example: I do not mean that after there has been a readjustment of rates, a community should wait twenty-five years for another readjustment. What I mean is, that after a certain reasonable lapse of time, say after five years, there might be another readjustment, based on the experience of the preceding twenty-five years.

"I realize, of course, that I am treading on dangerous ground to suggest that the prevalent public tendency to demand lower rates is based on a misconception due to the selection of units of area and time which are too small. I presume it is scarcely the part of wisdom for a public officer to open himself to the criticism that he is not siding with the public demand for lower rates. The truth of the matter is that I do not stand for higher rates; I stand for adequate rates. Should adequacy require higher rates, let us have higher rates. Should experience prove that a lower rate is adequate, then by all means let us have the lower rate; and that immediately. In taking this position, I believe I am acting for the best public good. I believe that the prime need in insurance is safety; cheapness is a secondary consideration. What a man wants to know when he takes a life insurance policy is, first, that his widow and orphans will be paid the face of the policy if he dies; the amount of premium is a secondary consideration. What a man should want to know when he takes a fire insurance policy is that he will receive his indemnity in the event of a fire; the amount of the premium should be a secondary consideration. What a man should want to know when he takes an accident or liability policy is that he will receive indemnity in the event of loss; the premium which he pays should be a secondary consideration. In view, therefore, of the fact that a fire insurance company is always in danger of being wiped out any day by an unexpected conflagration, the prime need for safety is adequate rates, and not low rates.

"A very simple illustration of all this is the case of the city of San Francisco. For forty years it had been a very profitable field for fire insurance and suddenly we woke up one morning to find that every company operating in that city had suffered a staggering loss, and that some of the companies were even completely wiped out of existence.

"S. EPSTEEN, Commissioner."

"Denver, Colo., June 20, 1914.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Meeting of International Congress on Social Insurance.—The Ninth International Congress on Social Insurance is to be held in Washington from September 27 to October 2 of next year. This organization held its first Congress in Paris in 1889, only six years after the first social insurance law, that relating to sickness insurance, had been enacted in Germany; and only five years after the first accident insurance policy was issued, also in Germany. The Congress of 1915 will be the first to be held in the United States. The following subjects will be considered:

Workmen's Accident Insurance and Compensation.
Sickness Insurance, including Maternity Insurance.
Old Age and Invalidity Insurance or Pensions.
Unemployment Insurance.
Widows' and Orphans' Insurance.
Existing Agencies Performing Social Insurance Functions.

The secretary-general is Miles M. Dawson, Russell Sage Foundation Building, 130 East Twenty-second Street, New York City.

* * *

Compensation for Frost Bite.—The Industrial Accident Commission of Massachusetts has awarded compensation to a coal shoveler whose hands were so badly frost bitten while at work last Winter that the middle finger of each hand had to be amputated.

* * *

First Year of Workmen's Compensation in Illinois.—The "Insurance Post" of Chicago, publishes the following summary of the first annual report of the Industrial Board of Illinois:

"The first annual report of the Industrial Board of the State of Illinois, appointed under the Workmen's Compensation Law, which went into effect last year, has been filed with the Governor. It covers the period ending June 30, 1914, but the board was not organized until October 1, 1913, and did not really get down to business until December.

"All claims for compensation arising under the Workmen's Compensation Law, on which the employer and the employe have not been able to reach an agreement, are referred to the Industrial Board for settlement. Each of the contending parties is to appoint a representative on a committee of arbitration, a member of the Industrial Board or an agent appointed by it to act as chairman. This arbitration board is to take evidence, make investigations, reach a decision as to compensation and report its findings to the Industrial Board. These are subject to review by the entire board on complaint and the Supreme Court has power to review questions of law in all of its decisions.

"Since the board began operations, 584 cases have been presented to it and decided by the board or by its committee of arbitration. These involve the payment of $155,101.11 in installments. Lump sum orders have been entered in 367 cases, involving the payment of $335,732.91. There were pending before the board on June 30, 240 arbitration matters and 28 lump sum petitions. The board has heard and decided 29 cases on review and has 23 pending. Of the accidents reported to the board, 271 were fatal and 26,572 were non-fatal. Under the fatal accidents the compensation allowed which has been paid or is to be paid is $190,608.82, with medical and hospital fees paid of $3,579.04. Under the non-fatal cases, the compensation paid or to be paid is $489,625.94, with medical and hospital fees of $151,363.40. Of the non-fatal cases, five resulted in total permanent disability, 766 in partial permanent disability, and 25,801 in temporary total disability. The records of the accidents reported and other matters that have come before the board show that up to June 30, 9,411 employers who affirmatively accepted the provisions of the Workmen's Compensation Act, are paying compensation to injured employes; in addition 802 employers accepted in writing and 792 rejected the provisions of the Act, the principal reason given by them being the cost of the insurance."

* * *

Barcelona Wants World's Insurance Congress.—The Insurance Club of Barcelona, Spain, has addressed William J. Dutton, chairman of the executive committee of the World's Insurance Congress, authorizing him to invite the Congress to hold its 1917 sessions in that city. The letter to Chairman Dutton says:

"On behalf of and as president of the Insurance Club of Barcelona, a corporation comprising the membership of the managers and representatives of offices working in Spain, both native and foreign, and wherein the distinct branches of insurance receive the attention, defense and development worthy of the great social importance of our institution, I have the honor to bring to your special notice that we are desirous that the following sessions of the World's Insurance Congress should be held in this city, and if possible, that a date should be fixed to coincide with the International Electrical Exhibition which is to be opened in Barcelona in 1917; we are ready to put all our energies towards the furtherance of this object, and we offer you all the support which may be necessary on this side to make the Congress in Barcelona a success."

* * *

Accident Exposure Regardless of Occupation.—A recent issue of the "Agents' Record" of the Travelers Insurance Company contains the following interesting study of "Death and Disability from Accidents to Which Men are Exposed Regardless of Occupation":

"Accidents increase faster than the population. This fact, noted fifty years ago by a famous French statistician, has been emphasized of late years. The congested streets of our cities with their increasing density of pedestrians and vehicles, the fast motor car and electric trolley which have replaced the horse drawn vehicles, faster trains and steamships carrying many times the former number of passengers, the more feverish rush of the population, greater use of machinery, and even more active and general recreation have been the contributing causes.

"The gradual and continuous increase in the percentage of deaths from violent causes to the total number of deaths from all causes is graphically illustrated by the following life experience of the Travelers Insurance Company:

	Years of Exposure.	Pct. of Accidental to Deaths from all Causes.
5 years	1897-1901	7.7
6 years	1897-1902	8.2
7 years	1897-1903	8.7
8 years	1897-1904	9.0
9 years	1897-1905	9.3
10 years	1897-1906	9.3
11 years	1897-1907	9.3
12 years	1897-1908	9.2
13 years	1897-1909	9.4
14 years	1897-1910	9.2
15 years	1897-1911	9.1
16 years	1897-1912	9.3

"The year 1912 contributed the greatest percentage in all the fifty years of the Travelers' experience, with a total of sixty-seven accidental deaths to 544 deaths from all causes, or 12.32 per cent.

"The less accurate statistics of the census report for the total population based on the registration show that in 1909, 83,000 people were accidentally killed in the United States, and Frederick L. Hoffman, chief statistician of the Prudential Insurance Company, in investigating the mortality from accidents, males, during the United States registration era in the years 1900 to 1906, found that accidental deaths ranged from 13.5 per cent of total deaths from ages 25 to 34; 11.4 per cent from ages 34 to 44, and 8.4 per cent from ages 45 to 54, which is even greater than the figures

of the Travelers which are based on selected lives only. Between ages 20 to 40 accidents contributed a greater mortality than any two diseases combined with the exception of tuberculosis.

"On the basis of the present population between 850,000 and 900,000 people in the United States are under sentence of death from accident at any unknown moment during the next ten years.

"The accident experience of the Travelers for twenty years, 1890 to 1910, shows there were 140 cases of disabling injuries to every accidental death, but the amount of benefits paid for accidental death, dismemberment, and loss of sight, constituted 46 per cent of the total benefits paid, (exclusive of surgical benefits). The experience of all accident companies shows that one policyholder in eight or nine annually receives indemnity for accident. Industrial accidents of the most serious nature are being held in check by scientific methods of prevention, but the accidents to which all people are exposed where means of prevention are impossible because the hazard is individual, are continually increasing. Column 1 of the following interesting chart shows the causes of accidents to which all men are exposed without regard to their employment for which the Travelers paid benefits under its accident policies in 1913, and column two the percentage of benefits paid for each cause to the total amount of benefits shown, which is a fair measure of the severity of the accidents under each cause.

	Per Cent of Number of Claims.	Per Cent of Amounts Paid.
At home (indoor and outdoor)	23.0	16.9
Pedestrians	18.0	13.8
Sports and recreation, boating-hunting-sports-swimming	17.0	15.3
Automobiles	15.5	21.8
Travel (railroad-trolley-steamship)	11.4	19.5
Miscellaneous	7.2	7.7
Horse and vehicle	5.6	3.5
Bicycles and motorcycles	2.3	1.5

"While all these causes are contributing an increasing number of accidents, some have increased faster than others. Five years ago automobile accidents contributed a smaller percentage both in number and amount than miscellaneous accidents; to-day they contribute 15.5 per cent of the total number of accidents, while their serious nature is demonstrated by the contribution of 21.8 per cent to the total benefits paid.

"Travel accidents continue to lead in the seriousness of their results, their 11.4 per cent of the total number contributing 19.5 per cent of the total benefits.

"Accidents at home and to pedestrians maintain practically the same relative position; steamship accidents, which are attended as a rule with great loss of life, may be almost absent as a contributing cause during one year and figure prominently the next. The two greatest marine disasters, the Titanic and the Empress of Ireland, with a total of 2,700 dead, have occurred within the last two years.

"Accidents at home, where people are generally supposed to be safest, contributed nearly one-quarter of the total number of injuries and approximately 17 per cent of the total amount paid in benefits. The hazard of city streets is brought forcibly to mind by the record of 15,000 people killed and injured by accidents in Chicago streets in the 1913 Annual Report of the city attorney.

"When you consider that the number of people accidentally killed in the United States last year was greater than the number killed on both sides in the fifteen principal battles of the Civil War, while the number of people injured each year is greater threefold than the total number of troops enlisted in the combined Union and Confederate armies for the four years of the Civil War, you get a comparative idea of accident fatalities.

"Immunity from accidents is in itself an accident, and the man who has never suffered a disabling accident is under the law of average due for one shortly, and the man in the prime of life is the most exposed."

INSURANCE NEWS IN THE WEST

Cautious in Selecting Western Manager.—The Phoenix of London is taking its time about selecting an assistant Western manager. Assistant United States Manager Hart Darlington has been in Chicago several weeks, and now United States Manager P. Beresford is also in the city. They have interviewed a number of men, some who wanted the position and some whom they wanted for it. It is generally understood that the assistant Western manager must come from the field. Manager R. E. Lidster came up through the office and is regarded as one of the best office men in Chicago managerial circles.

* * *

Radicals Active in Kansas.—From Kansas come reports that parties connected with certain of the State offices are working on bills, with the intention of endeavoring to get the Legislature at the coming session not only to launch the State in the workmen's compensation insurance business, but also in fire and life insurance. How strong a sentiment for such radical legislation exists is not known. It may be only an expression of the views of a small contingent, but the position Kansas has taken on fire insurance rates has shown a willingness in the State to deal with insurance on radical lines.

* * *

Hartford Accident and Indemnity Gets Strong Man.—In appointing John T. Wagner manager of its branch office at Chicago, the Hartford Accident and Indemnity has secured one of the best of the younger casualty men in the city. His past record is a fair guarantee that he will build up a business for the company rapidly and at the same time substantially. After considerable experience in liability insurance with the Travelers at the home office and in Northwestern Ohio, Mr. Wagner came to Chicago in the Fall of 1908 as assistant manager of the liability department in the branch office of that company. There he made an excellent record, not only assisting in building up that company's business, but improving the general situation in Chicago. He was elected secretary of the Casualty Underwriters' Association of Chicago when it was organized and has held that position ever since. The Fidelity and Deposit having entered the casualty field, it decided to open a branch office for that department of its business in Chicago, and on January 1, 1912, Mr. Wagner assumed the duties of manager. For that company he has built up a good organization and a large volume of business and he had done this in a high-class manner. He resigned from that company's service, not because of any dissatisfaction, but simply because the offer from the Hartford company presented opportunities which he did not feel justified in letting pass. In his new position he will have the selection of his subordinates, and he will at once undertake the forming of a strong organization.

* * *

Casualty Situation Unsettled in Chicago.—It is stated that some of the important casualty offices in Chicago are showing a considerable decrease in premium income this year as compared with last. One general agent who is a close observer of conditions ascribes this to a number of causes. As regards his own office, he says a number of his contract customers have not the work on hand this year that they had last, and he has lost considerable in premiums where employers would not pay the rate that he demanded. With several active companies that make their own rates

and a number of inter-insurance exchanges that are free lances, there are several ways open to those seeking lower rates.

* * *

Mr. Potts on Inter-Insurers.—Superintendent Potts, of Illinois, has made an interesting statement concerning the attitude of the Insurance Department on licensing inter-insurance concerns. Three or four years ago an act was passed to provide for the licensing of fire inter-insurers and Lloyds, and in 1912 an act was passed also permitting the licenses of such exchanges to do liability and workmen's compensation business. Recently, however, the department gave its approval to the plans of an exchange organized to insure dram-shop keepers, their bondsmen and owners and lessees of property used for dram-shop purposes against liability under the Illinois dram-shop act. As this concern did not come within the classes named in the laws already mentiond, Mr. Potts was asked under what law he acted in taking supervision over it. He answered in effect that the Supreme Court of Illinois has held that the right to do inter-insurance business in the State is based on the constitutional right of private contract. Where an exchange is organized to engage in a legitimate business and its plans meet the approval of the Insurance Department, if the exchange so desires, the department will take it under its supervision on the ground that it is better to have it supervised than free to run wild if it should so elect.

* * *

Excise Bond Situation in Nebraska.—Nebraska excise bond business appears to be growing worse rather than better. Several of the companies that had written considerable of it previously, quit the line three or four years ago, but that is not preventing their having to pay large claims that are arising under their old bonds. An Omaha surety man stated recently that one company has about $30,000 in judgments against it in Nebraska under these bonds, with a large number of suits yet untried. Since the lawyers who handle them for the plaintiffs have been starting the suits in counties far distant from where the cause of action arose and where "dry" sentiment exists, the chance of defending them successfully is reduced. Recently seven companies interested in one bond for $5,000 paid judgments amounting to $11,500, given in favor of three different parties, one of whom was a posthumous child of the man who had been killed after visiting the bonded saloon. This instance shows the possibility for loss these bonds have.

* * *

Plans Perfected for New Accident and Health Association.—Plans for the organization of the new association of accident and health companies and associations are now pretty well worked out. Last week a conference of officers of the Detroit Conference, the American Association of Accident Underwriters and the National Mutual Union was held in Chicago and certain recommendations to the companies were agreed upon. Among them are the following: That the name of the new organization shall be the "National Accident Underwriters"; that its purposes shall be to promote good will among companies, protect the companies' property rights in the business and to promote co-operation and general advancement of the accident and health business; that active membership shall consist of companies licensed in their home States; that associate membership shall consist of officers and home office department heads of companies, these to have all privileges of active members except that of voting; that dues be $10 a year for active members and $5 a year for associate members.

As the number of companies that have expressed any opposition to the new organization is almost negligible, there remains virtually no doubt that on September 8 and 9 the old organizations will hold their final meetings at Atlantic City and on September 10 the new association will be launched with a large membership.

LA SALLE

Chicago, August 7, 1914.

ITEMS OF INSURANCE NEWS.

The Fidelity Mutual Life has published a book in memory of President L. G. Fouse, who died in Philadelphia on January 16 last. Mr. Fouse was the founder of the Fidelity Mutual Life and was for more than thirty-five years its president. In point of service he was the dean of the life insurance presidents of America. The book is not a biography, but is a gathering together of many beautiful tributes of esteem called forth from all over the United States upon the passing of one of the great men of life insurance, a man of broad intellect and high courage, who played a conspicuous part in writing the history of his time.

The State Supreme Court of Missouri rendered a decision recently that a divorced wife has no claim on her former husband's insurance, even though named as beneficiary in the policy. The deceased had taken out $30,000 of life insurance and made it payable to his wife. The couple were divorced. The husband sought to have the policy made payable to his estate, but his former wife entered suit and alleged a property right in the policies. The assured died before the case was decided. The court now holds that whatever rights the wife had should have been adjusted in the matter of alimony at the time when the divorce was obtained.

In answer to an inquiry as to how the present situation would effect the insurance companies, Superintendent Hasbrouck, of the New York Insurance Department, said that although the market value of the securities owned by the insurance companies would, at the present time, show a depreciation, the actual values have not been changed by reason of the war in Europe and the closing of the stock exchanges. The policyholders, he states, are amply protected and have no occasion for alarm.

Joy Lichtenstein has been appointed manager for the Pacific Coast department of the Hartford Accident and Indemnity Company, associated with Dixwell Hewitt, Pacific Coast general agent of the Hartford Fire Insurance Company. Mr. Lichtenstein has been manage for the Globe Indemnity's surety department for the Coast since its organization.

The Northern Assurance Company of London, has purchased the entire shareholding of the Royal Scottish Insurance Company, Limited, Glasgow, which does a fire, burglary, workmen's compensation, personal accidents, property owners, third party, plate glass, profits, and general contingency insurance business.

Attorney General Dawson, of Kansas, has filed a petition for a rehearing by the Supreme Court of the suit begun by the fire insurance companies setting aside the Barnes reduction of rates, recently decided in their favor. As the Supreme Court does not reconvene until Fall no action can be taken until then.

Having expended $144,217 in equipping its passenger cars to meet the requirements of the Federal Safety Appliance acts, the Pennsylvania Railroad has notified other railroads that it will no longer accept from lines with which it connects any passenger cars which do not meet the requirements of the acts.

Comptroller Prendergast, of New York City, has recommended that the city carry its own risks on the surety bonds of city and county officials, calling attention to the fact that the city's annual insurance premum is now $50,000 and that losses through misappropriation or other derelictions have been infinitesimal.

A new law has been enacted in Louisiana making it a misdemeanor to make or transmit false and derogatory statements, rumors, or suggestions, written, printed or spoken, concerning the financial condition of any life insurance company organized under the laws of Louisiana.

The Columbia National Life of Boston will hold its agency convention at Santa Cruz, Cal., meeting on Monday, the 23d of August, 1915. On the 26th the delegates will be taken to San Francisco for the balance of the week at the Exposition.

Fire losses are reported to be above normal in Oregon and the annual report of the Insurance Department says that many of the stock and mutual companies have expended more than they took in in premiums in the State.

Robert S. Hart, secretary of the Fidelity and Deposit Company of Baltimore, Md., has been appointed manager of the company's fidelity department as successor to Vice-President George H. Gist, who died recently.

The Southwestern Surety Insurance Company of Denison, Tex., has reinsured all the outstanding accident and health and plate glass business of the General Bonding and Casualty Insurance Company of Dallas.

The Kentucky industrial and commercial business of the Midland Casualty of Chicago has been reinsured in the National Life of the U. S. A. of Chicago. The Midland has withdrawn from that State.

The Iowa department has approved the change of name of the Automobile Mutual Protective Association of Cedar Rapids to the Iowa Mutual Liability Company.

FINANCE AND COMMERCE

Financial and Commercial Review.
Banking Situation at Home and Abroad.
Statistics of Cotton and Coffee.
Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

IT is significant of the composure which the country has recovered in the last few days despite the tremendous difficulties with which trade, industry and finance are beset that even now time is being found, while pressing problems are under consideration, to regard somewhat the prospects of the further future. One of the striking features of the chaotic situation caused by Europe's earthquake of war is that so much recognition is being taken of the important changes in the conditions of banking and business which are bound to be the permanent result of the new processes which will have to be devised for coping with an unprecedented economice emergency.

After so much has been said, however, as to the future attention has to be turned to the immediate aspect of affairs. Up to last Saturday night there were still important members of the business and banking community who refused to believe, against the evidence of their own eyes, that any general war was impending in Europe. This refusal was based on positive assurances from high finance abroad that Armageddon was still an apocalyptic vision and not an imminent fact. How ruthlessly a civilized world has been disillusioned is recorded in the history made in the last few fateful days. All the overwhelming validity of the economic as well as the humanitarian arguments against war counted as nothing in the scales of destiny, and before the present week drew to its close there were not enough nations excluded from the area of European conflict to be worth enumerating.

Irrespective of all the subleties of diplomatic pretense, the concensus which has been arrived at in this country is that upon Germany must be fastened responsibility for inflicting the fearful trouble with which the whole world has to deal to-day, although the attribution of responsibility is accompanied by a singularly clear conception of the probability that a stage had been reached in the affairs of nations when nothing but war could settle questions of tremendous moment. Indeed, it is part of the consideration of the further future already referred to that general war in Europe had become the only and necessary cure for a dreadful disease which was holding civilization in economic check, the disease of militarism dominated by dynastic purposes.

The proof that Germany forced this trial on humanity seems, however, difficult to combat. From the day when German seizure of Alsace-Lorraine set up an eternal cause of quarrel that facilitated Bismarck's programme of organizing Germany into one huge army, there has been an obvious adherence to one objective, the German dictatorship of Europe. In the last decade there have been at least three occasions when Germany with increasing determination tried out the temper of its people and the disposition of Europe, probably deriving from each test encouragement for the desperate venture undertaken this Summer when Austria's ultimatum to Servia ushered in the train of catastrophic events that have followed.

A very fair case could be offered for the theory that Germany made a colossal bluff to all Europe on certain mistaken calculations, but the bluff was carried so far that the Kaiser had to make it good. It is a reasonable guess that he counted on Russia's unreadiness for war to demonstrate to the Slav States and the Balkans that they could not rely on the Czar's protection. That France was supposed to be in a state of internal disaffection which would cause it to weaken in the face of German aggression is also inferential. There was hardly a thought of Great Britain's willingness to get into a war or that the Low Countries would oppose Germany and that Italy was expected to side with Austria and Germany cannot be doubted. With what magnificence of self-confidence Germany has met the issues raised by itself is shown in the fast following declarations of war which have been made at Berlin, and it is evident that the Kaiser held his Empire to be fit and ready to stake everything on the gauge of battle. The proof of financial preparedness but adds to the other proofs that Germany courted and brought on this fearful struggle, but only time can tell whether or not and where the Kaiser went wrong in his reckoning.

As the week approached its end Germany and Austria, represented in the Hohenzollern and Hapsburg dynasties, found themselves surrounded with armies of provoked enemies. For Russia's attitude the explanation of ancient hostility between the Slav and the Teuton will suffice, but for the rest one can only see in the alignment of allies against Germany the effect of slow working influences which have at last brought the spirit of democracy into open combat with dynastic ascendancy. Some day in all likelihood there will be a European union against the Slav nations, but the significant aspects of the present struggle are those which express popular aspirations for political freedom against dynastic traditions.

The struggle goes back to the suppression of the French revolution in the Napoleonic phenomena. After Napoleon came Metternich with his Holy Alliance and his policy of reaction designed to prevent revival and spread of revolutionary ideas which menaced all kingly power. After Metternich came Bismarck with his policy of alliances which also contemplated the preservation of dynastic autocracy. The policies of reaction are now bearing their legitimate fruit in a war which finds the German people, although wonderfully equipped for democracy, fighting to maintain the dynasties in middle Europe. The conversion of the peaceful German people into a war mad nation is a tribute to the mind of Bismarck and one of the absorbing questions of the moment is whether or not the Germans will, in the course of the next few weeks, have a blinding revelation of what it has meant for them to organize their country for war, involving as it has a generation of the submission and subjection of public opinion to autocratic wills.

Through military organization there has been effected a wonderfully centralized control over the whole German life with the result of facilitating a directed and scientific economic development which is the wonder of modern times, but the burden of militarism has become too high a price for Germany and the rest of Europe to pay. Just as a century ago all Europe arrayed itself against France personified in Napoleon, so Europe has had to array itself against Germany personified in the Kaiser or accept a dominant militarism absolutely irreconcilable with the progress of mankind. Without hatred for the German people there has been manifested an instinctive American hope for Germany's defeat in the war which the Kaiser has brought on in deliberate adherence to an ideal of world empire or downfall. If the allies against Germany prevail we can expect to see democracy go forward and dynasty decline with the way prepared by the war for the eventual consolidation of the Western European nations against the final warfare for the destruction of absolutism, which will be waged when the whole world goes against the Slav.

For the time being news of the war will make us all more or

less oblivious of the troubles which the war has brought upon us, but they are real and others are to follow. International commerce all over the world has been suspended and international finance has been paralyzed. Domestic trade is backing up and slowing down rapidly in consequence.

Thanks to the swift adoption of emergency measures the banking position of the country has been fortified against both shock and strain. Last Sunday there was a feeling of great anxiety in banking circles as to what the new week might bring forth, but it was seen by Monday night that the steps taken to meet even panic exigencies had been plainly successful in preventing excitement. The closing of the Stock Exchange and the embargo placed on gold exports, together with the country-wide resort to clearing house certificates and the issuance of emergency currency, had allayed public unrest and had lightened immensely the sudden fearful pressure thrown on the financial organization. The next thing to do was obviously to devise some method of renewing the foreign trade movement and reopening the international money market, but headway has been made very slowly in the solution of this problem.

The chances are that no solution will be contrived in advance of an establishment of naval control over the ocean by one side or the other in the European conflict. Unless all the analysis of naval authorities is hopelessly awry it should not be many days before the British Government can announce that the seas are clear for shipping in all but German and Austrian bottoms, and for all goods except those contraband of war consigned to Austria and Germany. When such an announcement is made a huge volume of exports will be released here and with their release the blockade on the international exchanges will be lifted and domestic trade will proceed to move in volume. The situation will even then be far from spelling prosperity, but it will be infinitely better than the prostration which must be endured in the interval. What will come after can be left until then to discuss. Great Britain, whose economic life is wholly dependent on international trade and finance, has every reason for taking the most energetic action to clear the ocean for commerce, and it is possible that we have been concerning ourselves a little over-anxiously here as to how the supplies which we can send to foreign markets are to be delivered.

BROAD STREET.

[QUOTED PRICES OF BONDS AND STOCKS ON THE NEW YORK STOCK EXCHANGE WILL BE FOUND ON PAGES 187-191.]

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week July 25, 1914			Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,430.7	627.6	2,058.4	1,425.7	630.4	2,056.1
Deposits (net)	1,478.6	478.5	1,957.2	1,454.5	481.2	1,935.8
Cash reserves	393.4	73.0	466.5	374.0	70.3	444.4
Reserve ratio (%)	26.6	15.2	23.8	25.7	16.6	22.9

Actual Status.

	Week July 25, 1914			Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,431.7	625.7	2,057.5	1,423.4	635.3	2,058.7
Deposits (net)	1,479.5	478.7	1,958.3	1,422.7	488.7	1,911.5
Cash reserves	393.6	74.2	467.8	344.3	67.1	411.5
Reserve ratio (%)	26.6	15.5	23.8	24.2	13.9	21.5

Actual Status Non-Member Institutions.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	578.0	578.9	573.0	570.8
Deposits (net)	579.2	578.5	573.7	567.6
Cash reserves	53.5	53.1	52.5	53.2
Other reserves	90.6	83.1	83.5	83.8
Reserve ratio (%)	25.1	25.8	26.0	26.4

Aggregate Statement Actual.

(Exclusive of State National Banks Not Reporting Weekly.)

	1914			
	July 11.	July 18.	July 25.	Aug. 2.
Loans	2,665.3	2,633.2	2,630.5	2,629.5
Deposits (net)	2,513.7	2,522.7	2,532.0	2,479.1
Cash reserves	507.7	512.9	520.3	464.7

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 13.	July 20.	July 27.	Aug. 3.
Loans	397.1	398.4	396.4	396.8
Deposits	452.8	454.7	446.4	444.4
Cash reserves	100.3	100.6	99.7	95.9

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.63

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
August 1	1,644	1,317	2,961	1,838	1,435	3,273
July 25	1,630	1,286	2,917	1,588	1,364	2,953
July 18	1,609	1,437	3,046	1,725	1,454	3,179

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
August 1	2½	3¾	6	10	6	6*
July 25	2½	3¾	6	2½	2¾	4½
July 18	2½	4	6	3	3	4½

*Nominal.

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	July 16.	July 23.	July 30.	Aug. 7.
Deposits	55,803	55,920	67,131	68,249
Circulation	29,315	29,317	29,706	36,105
Gold	40,054	40,164	38,131	27,622
Securities	44,628	44,637	58,312	76,392
Reserve ratio (%)	52.28	52.40	40.03	14.62
Discount rate (%)	3	3	4	6

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,619.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 2.	July 9.	July 17.	July 25.
Gold and silver	1,586.8	1,596.4	1,681.6	1,722.7
Loans and discounts	1,284.3	1,026.0	867.3	801.0
Circulation	2,407.1	2,192.0	1,994.5	1,890.8
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	March.	April.	May.	June.
Loans on call	214.3	208.4	197.1	204.5
Loans, other	912.3	924.4	927.5	925.5
Deposits, demand	345.5	350.5	340.7	355.0
Deposits, other	760.6	767.0	759.3	767.7
Circulation	96.8	93.0	97.7	99.1
Cash reserves	112.7	113.2	113.3	113.3

THE COUNTRY'S COMMERCE

	May		June	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$133,723,713	$163,637,386	$131,245,877	$157,772,973
Exports	194,607,422	161,650,203	163,404,916	157,119,451
Specie.				
Gold—Imports	4,561,260	1,972,411	3,386,974	3,817,112
Exports	12,467,492	16,835,902	569,315	48,107,064
Silver—Imports	3,093,063	1,755,062	2,365,170	1,822,305
Exports	5,329,354	4,844,244	4,731,557	4,639,077

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

(Silver unquoted this week in London and New York.)

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
London	....	....	....	....	....	....

COTTON

August 8, 1914.

THERE have been no cotton markets during the past week. Every cotton exchange in the world upon which contracts for the future delivery of cotton are made has been closed by reason of the general war in Europe, and the members of these exchanges who are ordinarily doing business for customers in almost every city in the world have to a large extent been unable to get into communication with these customers at all. On the Continent of Europe many members of the cotton trade have been obliged to bring their business to an instant standstill, in order that they might join the colors. They were unable to give any directions to their correspondents in Liverpool and New York with regard to the disposition of their outstanding contracts, and commission houses in these markets are left in complete uncertainty as to what they should do to protect their customers' and their own interests. There is not the faintest expectation of the reopening of these exchanges for many days, possibly for weeks or even months. All the energies of the members of the greater exchanges have been devoted to reducing to the lowest possible terms the contracts outstanding between themselves, and, in so far as this is possible, the contracts carried by them for the account of customers. To accomplish these ends all the processes of "rings," "settlements" and "set-offs" have been resorted to. In Liverpool there has been a kind of forced transfer of all contracts, whether bought or sold, to the single position of January-February, and members have been required to bring their contracts with each other to the single price of 6.12d. for January-February. On the New York Cotton Exchange, the prices of the several positions, on contracts between members, have been brought to the prices quoted at 11.16 a. m. on Friday of last week, the moment when the exchange was officially closed for business. The result of these processes has been that the number of contracts outstanding between members of these exchanges has been reduced to the lowest practicable point, and prices to so low a level, compared with any recent prices for contracts for future delivery, that it is believed that, on the opening of the exchanges, even should a lower level of prices still obtain, all members could easily meet the situation. It is an almost marvelous thing that with such violent changes in the prices of cotton as occurred just before the closing of the New York Cotton Exchange on Friday, only three failures of member houses should have occurred, two of them of comparatively small size, and the third the large house whose inability to meet its engagements precipitated the final collapse of the market. The inherent security afforded to the trade in the "hedge" insurance obtained by buying or selling future contracts on the Exchange was eloquently illustrated by this fact. So conservatively is the business conducted that even the outbreak of greatest war in history and price fluctuations of the most violent character in the cotton futures markets were accompanied by failures extremely few in number and involving amounts of money infinitesimal in comparison with the enormous aggregate of business done. It should be noted that the same fact is true of the New Orleans Cotton Exchange and of the Liverpool Cotton Association. Outside of the absorbing activities of the members of the great cotton exchanges just described, the great question has arisen as to how the coming American cotton crop, which has already begun to be offered on the American markets and soon will be coming forward by the hundreds of thousands and then millions of bales, is to be financed and distributed in the face of such utter commercial and financial confusion as the European war has brought about. The problem is one of national importance in the United States, for the value of the cotton annually sold abroad is the backbone of our entire system of international financing. Certain it is, that the American cotton exchanges have not resources enough to carry the burden alone. Their capital and hence their ability to afford hedge insurance have accommodated themselves to the normal amount of business the American exchanges are called upon to care for. They cannot suddenly step into the place of the world at large and provide the facilities not only for the one-third of the American crop consumed at home, but also the two-thirds consumed abroad. Some provision of price insurance must be devised for the cotton trade unless the market value of cotton in the most active marketing months is to fall to ruinously low figures, reducing the cotton farmers to penury and disarranging the finances of the entire country. Able minds, both in the cotton trade and among bankers, are now busy with this problem, and it is to be expected that a plan will be worked out which will enable the early surplus of cotton to be carried along until it is later needed, without tremendous variations in the price between the earlier and the later part of the season. In the editorial pages of this paper, this matter is discussed more at length.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	.....	.....	.....	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	.....	.....	.....
October—						
High	11.00	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	.....	.....	.....
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
December—						
High	11.08	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	.....	.....	.....
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.80	.....	.....	.....	.....	.....
Close	11.10	.....	.....	.....	.....	.....
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	.....	.....	.....
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	.....	.....	.....
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	.....	.....	.....
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.76	.....	.....	.....	.....	.....

Exchange operations suspended at 11:30 a. m.

May—						
High		.....	.....	.....	.....	.....
Low		.....	.....	.....	.....	.....
Close	10.86	.....	.....	.....	.....	.....
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

August—						
Opening	6.55	....	....	.....	.....	.....
12:30 p. m.	6.45	....	....	.....	.....	.....
Close	6.45	....	....	.....	.....	.....
Aug.-Sept.—						
Opening	6.40½	....	....	.....	.....	.....
12:30 p. m.	6.35½	....	....	.....	.....	.....
Close	6.35	....	....	.....	.....	.....
Sept.-Oct.—						
Opening	6.31	....	....	.....	.....	.....
12:30 p. m.	6.30½	....	....	.....	.....	.....
Close	6.21	....	....	.....	.....	.....
Oct.-Nov.—						
Opening	6.30	....	....	.....	.....	.....
12:30 p. m.	6.28	....	....	.....	.....	.....
Close	6.18	....	....	.....	.....	.....
Nov.-Dec.—						
Opening	6.21	....	....	.....	.....	.....
12:30 p. m.	6.21	....	....	.....	.....	.....
Close	6.12	....	....	.....	.....	.....
Dec.-Jan.—						
Opening	6.22	....	....	.....	.....	.....
12:30 p. m.	6.23½	....	....	.....	.....	.....
Close	6.11½	....	....	.....	.....	.....
Jan.-Feb.—						
Opening	6.30	....	....	.....	.....	.....
12:30 p. m.	6.21½	....	....	.....	.....	.....
Close	6.12½	....	....	.....	.....	.....
Feb.-Mar.—						
Opening	....	....	....	.....	.....	.....
12:30 p. m.	....	....	....	.....	.....	.....
Close	6.13½	....	....	.....	.....	.....
Mar.-Apr.—						
Opening	6.25	....	....	.....	.....	.....
12:30 p. m.	6.27½	....	....	.....	.....	.....
Close	6.15½	....	....	.....	.....	.....
April-May—						
Opening	....	....	....	.....	.....	.....
12:30 p. m.	....	....	....	.....	.....	.....
Close	6.16	....	....	.....	.....	.....
May-June—						
Opening	6.30	....	....	.....	.....	.....
12:30 p. m.	6.28	....	....	.....	.....	.....
Close	6.16½	....	....	.....	.....	.....
June-July—						
Opening	6.56	....	....	.....	.....	.....
12:30 p. m.	6.17	....	....	.....	.....	.....
Close	6.16½	....	....	.....	.....	.....

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	15 7-16nom	....	....	....	....	....
Galveston	.....	.....	....	....	....	....
Mobile	13 nom'l	13 nom'l	....	....	....	....
Savannah	....	....	....	....	....	....
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	....	....	....	....	....	....
Baltimore	12½ nom'l	....	....	....	....	....
Augusta	....	....	....	....	....	....
Memphis	13	....	....	....	....	....
St. Louis	....	....	....	....	....	....
Houston	....	....	....	....	....	....
Little Rock	....	....	....	....	....	....

*Prices all nominal.

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	7.62	....	....	....	....	....
Good middling	7.14	....	....	....	....	....
Middling	6.66	....	....	....	....	6.50
Low middling	6.18	....	....	....	....	....
Good ordinary	5.22	....	....	....	....	....
Estimated spot sales	4,000	....	....	....	....	2,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	20,266	9,580	19,679	6,301
Overland to mills and Canada	1,361	2,739	5,867	2,917
So. mill takings, est., exclusive of takings from Southern ports.	10,000	10,000	15,000	.....
Loss of stocks at interior towns	*1,065	3,602	11,263	3,405
Brought into sight for week	32,692	18,717	29,292	5,813
Total Movement—				
Port receipts	8,561,030	11,888,569	9,864,933	10,413,745
Overland to mills and Canada	964,656	1,270,568	1,097,975	1,153,370
South mill takings	2,220,000	2,685,000	2,790,000	2,860,000
Stocks at interior towns in excess of Sept. 1	40,357	†4,286	34,129	†599
Brought into sight thus far this season	11,785,443	15,839,851	13,787,037	14,426,516

The total crop movement is respectively for 345 days, 341 days, 342 days and 341 days. *Gain. †Decrease.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	9,394	3,814,781	22,233	1,644	3,331,054	27,172
New Orleans	1,143	1,432,033	20,649	2,069	1,873,247	36,159
Mobile	968	228,384	3,621	56	434,331	4,725
Savannah	2,522	1,285,074	19,170	765	1,814,978	10,974
Charleston	166	308,292	3,343	224	423,302	1,178
Wilmington	83	342,725	9,585	2	393,702	7,369
Norfolk	1,988	599,290	19,802	1,009	585,123	16,187
Baltimore	742	79,201	3,478	102	92,598	3,460
New York	17	15,317	33,037	.....	6,682	102,141
Boston	5	45,664	5,238	10	20,998	5,919
Philadelphia	36	8,326	833	.....	3,629	2,025
Newport News	.....	113,792	367	.....	138,903	.....
Brunswick	.....	231,334	.....	.....	289,816	.....
Pensacola	.....	124,899	.....	.....	164,055	.....
Port Arthur	.....	138,642	.....	.....	46,238	.....
Pacific ports	.....	370,970	.....	.....	257,598	.....
Texas City, etc.	2,102	705,439	559	10	502,836	2,498
Jacksonville	213	15,655	380	.....	29,245	145
Georgetown	.....	110	.....	.....	.....	.....
Totals	19,679	9,864,933	142,281	6,301	10,413,745	220,452

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	195	18,091	139	272	1	17,794	.....	438
Dallas	10	133,426	110	2,019	.....	100,519	101	438
Shreveport	.....	140,975	.....	3,269	.....	194,978	.....	3,496
Little Rock	328	181,751	1,327	10,310	59	189,895	1,111	6,760
Helena	.....	41,643	.....	102	.....	65,811	113	1,088
Vicksburg	33	29,387	.....	769	13	34,351	88	635
Columbus, Miss.	.....	27,652	.....	113	.....	38,231	.....	176
Natchez	.....	18,131	.....	491	.....	19,706	.....	1,271
Memphis	1,336	817,732	1,860	16,980	954	1,127,895	1,503	16,159
Nashville	2	7,845	.....	378	.....	10,988	.....	130
Selma	79	118,896	89	871	161	129,611	168	626
Montgomery	200	188,319	176	4,024	21	156,544	2	2,934
Eufaula	6	21,340	5	834	5	22,473	.....	734
Columbus, Ga.	50	75,301	2,150	5,691	20	81,273	150	1,905
Macon	.....	36,709	611	2,486	16	44,685	24	48
Albany	2	23,965	2	681	46	27,469	16	1,023
Atlanta	154	165,308	318	1,044	12	232,506	100	1,341
Rome	104	52,008	200	3,605	35	58,445	150	3,095
Augusta	481	338,002	1,621	9,425	338	375,617	165	10,601
Columbia	2,320	105,869	2,320	.....	.....	87,614	.....	.....
Newberry	225	19,332	225	.....	.....	23,421	.....	.....
Charlotte	35	15,036	35	.....	.....	14,833	.....	.....
Raleigh	14	11,498	50	46	7	14,973	.....	27
St. Louis	1,918	591,690	4,347	9,485	1,114	575,132	1,550	14,689
Houston	5,898	3,121,499	8,586	26,931	1,935	2,766,286	2,803	24,932
Meridian	34	58,915	1,007	2,036	.....	33,983	174	1,926
Cincinnati	1,276	235,713	422	23,837	1,423	253,446	1,096	13,237
Yazoo City	.....	22,476	124	2,011	.....	40,937	20	1,184
Totals	14,730	6,588,590	25,724	127,746	6,160	6,739,216	9,334	108,893

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	4,413	4,223	680
France	1,213	373	.....
Continent	6,958	7,940	1,980
Mexico	.....	751	.....
Japan	.....	.....	.....
Totals	12,584	13,287	2,660
Since September 1.			
Great Britain	4,197,100	3,550,228	3,411,008
France	1,161,911	979,030	1,058,705
Continent	4,482,919	3,537,934	4,009,670
Mexico	15,094	22,414	27,947
Japan	514,770	386,420	346,790
Totals	10,371,794	8,476,026	8,854,120

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	.....	800	.....
Since September 1	7,258,528	7,457,562	.....

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	.....	201,750	3,000	206,727	.....	.....
To Manchester	4,250	232,050	.....	204,760	.....	.....
To Continent	10,500	391,834	11,500	412,969	.....	.....
To America	100	118,275	1,000	124,300	.....	.....
Total exports	14,850	943,909	15,500	948,756	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	10,000	2,691,000	.....	.....
Exports to Great Britain	1,000	41,000	.....	.....
Exports to Continent	23,000	473,000	.....	.....
Exports to Japan and China	19,000	921,000	.....	.....
Afloat in harbor	1,000	.....	.....	.....

Exchange, 1s. 4¼.

Receipts exclusive of —— American this week, —— this season; —— this week last year, 27,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	702,000	502,000	.....	.....
London	4,000	.....	.....	.....
Manchester, in wareh'ses	36,000	23,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	4,000	.....	.....
Bremen	172,000	168,000	.....	.....
Havre	116,000	107,000	.....	.....
Other ports—Continent	29,000	23,000	.....	.....
Alexandria	81,000	.....	.....	.....
Bombay	530,000	.....	.....	.....
U. S. interior towns	127,746	127,746	108,893	108,893
U. S. ports	142,281	142,281	220,452	220,452
Afloat for—				
Liverpool	37,000	12,000	.....	.....
London	.....	.....	.....	.....
Continent	158,000	57,000	.....	.....
Afloat in Bombay harbor	10,000	.....	.....	.....
Coastwise to New York	4,000	4,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	2,166,027	1,170,027	.....	.....

Decrease in general visible supply for the week, ——, against decrease last year, 213,693. Decrease in American visible supply for the week, ——, against decrease last year, 157,693.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	.....
Crop in sight to date	13,787,037	.....
Total supply	15,146,007	.....
Less visible supply, American, to-day	1,170,035	.....
World's takings, American, to-day	13,975,972	.....
American Takings.		
Stocks at United States ports August 31	296,353	231,106
Returned from foreign countries	469	3,363
Receipts at United States ports to date	9,864,933	10,413,745
Total supply at ports	10,161,755	10,648,214
Deduct.		
Stocks at ports to-day	142,281	222,005
*Exports to date	8,480,026	8,856,620
Southern mill takings from ports	87,182	152,955
Burnt at ports	8	11,465
Totals	8,709,497	9,243,045
To Northern mills from ports	1,452,258	1,405,169
Overland to Northern mills	1,097,975	1,153,370
Total Northern mill takings	2,550,233	2,558,539
Southern mill takings	2,877,182	3,012,955
Total American mill takings, including Canada	5,427,415	5,571,494

*Includes —— in transit between Southern ports and New York, against 4,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	33,275	5,427,415	.....	.....
Great Britain	64,223	3,366,062	.....	.....
Continent	88,313	4,773,661	.....	.....
Mexico	751	22,414	.....	.....
Japan and China	.....	386,420	.....	.....
Totals	186,562	13,975,972	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	37,000	37,000	26,000	.....
Sales, American	29,000	26,000	21,000	.....
Sales, speculation	1,000	1,000	1,000	.....
Sales, exports	3,000	1,000	1,000	.....
Forwarded	68,000	76,000	51,000	.....
Imports, all kinds	13,000	19,000	40,000	.....
Imports, American	7,000	5,000	23,000	.....
Actual exports, all kinds	14,000	7,000	2,000	.....
Stock, all kinds	724,000	702,000	856,000	.....
Stock, American	607,000	502,000	618,000	.....
Afloat for Great Britain, all kinds	55,000	37,000	64,000	.....
Afloat for Great Britain, American	18,000	12,000	35,000	.....

* * *

COTTON CROP EXPECTANCY BY STATES AS INDICATED BY DEPARTMENT OF AGRICULTURE'S CONDITION REPORT FOR JULY 25.

In last week's issue of this paper (page 151), the expectancy of this season's American cotton crop was figured to be 13,823,349 bales, on the basis of the average condition of 76.4 per cent of normal announced by the Department of Agriculture as obtaining on July 25, the Department's formula for "normal," or 100 per cent, for August 1 of this year, and the Department's estimated cotton acreage of 36,960,000 acres. In this calculation the general averages for the entire Cotton Belt were used. But, as the Department of Agriculture has more than once indicated, the general average of condition is in reality a composite of the averages of condition for the several States, and the "normal," or 100 per cent, is also an average of the "normal" for each of the States. The process of averaging allows the introduction into the totals of a certain variant of error, or, in other words, not quite the same results are reached if the crop expectancy is calculated by States, as if averages for the States combined are employed. In "Pearsall's Market Bulletins" for August 1, the crop expectancy indicated by the recent report of the Department of Agriculture is published, as calculated by States, each State being given its own "normal," or 100 per cent, production of cotton per acre for August 1, on the Department of Agriculture's formula. The result is a crop expectancy of 13,912,000 bales, instead of the 13,823,349 bales arrived at by the use of the general averages alone. The following tables gives, by States and in total, the condition on July 25, the acreage, the "normal" yield by acre in pounds, and the indicated crop in bales of 500 pounds gross weight, or 478 pounds net weight:

State.	Condition July 25.	Acreage.	Equivalent to 100% lbs. Per Acre.	Indicated Crop in Bales of 478 lbs. Net.
Virginia	89	46,000	275	24,000
North Carolina	86	1,589,000	305	872,000
South Carolina	79	2,826,000	285	1,331,000
Georgia	82	5,398,000	240	2,222,000
Florida	86	194,000	150	52,000
Alabama	81	3,912,000	220	1,479,000
Mississippi	79	3,148,000	257	1,337,000
Louisiana	76	1,389,000	230	508,000
Texas	71	12,052,000	211	3,756,000
Arkansas	72	2,527,000	239	910,000
Tennessee	73	866,000	245	324,000
Missouri	75	124,000	350	68,000
Oklahoma	75	2,854,000	226	1,012,000
California	100	35,000	...	17,000
Totals	76.4	36,960,000	234	13,912,000

* * *

Adana Province.— Mr. Edward I. Nathan, United States Consul at Mersina, Turkey, writes that all indications point to a

large cotton crop in the Province of Adana, Turkey, this year. Last year's crop of 115,000 bales will doubtless be exceeded if present prospects are realized. Sowings this year are in excess of last year and the plentiful rains have caused most of the seed to sprout. The cotton is, however, mostly short fibre and will not in any way affect the demand for American cotton.

* * *

Costa Rica.—Mr. Samuel T. Lee, United States Consul at San Jose, Costa Rica, writes that a petition is about to be made to the Congress of Costa Rica by Messrs. Harrell and Cooper Marshall, who will ask for a concession granting large tracts of unoccupied lands, to be planted in a new variety of cotton, which has been produced by the former during his residence on the Canal Zone. Samples of this cotton have recently been furnished the United States Department of Agriculture by Mr. Harrell. Mr. Marshall represents British interests, which, apparently, are ready to undertake cotton planting on a large scale.

* * *

Philippine Islands.—Mr. J. F. Boomer, correspondent of the of the United States Department of Commerce, writes from Manila that in the Island of Marinduque and the Province of Batangas, Island of Luzon, a wild shrub cotton (a type of *Gossypium*) has been found that promises to supply a valuable fibre for cloth weaving. This shrub, or bush cotton, is different entirely from the kapok or so-called "tree-cotton," that grows in abundance in many parts of the islands. The newly found bush, or shrub, cotton has a long fibre pronounced by the local cotton-mill managers longer and finer than that of the cotton imported from the United States. This cotton has been purchased and used in small quantities by the local mill at 4½ cents a pound more than is paid for the imported cotton. The shrub in places grows 15 feet high. It is a perennial and bears flowers and bolls at nearly all seasons of the year. No attention has been paid to the plant heretofore. It is probable that official experiments in planting and cultivating the shrub will be started. So far the plant is reported as growing wild in more or less abundance in the Provinces of Cebu, Batangas, Tayabas, and in the island of Marinduque.

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3¾ nom.	3¾ nom.
Gray goods, 38 in., standard	5	5
Brown sheetings, Southern standard	7¾-8	7¾-8
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	24½-25	24½-25
Southern 2-ply skeins, 60s	45	45
Southern single skeins, 10s	21 -21½	21 -21½
Southern single carded warps, 20s	21 -21½	21 -21½
Southern 2-ply carded warps, 24s	21½-22	21½-22
Southern frame cops, 10s	22½	22½
Eastern carded cops, 20s	23	23
Eastern carded cops, 24s	24	24
Eastern carded cops, 30s	28	28
Eastern carded peeler warps, 30s	30	30
Eastern carded peeler warps, 50s	47	47

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 1	88	86½	91	90	96⅜	96
August 3	88	85	92	89¾	97¾	86
August 4	90	86¼	94⅛	91¼	100	97
August 5	90⅞	86¾	96	91¾	103¼	98½
August 6	93½	89½	99½	95½	107¼	103
August 7	93⅜	89⅜	98½	95	106	103

CORN (New Contract).

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 1	71	69⅝	62⅛	60	64⅝	63¼
August 3	71½	66¼	64⅞	61⅞	66½	65
August 4	70⅝	68	65¼	63	68	66⅝
August 5	72¾	70	66⅞	64¾	69⅝	67½
August 6	74⅞	71¾	68¼	65⅜	71	68½
August 7	75⅞	74⅜	69¼	67½	72	70½

OATS.

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 1	36¾	36	38⅞	38	41⅝	40⅝
August 3	37	34½	39⅛	37	42¼	40⅝
August 4	36	35	38⅝	37⅝	42	40⅞
August 5	38⅛	35⅞	41	38⅞	44	42
August 6	38¾	37¼	41⅞	40⅜	44⅞	43
August 7	39¾	37⅞	42⅞	41⅛	46	44

LARD.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 1	9.85	9.72	9.97	9.85	9.75	9.72
August 3	9.55	8.65	9.80	8.82	9.40	8.97
August 4	8.82	8.60	9.02	8.80	9.15	8.95
August 5	9.07	8.80	9.25	9.00	9.37	9.12
August 6	9.52	9.10	9.70	9.25	9.65	9.60
August 7	9.65	9.47	9.82	9.65	9.95	9.82

RIBS.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 1	11.90	11.85	11.37	11.32	.....	.....
August 3	11.85	11.32	11.30	10.75	10.27	10.22
August 4	11.60	11.32	11.02	10.72	10.22	10.15
August 5	12.02	11.62	11.67	11.02	10.52	10.25
August 6	12.50	12.05	12.47	11.72	11.45	10.87
August 7	12.70	12.62	12.65	12.50	11.47	11.35

PORK.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 1	20.40	20.20	.....	.....	.....	.....
August 3	20.00	18.45	.....	.....	.....	.....
August 4	18.97	18.40	.....	.....	.....	.....
August 5	20.30	18.90	.....	.....	.....	.....
August 6	22.20	20.25	.....	.....	.....	.....
August 7	22.67	22.25	.....	.....	.....	.....

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on Friday, July 31, in cents and hundredths of a cent per pound, net weight:

	Fri.					
Spot	6.50	....	....	....	....	....
July	6.59	....	....	....	....	....
August	6.66	....	....	....	....	....
September	6.53	....	....	....	....	....
October	6.42	....	....	....	....	....
November	6.42	....	....	....	....	....
December	6.47	....	....	....	....	....
January	6.49	....	....	....	....	....
February	6.55	....	....	....	....	....

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, on Thursday, July 30, in cents and hundredths of a cent per pound:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot Rio 7's	7¼	....	....	....	....	....

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Last sale.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	79
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O	
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*	
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	99
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	98⅞
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*	
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O	
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	95½
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*	
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-C*	
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	64
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	91
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	92¼
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov	
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	100⅜
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	90½
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S	
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	87¼
91¾	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	89½
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	87⅞
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	98
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*	
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	100
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	99⅜
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N	
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S	
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*	
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	96
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	116⅝
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J	
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	90½
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N	
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	70
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*	
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	37⅛
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	92½
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	95
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	95
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N	
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	68
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	95
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*	
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J	
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*	
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	81¾
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	19½
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	66
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D	
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*	
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	71
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*	
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	89½
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N	
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A	
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	98
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N	
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	75½
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	52½
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*	
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*	
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J	
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	67½
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	63½
90	Jan	20	85¾	July	23	Erie (Pa) col 4s	1951	*F-A	88¾
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-C	
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*	
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*	
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	105¼
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O	
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O	
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*	
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	91
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	43
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	72½
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	97½
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	100½
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J	
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S	
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D	
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S	
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	71
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O	
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O	
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F	
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J	
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*	
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D	
93½	Sept	8	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	90

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

Range for 1913 High.		Range for 1913 Low.		Bonds.	Maturity.	Interest Payable.	Thursday, July 30. Close.	[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]
97⅝	Feb 3	8	[illegible]	[illegible] r deb g 4s	1931	*M-N	.....	
89⅜	Feb 19	81	[illegible]	[illegible] Island unified 4s	1949	*M-S	.....	
94	Jan 4	83	[illegible]	[illegible] Consol gen 4s	1938	*J-D	.....	
96	Apr 23	85	[illegible]	[illegible] Island ref 4s	1949	*M-S	.....	
99½	Jan 13	[illegible]	Jan 11	Louisv & Nash unified 4s	1940	J-J*	93¼	
9	Jan 14	50	[illegible]	Manhattan con 4s	1990	*A-O	.....	
95½	Jan 2	[illegible]	[illegible]	Man Ry 4s stpd tax exempt.	....	....	.....	
75¼	Jan 8	[illegible]	Oct 22	M K & T 1st 4s	1990	*J-D	81⅝	
57¼	Jan 8	41	Nov 12	M K & T 2d 4s	June 1990	F-A	57	
68¼	Sept [illegible]	[illegible]	Jan 12	M K & T ext g 5s	1944	M-N*	.....	
77½	Feb 3	60¾	Jan 4	M K & T ref 4s	2004	M-S*	.....	
87	Jan 2	[illegible]	[illegible]	M K & T gen 4½s	1936	*J-J	.....	
100¼	Jan 17	97	Aug 26	M K & T of Tex 5s	1942	M-S*	.....	
100	Feb 18	95	Feb 1	Mo Pac col tr 5s	Jan 1917	M-S	.....	
99⅜	Jan 15	91	Jan 14	Mo Pac col tr 5s	1920	F-A*	85½	
70⅜	Jan 9	62	Dec 29	Mo Pac 4s	1945	*M-S	39½	
85⅞	Jan 11	79⅜	Dec 16	Mobile & Ohio gen 4s	1938	M-S*	.....	
78	Jan 7	73	Dec 9	Nassau Electric 4s	1951	*J-J	.....	
58½	Jan 4	52	Dec 17	Nat Rys of M per lien 4½s	1957	J-J*	.....	
78	Jan 9	76¾	Dec 28	Nat Rys of M con 4s	1977	A-O*	.....	
104½	Feb 11	104½	Nov 8	Nash Chatt & St L con 5s	1928	*A-O	.....	
98⅞	Jan 6	96½	Dec 17	N Y Air Brake con 6s	1928	*M-N	97	
87¼	Jan 30	80	Dec 10	N Y Central ref 3½s	1997	J-J*	79¾	
91½	Jan 9	83	Dec 29	N Y Central deb 4s	1934	*M-N	.....	
83	May 14	76½	Dec 23	N Y Central L S 3½s	1997	J-J*	.....	
80	May 22	71	Dec 5	N Y Central M C col 3½s	1998	*F-A	.....	
99½	Jan 2	92½	July 18	N Y C & St L 1st 4s	1937	A-C*	93½	
86½	Jan 10	80	Nov 5	N Y G E L H & P 4s	1949	*F-A	.....	
102⅝	Sept 29	100⅝	June 14	N Y G E L H & P col tr 5s	1948	J-D*	104	
126	Jan 3	102¾	Dec 17	N Y N H & H con deb 6s	1948	*J-J	99	
87	Jan 23	68	Nov 12	N Y N H & H deb 3½s	1956	*J-J	.....	
92¼	Jan 20	84	Dec 23	N Y Ont & W 1st ref 4s	June 1992	M-S	81	
79	Jan 10	72½	June 10	N Y Rys ref 4s	1942	J-D	72	
61	Dec 30	51⅞	June 10	N Y Rys adj 5s	1942	J-D	45	
99	Jan 31	88	June 11	N & W con 4s	1996	A-O*	.....	
92¾	Jan 10	87	Dec 20	N & W div 1st lien 4s	1944	J-J*	.....	
104⅞	May 26	102¼	Nov 5	N & W conv 4s	1932	*J-D	.....	
92	Jan 13	83	June 23	N & W P C & C joint 4s	1941	J-D*	.....	
98⅝	Jan 10	91½	July 7	North Pac prior 4s	Jan 1997	Q-J	92	
68⅝	Sept 20	63½	June 5	North Pac gen 3s	Jan 2047	Q-F	67¼	
94	Feb 25	86	Nov 6	Oregon Ry & Nav 4s	1946	*J-D	.....	
112⅛	Jan 14	108½	July 17	Oregon Short Line 1st 6s	1922	*F-A	.....	
109	Jan 16	103½	June 19	Oregon Short Line cons 5s	1946	J-J*	.....	
93⅛	Jan 7	86½	June 13	Oregon Short Line ref 4s	1929	J-D*	89½	
101½	Feb 3	98	July 16	Pacific Coast 1st 5s	1946	*J-D	.....	
101	Jan 11	95	June 11	Pacific Tel & Tel 5s	1922	*J-J	.....	
102¾	Feb 5	98	Nov 29	Penn con 4s	1948	M-N*	99	
97½	Jan 7	95⅞	July 18	Penn con 3½s	Oct 1 1915	J-D	98¼	
89	Jan 2	79	June 27	Peoria & E 1st 4s	1940	*A-O	.....	
49¾	Feb 20	35	June 4	Peoria & E income 4s	Apr 1990	Ann.	21	
97½	Jan 25	96⅜	Dec 19	Reading gen 4s	1997	*J-J	93	
96¾	Mar 12	91½	June 16	Reading Jersey Cent col 4s	1951	*A-O	.....	
103	Oct 11	102	Sept 30	Rep Iron & Steel col 5s	1934	A-C*	104	
85¼	Jan 13	78	Oct 15	Rio Grande W 1st 4s	1939	J-J*	.....	
81	Jan 23	67½	Dec 17	Rio Grande W col tr 4s	1949	*A-O	.....	
84	Jan 31	75¼	Dec 10	St J & G I 1st 4s	1947	*J-J	.....	
106	Jan 10	100	June 26	St L & I M gen 5s	1931	*A-O	.....	
82⅝	Jan 31	74	Dec 22	St L & I M ref 4s	1929	J-J*	.....	
83½	Jan 3	76½	Dec 9	St L & I M Riv & G Div 4s	1933	*M-N	.....	
76¾	Jan 8	65	May 29	St L & S F R R ref 4s	1951	J-J*	63⅝	
82¼	Jan 7	50½	July 18	St L & S F R R gen 5s	1927	*M-N	.....	
90	Jan 6	82¼	Dec 22	St L S W 1st 4s	1989	M-N*	81⅛	
80	Jan 3	78	Feb 17	St L S W 2d income 4s	Nov 1989	J-J	.....	
81	Jan 7	75	Nov 26	St L S W consol 4s	1932	*J-D	.....	
104½	Jan 13	100¼	July 16	St P M & M con 4½s	1933	J-J*	.....	
96¼	Apr 4	92	July 21	St P M & M Mont ext 4s	1937	*J-D	95¼	
85¾	Jan 2	75	Nov 19	San Antonio & A P 4s	1943	*J-J	.....	
79	Jan 13	72½	Oct 15	Seaboard A L ref 4s	1950	A-O*	.....	
86	Jan 23	79½	July 7	Seaboard A L stamped 4s	1950	A-O*	85	
77¼	Jan 20	66½	June 12	Seaboard A L adj 5s	1949	F-A*	72	
94⅛	Feb 4	87	June 12	So Pac ref 4s	1955	*J-J	89	
98	Feb 7	87⅞	June 27	So Pac col 4s	Aug 1949	J-D	.....	
93⅝	Feb 1	84	June 10	So Pac conv 4s	June 1929	M-S	80½	
107⅛	Jan 10	101	June 24	So Ry 5s	1944	J-J*	102	
78½	Jan 2	72¼	Dec 1	So Ry col tr 4s	1956	*A-O	67¾	
86½	Jan 21	78½	June 20	So Ry M & O Div 4s	1938	M-S*	.....	
88½	Jan 8	79⅛	Aug 12	So Ry St L Div 4s	1951	*J-J	.....	
103	Jan 11	96	Dec 18	Tenn Coal & Iron gen 5s	1951	*J-J	.....	
89¾	May 10	88	Oct 16	Term Ass'n St L ref 4s	1953	*J-J	.....	
107¼	Jan 3	99	Nov 24	Texas Pac 1st 5s	2000	*J-D	.....	
82⅝	Jan 10	77½	June 10	Third Av ref 4s T R etfs std	2000	*J-J	.....	
81½	Dec 31	80	Dec 18	Tol St L & W 3½s	1925	J-J*	.....	
60	Aug 23	47½	June 9	Tol St L & W 1st 4s	1950	*A-O	41⅛	
96	Sept 26	92½	May 13	Underground London 4s	1948	J-J*	.....	
98⅜	Jan 14	94	Dec 2	Union Pacific 1st 4s	1928	*J-J	97	
97	Jan 2	86⅜	June 12	Union Pacific conv 4s	1927	J-J*	86	
93½	Jan 7	87⅞	June 19	Union Pacific ref 4s	June 2008	M-S	93½	
56	Jan 3	50½	Nov 24	United Rys San Fran 4s	1927	*A-C	.....	
62	Jan 10	53	Nov 29	U S Realty & Imp 5s	1924	J-J*	.....	
37	May 8	25	Jan 2	U S Reduc & Ref 6s	1931	J-J*	.....	
107	Feb 8	100	Mar 13	U S Rubber 6s	1930	*M-N	102	
108	Jan 7	96	June 10	U S Steel 5s	1929	*F-A	101¼	
98½	Jan 13	90¼	July 1	Va-Car Chemical 1st 5s	1918	J-D*	96¾	
77½	Jan 9	70	June 5	Wabash 1st 5s	Apr 1936	M-N	.....	
54¾	Jan 14	51½	June 2	Wabash 2d 5s	1939	J-D*	.....	
45⅝	Jan 9	41½	June 12	Wabash ref & ext 4s	1956	J-J*	41¼	
7½	Jan 2	6½	June 10	Wab Pitts T 1st Cen tr c	1954	*J-D	6¾	
7	Jan 2	6	June 10	Wabash Pitts T 2d tr c	1954	*J-D	.....	
60	Feb 18	58	June 11	West Maryland 4s	1952	A-O*	58	
102	Feb 11	97	June 5	West N Y & P 1st 5s	1937	*J-J	.....	
100	Jan 3	96	June 27	West Union col tr 5s	1938	*J-J	.....	
96½	Jan 15	91	June 3	West Union R E 4½s	1950	*M-N	.....	
93¼	Jan 13	88	June 2	Wis Central 4s	2361	*J-J	.....	
91	Jan 7	83	June 12	Wisconsin E & M 5s	1931	*J-J	93	
86¾	Apr 29	70	June 5	Worcester & L E con 4s	1949	M-S*	.....	
91⅝	Jan 11	84	June 5	Wrightsville Central 4s	1949	J-J*	86	

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Last sale.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	917/8
24 3/4	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	19 1/8
9	Dec	26	7 5/8	Dec	16	Allis-Chalmers	..	.....	6
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	32 1/2
80 1/2	Sept	16	61 5/8	June	10	Amalgamated Copper	6	Q May	49 1/2
57	Jan	3	41 1/4	Sept	5	Am Agr Chemical	4	Q Jan	50 1/8
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	.....
50 1/2	Jan	2	19 3/4	June	10	Am Beet Sugar	..	.....	19
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....
96 1/4	Jan	4	89 1/2	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....
136 5/8	Jan	6	127 3/4	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....
46 7/8	Jan	31	21	June	11	Am Can	..	.....	19 1/2
129 1/2	Jan	30	80 1/2	June	10	Am Can pfd	7	Q Jan	80
56 3/8	Jan	2	36 1/2	June	10	Am Car & Fdry	2	Q Jan	44 3/4
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	112
48 3/4	Jan	6	33 1/4	July	2	American Cities	..	.....	.....
78 1/2	Jan	2	60 1/4	June	28	American Cities pfd	6	Jan-July	59 1/2
57 3/8	Jan	2	33 1/2	June	12	Am Cotton Oil	..	.....	32
98	May	6	92 1/2	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	100
5 1/8	Jan	3	3 1/2	July	9	Am Hide & Leather	..	.....	3 1/4
28 1/4	Feb	10	15 1/8	June	10	Am Hide & Leather pfd	..	.....	17
27 3/4	Apr	4	17	June	10	Am Ice Securities	..	.....	19 3/8
12 1/8	Nov	7	6 7/8	June	10	Am Linseed	..	.....	7 1/2
33 3/4	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	25
44 1/2	Jan	6	27	June	10	Am Locomotive	..	.....	20 1/
106 3/4	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....
13	Jan	3	5 1/4	Oct	17	Am Malt	..	.....	.....
61 1/2	Jan	3	41 7/8	Oct	24	Am Malt pfd	4	May-Nov	32
86	Jan	9	79 1/2	June	12	Am Smelting pfd B	5	Q Jan	.....
74 3/4	Jan	30	58 1/2	June	10	Am Smelting & Refin	4	Q Jan	52 1/2
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	97 1/2
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	153
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan	.....
40 1/2	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	27 1/2
118	Jan	31	99 7/8	Dec	9	Am Sugar Ref	7	Q Jan	100
116 5/8	Jan	28	110 1/8	June	12	Am Sugar Ref pfd	7	Q Jan	108
66 1/8	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	114
294 3/4	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar	215
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	104
23 1/2	Sept	27	15	Dec	1	Am Woolen	..	.....	12
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....
32 1/4	Jan	2	11 7/8	Nov	14	Am Writing Paper pfd	..	.....	.....
41 1/2	Jan	2	30 7/8	June	10	Anaconda Copper	3	Q Jan	25
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....
43 1/8	Feb	19	42 1/4	Jan	30	Associated Oil	6	Q Jan	.....
106 3/4	Jan	6	90 1/4	Nov	10	Atch Top & Santa Fe	6	Q Mar	89 5/8
102 1/4	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	97 3/4
133 3/4	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	114
52 1/2	Jan	8	36 1/2	Dec	13	Baldwin Locomotive Co	2	Jan-July	41
105 1/2	June	6	100 1/4	June	25	Baldwin Locomotive Co pfd	7	Jan-July	105 3/4
106 3/8	Jan	22	90 5/8	June	10	Baltimore & Ohio	6	Mar-Sept	72
88	Jan	10	77 1/4	June	18	Baltimore & Ohio pfd	4	Mar-Sept	72 1/2
41 1/2	Jan	9	25	June	10	Bethlehem Steel	..	.....	30
74	Aug	12	62 1/4	June	10	Bethlehem Steel pfd	5	Q Jan	81
92 3/4	May	26	83 3/4	June	10	Brooklyn Rapid Transit	6	Q Jan	79 1/2
137 7/8	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	.....
116	Jan	30	100 1/2	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....
56 1/2	Feb	3	16	Oct	22	California Petroleum	..	.....	16 1/4
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	50
63	Feb	13	58 1/2	May	13	Canada Southern	3	Feb-Aug	.....
266 3/4	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	157 1/2
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....
30 1/8	Feb	5	17	June	10	Central Leather	2	Feb	28
97 1/4	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	96 1/4
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	.....
80	Jan	2	51 1/8	July	11	Chesapeake & Ohio	4	Q Mar	41 1/2
18	Jan	2	7 1/2	June	12	Chicago & Alton	..	.....	.....
25 3/4	Feb	25	17 1/4	Aug	21	Chicago & Alton pfd	..	.....	.....
17 7/8	Jan	9	10 1/8	June	4	Chicago Great Western	..	.....	9 1/4
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	27 1/8
116 1/4	Jan	9	96 3/4	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	85 1/4
145	Jan	30	131 1/2	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	126
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	127 1/2
188	Mar	3	171 1/8	Nov	19	Chicago & N W pfd	8	Q Jan	.....
125	Mar	8	119 1/2	Aug	25	Chicago St P M & O	7	Feb-Aug	.....
150 1/2	Jan	21	130 1/2	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....
47 5/8	Jan	2	30 3/8	June	10	Chino Con Copper	$3	Q Jan	32
54	Jan	21	34 7/8	Aug	26	C C C & St L	..	.....	.....
94 3/4	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....
41 1/2	Feb	3	24 1/2	June	10	Colorado Fuel & Iron	..	.....	21 1/2
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....
33	Jan	3	23 3/4	June	12	Colorado Southern	..	.....	20
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....
65 1/8	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....
102 1/4	Feb	25	102 1/4	Feb	25	Consolidation Coal	6	Q Jan	.....
142 3/4	Jan	9	125 1/8	June	10	Consolidated Gas	6	Q Mar	116 1/4
17 1/4	Jan	31	7 3/8	June	10	Corn Products Ref Co	..	.....	7 1/8
79 1/4	Jan	31	61 1/2	June	10	Corn Products Ref Co pfd	5	Q Jan	58 1/8
100 1/8	Jan	16	91 1/2	Dec	27	Deere & Co pfd	7	Q Mar	92 1/2
167	Jan	8	147 1/2	June	11	Delaware & Hudson	9	Q Mar	140
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	390
23 1/8	Jan	9	13 3/8	June	11	Denver & Rio Grande	..	.....	.....
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	8 7/8
30 3/8	Feb	4	67 1/2	June	3	Detroit United Railway	6	Q Mar	.....
21 1/4	Jan	2	9 3/8	June	10	Distillers' Securities	..	.....	11

Range for 1913—High.			Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Close
8½	Jan	2	4	Dec	19	Duluth S S & Atl	..	.....	.....
16¼	Jan	2	10	July	11	Duluth S S & Atl pfd	..	.....	.....
32½	Jan	6	20¼	June	10	Erie	..	.....	20½
49½	Jan	30	32½	June	16	Erie 1st pfd	..	.....	32
41	Jan	30	28¼	June	10	Erie 2d pfd	..	.....	26¼
18	Jan	22	11	De	17	Federal Min & Smelt	..	.....	10
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd	6	Q Mar	29½
185⅛	Apr	23	175	Jan	14	General Chemical	6	Q Mar	.....
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	.....
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	139
40	Aug	18	25	May	15	General Motors	..	.....	58⅞
81¾	Sept	30	70	May	8	General Motors pfd	7	May-Nov	79¾
180	Jan	11	150	May	19	Geo W Helme Co	..	.....	.....
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co	..	.....	20
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd	7	Q Jan	88
132⅝	Jan	9	115½	June	10	Great Northern pfd	7	Q Feb	114
41¼	Jan	3	25½	June	10	Great Northern Ore ctfs	..	.....	23
52¾	Jan	7	40¾	July	11	Guggenheim Exploration	3½	Q Jan	40½
87	Feb	6	80	Oct	17	Havana Electric Ry	5	Q Feb	.....
96	Jan	8	90	Nov	5	Havana Electric Ry pfd	6	Q Feb	.....
125	June	4	125	June	4	Hocking Valley	8	Q Mar	.....
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly	110
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	106
39	Jan	11	5	June	6	Inter Agricultural Corp	..	.....	.....
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	20¾
19⅝	Jan	30	12⅜	June	4	Interborough-Met	..	.....	11
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	52
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	84
143¾	Sept	19	111	May	12	International Harv pfd	7	Q Mar	117
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	.....
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd	..	.....	.....
12⅝	Jan	30	6½	Oct	9	International Paper	..	.....	6¾
48½	Jan	30	32⅛	Oct	15	International Paper pfd	2	Q Jan	30½
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	.....
70	Jan	9	15⅜	Dec	16	Inter Steam Pump pfd	..	.....	.....
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	.....
23	Jan	2	13	June	6	Iowa Central pfd	..	.....	.....
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd	4	Q Jan	.....
40	Jan	2	106½	Oct	10	Kansas City Southern	..	.....	21⅛
78	Jan	7	53½	Sept	9	Kan City Southern pfd	4	Q Jan	55
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co	6	Q Jan	.....
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd	7	Q Feb	.....
83	Sept	15	58	June	9	Kresge (S S) Co	6	Jan-July	.....
102	Jan	4	97	June	10	Kresge (S S) Co pfd	7	Q Jan	.....
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	..	.....	26½
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	85
11½	Feb	5	7	May	2	Lake Erie & Western	..	.....	.....
35	Jan	6	16	Nov	10	Lake Erie & Western pfd	..	.....	.....
168⅜	Jan	2	141¼	June	16	Lehigh Valley	10	Jan-July	121
235	Mar	6	195	June	6	Liggett & Myers	12	Q Mar	.....
116½	Jan	23	106½	July	22	Liggett & Myers pfd	7	Q Jan	.....
43⅛	Jan	6	30	June	10	Long Island	..	.....	31
200	Jan	28	150	June	13	Lorillard (P) Co	10	Q Jan	160
116½	Jan	22	103	June	10	Lorillard (P) Co pfd	7	Q Jan	115
142¼	Jan	10	126¼	June	11	Louisville & Nashville	7	Feb-Aug	127
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	61
69	Apr	7	62	Dec	17	Mackay Companies pfd	4	Q Jan	.....
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	128¼
76⅞	Jan	2	65	Oct	14	May Department Stores	5	Q Mar	.....
105½	Jan	2	97¼	June	10	May Dept Stores pfd	7	Q Jan	99½
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..	.....	53
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd	..	.....	.....
26½	Jan	4	20⅜	June	10	Miami Con Copper	50c	Q Feb	17½
23¼	Jan	2	12	June	11	Minn & St. Louis	..	.....	.....
47	Jan	29	30	Dec	4	Minn & St. Louis pfd	..	.....	.....
142¼	Jan	9	115¼	June	11	M St P & S S M	7	Apr-Oct	102
145	Apr	8	131	Nov	12	M St P & S S M pfd	7	Apr-Oct	.....
82½	Mar	5	81½	Dec	10	M St P & S S M l'd line	4	Apr-Oct	.....
29⅛	Jan	7	18⅛	June	10	Missouri Kan & Tex	..	.....	10¼
84½	Apr	11	52	June	10	Missouri Kan & Tex pfd	..	.....	27⅛
43⅝	Jan	9	21¼	Dec	23	Missouri Pacific	..	.....	8
.....	.....	.....	.....	.....	.....	Montana Power	2	Q Jan	43½
.....	.....	.....	.....	.....	.....	Montana Power pfd	7	Q Jan	.....
140	Jan	14	132½	June	9	Nashville Chatt & St L	7	Feb-Aug	135
130	Sept	13	104	June	11	National Biscuit Co	7	Q Jan	120
121⅞	Jan	8	116	June	4	National Biscuit Co pfd	7	Q Feb	125
19¼	Jan	20	9	June	5	National Enameling	..	.....	.....
92¼	Jan	30	74¼	Oct	21	National Enameling pfd	7	Q April	.....
56¼	Jan	2	42	Oct	20	National Lead Co	3	Q Mar	41⅝
103⅜	Oct	4	102	Oct	31	National Lead Co pfd	7	Q Mar	.....
21	Mar	3	21	Dec	8	Nat Rys of Mex 1st pfd	..	.....	.....
8½	Jan	2	8⅛	Dec	26	Nat Rys of Mex 2d pfd	..	.....	7⅛
20	Jan	2	12	June	10	Nevada Con Copper	37½c	Q Mar	10¼
61	Jan	8	36	July	16	New York Air Brake	6	Q Jan	58
100	Jan	20	90⅜	Dec	15	New York Central	5	Q Jan	77
54	Jan	15	47	Dec	31	N Y Chicago & St L	..	.....	.....
10	Oct	14	8	Nov	10	New York Dock	..	.....	.....
100	Jan	10	65	Dec	19	N Y N H & Hartford	..	.....	51
95	Jan	11	95¼	June	11	N Y Ontario & West	..	.....	18¼
104	May	5	99	Dec	19	Norfolk & Southern	½	Jan	.....
100	Jan	2	98	Dec	10	Norfolk & Western	6	Q Mar	97½
94	Jan	15	84½	Aug	19	Norfolk & Western pfd	4	Q Feb	.....
67	Jan	9	60	Dec	9	North American	5	Q Jan	66
77	Jan	11	70	Dec	27	Northern O Tr & Light	5	Q Mar	.....
98	Jan	6	100	June	1	Northern Pacific	7	Q Feb	97
20½	Jan	10	16	June	10	Pacific Mail	..	.....	17½
46	Jan	4	32	Nov	18	Pacific Tel & Tel	..	.....	20
36	Feb	19	32	Dec	4	Pacific Tel & Tel pfd	6	Q Jan	.....
125¾	Jan	7	106	Dec	13	Pennsylvania Railroad	6	Q Feb	106

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Close.
129¾	Sept 23	104	June 10	Peoples' Gas & Coke.....	8	Q Feb	106
99⅞	Jan 29	85	Sept 12	Philadelphia Co.....	7	Q Feb	.....
104	June 11	77⅛	Dec 11	P C C & St Louis.....	3	Q Jan	65¼
100	June 25	100	June 25	P C C & St Louis pfd.....	4	Q Jan	.....
24⅜	Jan 2	14½	June 11	Pittsburgh Coal.....	..	.....	16½
95	Jan 9	73	June 11	Pittsburgh Coal pfd	5	Q Jan	82
100	Jan 6	90	Nov 12	Pittsburgh Steel pfd	7	Q Jan	.....
36	Jan 7	18½	June 10	Pressed Steel Car	3	Q Mar	34
101⅛	Jan 7	88½	June 10	Pressed Steel Car pfd	7	Q Feb	.....
118	Jan 21	105	Dec 12	Public Service Corp N J ..	6	Q Jan	.....
165	Jan 2	149	Sept 5	Pullman Co.....	8	Q Feb	153⅞
4⅜	May 16	1	Dec 11	Quicksilver Co	..	.....	1
8	May 17	2	Dec 11	Quicksilver Co pfd.....	..	.....	1½
35	Jan 9	22¼	June 11	Railway Steel Spring	..	.....	19¾
100	Jan 13	90¼	June 10	Railway Steel Spring pfd..	7	Q Mar	.....
22	Jan 2	15	June 10	Ray Consol Copper	37½c	Q June	16¼
171¾	Dec 26	151⅜	June 10	Reading	8	Q Feb	140
92½	Apr 10	82½	Oct 14	Reading 1st pfd	4	Q Mar	.....
85	Apr 10	84	June 10	Reading 2d pfd	4	Q Jan	82
28⅜	Jan 31	17	June 10	Republic Iron & Steel	..	.....	18½
92¼	Sept 13	72	June 11	Republic Iron & Steel pfd..	7	Q Jan	78
24⅞	Feb 4	11⅝	Oct 17	Rock Island	..	.....	⅞
44¾	Jan 2	17½	Oct 17	Rock Island pfd	..	.....	1⅝
92¼	Jan 7	14	Nov 24	Rumely (M) Co.....	..	.....	8
99¾	Jan 4	33	Dec 18	Rumely (M) Co pfd.....	..	.....	22
20¾	Apr 1	14½	June 10	Seaboard Air Line.....	..	.....	15
49⅜	Sept 23	38	June 12	Seaboard Air Line pfd.....	4	Q Nov	47⅜
19¾	Jan 11	2¾	June 17	St L & San Fran	..	.....	2⅛
59	Feb 11	13	June 28	St L & San Fran 1st pfd...	..	.....	.....
29	Jan 11	5½	June 17	St L & San Fran 2d pfd....	..	.....	.....
96½	May 15	96½	May 15	St L & S F C & E I pf ctf..	..	.....	.....
35½	Jan 13	20	Dec 19	St Louis S W.....	..	.....	.....
75	Jan 9	56¼	Dec 20	St Louis S W pfd.....	2	Q Jan	.....
213½	Jan 2	154¾	June 12	Sears-Roebuck	7	Q Feb	170¼
124½	Jan 2	116	June 19	Sears-Roebuck pfd.....	7	Q Jan	122
45½	Jan 28	23	July 8	Sloss-Sheff St & I Co.....	..	.....	19½
93¼	Feb 8	88	Apr 30	Sloss-Sheff St & I Co pfd..	7	Q Jan	.....
110	Jan 30	83	Nov 10	Southern Pacific	6	Q Jan	84⅞
28⅝	Jan 2	19⅛	June 12	Southern Railway	..	.....	17¼
81½	Mar 26	72	June 10	Southern Railway pfd.....	5	Apr-Oct	67½
40½	Jan 31	31	Dec 9	Standard Milling	3	June	33
66⅞	Feb 4	52½	May 1	Standard Milling pfd.....	5	Apr-Oct	.....
36	Feb 6	15¾	Dec 1	Studebaker	..	.....	27½
93¼	Jan 13	64½	Nov 10	Studebaker pfd.....	7	Q Mar	82¾
39½	Jan 4	26¾	June 10	Tennessee Copper	75c	Q Mar	24¾
132½	Dec 31	89	June 10	Texas Co	10	Q Mar	113
22⅝	Jan 28	10¼	June 4	Texas Pacific	..	.....	12
97	Jan 18	93	June 4	Texas Pacific Land Tr....	..	.....	95
43⅜	Sept 23	27⅞	June 10	Third Avenue R R.....	..	.....	33
3	Jan 14	2	June 4	Toledo Railways & Light..	..	.....	.....
13	Jan 9	7⅛	July 9	Toledo St L & W.....	..	.....	.....
29¾	Jan 9	15¼	June 4	Toledo St L & W pfd.....	..	.....	.....
109	Sept 6	101⅛	June 6	Twin City Rap Tran.....	6	Q Jan	94⅞
7¾	Jan 3	4	Nov 14	Union Bag & Paper Co....	..	.....	4
41¾	Jan 3	18½	Nov 20	Union Bag & Paper Co pfd	..	.....	18½
99½	Jan 3	78	June 10	Underwood Typewriter	4	Q Jan	.....
113	Jan 21	104	July 10	Underwood Typewriter pfd	7	Q Jan	.....
162¾	Jan 6	137¾	June 11	Union Pacific	8	Q Jan	113½
93½	Jan 6	79¾	June 10	Union Pacific pfd.....	4	Apr-Oct	79
50½	Feb 7	40¼	June 10	United Cigar Mfg Co.....	4	Q Nov	40¼
103	May 7	96	Sept 3	United Cigar Mfg Co pfd..	7	Q Mar	.....
101	Jan 8	87	July 2	United Dry Goods.....	..	.....	.....
105½	Jan 14	95	Dec 16	United Dry Goods pfd....	..	.....	.....
35½	Jan 3	16	June 11	United Rys Invest Co.....	..	.....	.....
63½	Jan 3	30	June 11	United Rys Invest Co pfd..	..	.....	22
16¾	Jan 30	9¼	June 10	U S Cast Iron Pipe.....	..	.....	9
56¾	Jan 31	40	Dec 31	U S Cast Iron Pipe pfd....	4	Jan	.....
44	Jan 6	25	June 9	U S Industrial Alcohol	..	.....	.....
97	Mar 4	85	June 18	U S Industrial Alcohol pfd.	7	Q Jan	.....
77	Jan 9	49¾	Nov 28	U S Realty & Improv.....	5	Q Feb	.....
1⅞	Jan 16	½	Sept 25	U S Reduc & Refin.....	..	.....	.....
4	Jan 10	3	Apr 25	U S Reduc & Refin pfd....	..	.....	.....
69½	Apr 4	51	Nov 10	U S Rubber	6	Q Jan	45¾
109¾	Apr 9	98	June 10	U S Rubber 1st pfd.....	8	Q Jan	97
81½	Jan 9	78¾	Feb 13	U S Rubber 2d pfd.....	6	Q Jan	.....
69⅛	Jan 2	49⅞	June 11	U S Steel	5	Q Mar	51⅞
110¾	Jan 30	102½	June 10	U S Steel pfd.....	7	Q Feb	106½
60⅝	Jan 2	39⅝	June 10	Utah Copper	75c	Q Mar	46
43⅛	Jan 3	22	July 1	Va-Car Chemical	..	.....	21
114	Jan 3	93	June 30	Va-Car Chemical pfd.....	8	Q Jan	96
54	Jan 28	36	Dec 15	Va Iron Coal & Coke.....	..	.....	37
58	Feb 13	51	Jan 7	Va Ry & Power.....	3	Apr-Oct	.....
90¾	Dec 11	89	July 24	Va Ry & Power pfd.....	6	Jan-July	.....
21¾	Jan 24	11¼	Aug 8	Vulcan Detinning	..	.....	.....
90	Jan 6	49	Oct 1	Vulcan Detinning pfd.....	..	.....	.....
6	Aug 12	2	June 11	Wabash	..	.....	.....
17⅛	Aug 13	6⅛	July 8	Wabash pfd	..	.....	.....
123	Jan 6	85¼	Dec 18	Wells-Fargo Express.....	6	Jan-July	80
46	Jan 2	28⅞	Dec 12	Western Maryland Ry.....	..	.....	13¼
65	Jan 27	53½	June 18	Western Maryland Ry pfd.	..	.....	30
75¼	Jan 9	54⅛	Dec 22	Western Union Tel.....	4	Q Jan	54
79¼	Jan 2	53⅝	June 10	Westinghouse E & M.....	4	Q Jan	65½
119¾	Jan 7	107⅞	June 13	Westingh'se E & M 1st pfd	7	Q Jan	119
8	Jan 3	3¾	Oct 24	Wheeling & L E.....	..	.....	2½
28⅛	Jan 13	13	June 11	Wheeling & L E 1st pfd...	..	.....	.....
14	Jan 3	5⅝	Dec 19	Wheeling & L E 2d pfd....	..	.....	.....
58½	Apr 23	40⅛	June 11	Wisconsin Central	..	.....	29¾
112	Jan 2	81½	June 20	Woolworth (F W) Co.....	6	Q Feb	90
115½	Jan 3	109	June 14	Woolworth (F W) Co pfd..	7	Q Jan	116

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

c Ex. dividends. e Ex. Rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Sterling—						
Cables						
Demand						
Sixty days						
Ninety days						
Francs—						
Sixty days sight						
Ninety days sight						
Reichsmarks—						
Sixty days sight						
Ninety days sight						

[Complete confusion still prevailed in the foreign exchange market this week]

Coal Production in the United States.—The production of coal in the United States has again broken all previous records, the output for 1913 being 570,048,125 short tons, which is considerably more than double the production in 1900 and more than eight times the production of 1880, according to a statement just issued by the United States Geological Survey, from figures compiled by Edward W. Parker, coal statistician. The value of the coal mined in 1913 is given as $760,488,785.

Compared with the previous year the output for 1913 shows an increase of 35,581,545 tons, or nearly 7 per cent. The increased activity indicated by these figures was well distributed throughout the twenty-nine coal producing States, twenty-three of which showed increases and only six decreased production, the decrease in one of these—Colorado—being due solely to labor trouble. Of those showing increase, twelve made record yields, and Pennsylvania, the leading coal State, broke records in both bituminous and anthracite production.

The development of our coal-mining industry with reference to population presents some interesting comparisons. In 1850, the coal output was 7,018,181 tons, or 0.3 ton for each of the 23,191,876 inhabitants; in 1880 the population had increased to about 50,000,000 and the production of coal to about 71,000,000 tons, an average of 1.42 tons per capita. At the close of the nineteenth century, the population was 76,303,387, an increase of a little over 50 per cent as compared with 1880, while the production of coal had increased nearly 400 per cent in the same period and averaged 3.53 tons for each person. In 1913, the per capita production was figured at 5.85 tons. In addition to this increase in the consumption of coal, the use in recent years of petroleum and natural gas should also be considered.

The coal mines of the country gave employment, in 1913, to an army of nearly three-quarters of a million men—747,644. The average number of days worked by the bituminous miners in 1913 was 232, against 223 in 1912, while the average time made in the anthracite mines in 1913 was the best on record—257 days for each man. The average production per miner in the bituminous mines increased from 820 tons in 1912 to 838 tons in 1913, both being record-breaking averages, while anthracite miners increased their average from 485 tons to 532 tons in 1913.

QUOTED PRICES OF STOCKS OF NEW YORK INSURANCE COMPANIES

American Surety	*170	176	Metropolitan Life	*160	...
Commonwealth	300	...	National Surety	185	193
Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...	*Per cent price.		

CONDITION OF UNITED STATES NATIONAL BANKS ON JUNE 30, 1914

Following is an abstract of the reports of National banks of the United States as made to the Comptroller of the Currency in response to his call for condition as of June 30, 1914, as compared with the previous call March 14, 1914, and with the corresponding call of a year ago, June 4, 1913:

RESOURCES.

	June 30, 1914.	March, 4, 1914.	June 4, 1913.
Loans and discounts	$6,430,069,214	$6,357,535,898	$6,143,023,132
Overdrafts	15,485,641	21,335,628	19,006,152
U. S. bonds to secure circulation	734,897,425	733,564,382	735,226,870
U. S. bonds to secure U. S. deposits	48,405,573	50,285,032	47,061,690
Other bonds to secure U. S. deposits	56,781,211	.....	43,597,929
U. S. bonds on hand	11,955,298	59,332,288	6,338,000
Premium on U. S. bonds	4,058,150	5,476,718	6,876,636
Bonds, securities, etc.	1,015,981,897	1,027,326,660	1,050,587,655
Banking house furniture and fixtures	268,042,022	257,520,014	248,888,953
Other real estate owned	39,042,865	33,981,161	31,332,948
Due from National banks (not reserve agents)	421,754,572	513,728,136	439,021,200
Due from State banks and bankers, etc.	191,921,682	230,776,241	194,990,066
Due from approved reserve agents	777,498,700	881,702,553	762,176,994
Checks and other cash items	48,559,951	40,184,406	37,092,245
Exchanges for clearing house	303,321,303	282,343,800	257,560,492
Notes of other National banks	40,659,728	48,177,045	51,538,808
Fractional paper currency, nickels and cents	3,823,925	3,964,617	3,580,482
Total cash	791,584,566	792,694,095	724,074,627
Legal-tender notes	177,490,396	175,373,021	189,908,013
Five per cent redemption fund with Treasurer	35,509,539	35,402,097	35,394,885
Due from U. S. Treasurer	7,533,063	8,933,843	9,636,971
Totals	$11,482,190,770	$11,564,497,260	$11,036,919,757

LIABILITIES.

	June 30, 1914.	March, 4, 1914.	June 4, 1913.
Capital stock paid in	$1,058,192,335	$1,056,482,120	$1,036,919,792
Surplus fund	723,338,266	731,273,096	720,606,792
Undivided profits	268,184,165	272,703,334	268,140,962
National bank notes outstand'g	722,554,719	720,640,334	722,125,024
State bank notes outstanding	27,633	.....	22,415
Due other National banks	1,017,820,892	1,201,467,775	1,017,460,873
Due State and private banks	515,742,703	607,331,628	528,264,904
Due to trust companies and savings banks	603,678,412	619,704,372	528,940,184
Due to approved reserve agents	42,660,616	43,937,637	45,885,609
Dividends unpaid	18,660,220	1,337,166	1,529,195
Individual deposits	6,268,692,423	6,111,328,457	5,953,461,551
U. S. deposits	66,654,582	58,609,788	43,118,218
Postal savings deposits	23,841,062	23,568,198	18,661,875
Deposits of U. S. disbursing officers	.....	7,773,084	6,606,821
Bonds borrowed	43,487,030	47,123,180	43,215,465
Notes and bills rediscounted	13,436,527	8,772,534	14,080,930
Bills payable	77,775,401	45,372,735	58,825,794
Reserves for taxes	7,926,918	4,701,635	7,030,644
Liabilities other than above stated	3,516,788	2,370,180	2,022,652
Totals	$11,482,190,770	$11,564,497,260	$11,036,919,757
Reserve per cent	20.63	20.62	20.95
Number of banks	7,525	7,493	7,473

WILLCOX, PECK & HUGHES

Insurance Brokers

3 South William St., New York

INSURANCE IN ALL ITS BRANCHES

WESTERN ASSURANCE CO.

HEAD OFFICE
Toronto, Canada
(FIRE, MARINE AND TORNADO)
Incorporated 1851

W. R. BROCK.....President
W. B. MEIKLE...Vice-Pres. and Gen. Manager

United States Statement, Jan. 1, 1914
Assets $2,578,165.43
Surplus in United States..... 1,053,888.67

New England Mutual Life Insurance Co.
BOSTON, MASS.
CHARTERED 1835

Assets, January 1, 1914..... $66,168,702.53
Liabilities 61,182,456.00
Surplus $4,986,246.53

Seventy years of honorable dealing with its policyholders has placed the NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY in the front rank of American Life Insurance Companies.

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F. T. Partridge, A. Sec. M. P. Capen, Asst. Sec.
Edward W. Allen, Mgr., 220 Broadway, New York
Lathrop E. Baldwin, Manager,
141 Broadway, New York
Charles H. Strauss, General Agent,
200 Fifth Avenue, New York

HANOVER FIRE INSURANCE CO.

No. 34 Pine Street
NEW YORK

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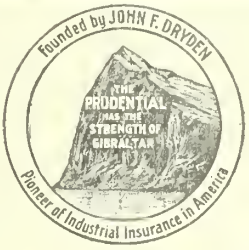

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A. R. MARSH, Editor

Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

"WHOM the gods would destroy, they first make mad." On Thursday of this week the Senate of the United States completed the legislative action required to make the so-called Lever Bill, regulating cotton exchanges, a law. It remains now only for President Wilson to sign the bill, and it is the general expectation that he will do this. The bill has already been sufficiently described in these pages, and there is no need to go over the ground anew. Six months will elapse before the new act actually goes into effect, but there can be no doubt that the cotton markets will immediately begin to show its effects, inasmuch as the very nature of the cotton markets is to make commitments predominantly for the future. On the two great American cotton exchanges, New York and New Orleans, it is reasonably safe to say that in normal times the average due date of all commitments is not far from six months ahead. Of course, at the present moment both these exchanges, as well as all the European exchanges, are closed on account of the dislocation of all international business by the war in Europe; and no one can foresee the probable time of their re-opening. Adjustments that have been going on in the Liverpool exchange since the war broke out would indicate that English cotton merchants hardly expect to be able to re-open their exchange until towards the very end of the present year. They have arranged to transfer all their outstanding commitments for the future delivery of cotton to the coupled position of January-February, 1915. It may, of course, be that events will permit an earlier resumption of active trading, but it was evidently looked upon as the part of conservatism not to expect a sufficient clearing-up of the situation to make it safe to resume business until towards the very end of the present year. It may very well be that even this period will prove too short, and that a full six months may elapse before the cotton trade feels itself to be in a position to renew the purchase and sale of cotton according to the system which has been developed during the past forty-odd years. Should this prove to a correct prognostication the Lever Act would become operative almost coincidently with the resumption of business on the domestic and foreign cotton exchanges. The Lever Act itself will undoubtedly be a most powerful influence against the early re-opening of the American exchanges. The cotton trade has been thrown into the utmost confusion by the war; its members are for the most part completely at sea with regard to their existing commitments, and are taking the severest losses in an attempt to reduce these commitments to such a status that they can be controlled and protected in the immediate future. The changes in the entire system of marketing the American cotton crop embodied in the Lever Act are far too profound to warrant members of the cotton trade in experimenting with them while the world is economically and financially, as well as politically, distraught. There is no generally accepted view as to the results which will be produced by this legislation; the very members of Congress who framed it and have procured its adoption are completely ignorant of its probable consequences; it is a leap in the dark, a blind snatching at a political remedy for a disease never competently diagnosed; prejudice and jealousy and ignorance and economic absurdity drove it on to its passage. And outside of Congress there is the same inability, on the part even of the most experienced minds, to reduce to the concrete terms of commercial practice the strange and hitherto unheard-of provisions of the act. There is not in the whole wide world one single cotton merchant whose conception of the effects of the act upon the cotton trade is more than the merest guess. There is no merchant anywhere who would dare, even if the Act were to go into effect in a time of universal peace and of undisturbed commercial relations, to enter upon engagements governed by the terms of the Act except tentatively and to a most limited extent. He would know that common prudence demanded that he should merely feel his way. It goes without saying that in times like the present, when all international commercial intercourse is either interrupted or subject to interruption at a moment's notice, a cotton merchant would be little less than insane to venture into the unknown and perilous field, where alone, according to the mandate of Congress, he may exercise his activities and employ his experience and judgment. It would, accordingly, be little less than a crime for the American cotton exchanges

to open and to hold out to the unsuspecting opportunities for making future commitments in cotton, at a time when the entire world is in a state of confusion with regard to commitments made under the thoroughly understood system about to be replaced, and when new commitments would virtually have to be made according to the terms of a statute which nobody understands.

It is impossible to deny that this is one of the most distressing conjunctures of affairs that has ever been seen in the commerce of the United States. The cotton crop is, (or should be), from the point of view of the country's international relations, commercial and financial, the greatest single asset we possess. At this very moment the picking of this season's crop has begun; in three weeks it will be in full swing and in six weeks over 100,000 bales of cotton will every day be picked and ginned, ready for market. This is a far greater amount than is required for daily consumption throughout the world, even in times of profound peace; and for months to come the daily consumption will be reduced, because of the disturbance of international trade by war, to an amount far below the normal. The surplus to be cared for will thus be, in all human probability, far greater, both absolutely and relatively, than has ever been known in the whole history of cotton. During the past forty years and more it has been the custom for cotton merchants and manufacturers to assume the burden of the surplus cotton of the active marketing months by means of commitments for future months and years entered into with owners of cotton, on the one side, and with ultimate consumers, on the other, assuming at the start the form of contracts for future delivery made on the great cotton exchanges, at home and abroad. But this year, with the burden greater than ever was known, the means of adjusting and carrying it are infinitely less than have been available for over forty years, i. e. since the cotton exchanges were established. The entire cotton trade is enmeshed in all the uncertainties of the war; and at the same time it is unable to look beyond the war by reason of the plight in which the cotton exchanges find themselves, partly as a direct result of the war and still more because of the complete ignorance of every one concerned as to the ultimate effects upon exchange transactions of the provisions of the Lever Act.

At the present moment, bankers are anxiously considering, in conjunction with the Government, projects for financing the season's cotton crop in such wise as to preserve to the country as a whole, in the first instance, and to the cotton producers, in the second instance, as large a part as possible of the value of the cotton we shall have to sell. The cotton producers themselves are sending delegations to Washington, in the endeavor to obtain governmental aid in their distressful situation. The commercial interests of the entire country, and particularly of the cotton-producing States, are keenly alive to the economic loss involved in marketing the cotton crop at a ruinously low price. It may almost be said that our entire financial situation for a long time to come is dependent upon a successful solution of the problem. And yet this is the very time chosen by Congress to tie the entire cotton trade hand and foot for virtually the whole period of greatest danger, to annihilate at a stroke the basis of the credit of all modern cotton merchants,—a credit which has enabled them to buy all the cotton grown in the country, ready for sale by the producers, and to sell it to the consumers all over the world, whenever and wherever they might desire it; in other words, to remove the cotton trade entirely, as a saving force, at the very time of greatest need. Human folly could reach no farther!

This is no proper moment for a detailed analysis of the Lever Act. A little later, when the agonies of commerce and credit and finance have become somewhat less acute, this paper will atempt to apply the scalpel and to dissect the measure, with a view to showing what it really means and what consequences will really flow from it. It must suffice now, however, to bring out the essential preposterousness of one or two of its provisions, as that preposterousness is made apparent by the difficulties and dangers of the present situation. We would invite attention especially to the unspeakable absurdity of a whole great nation like the United States seeking any and every means of reaching foreign markets with the two-thirds of the cotton crop that must be sold abroad, and at the same time enacting legislation such as is contained in Section 11 of the Lever Act. Here is this precious legislative panacea for the troubles of the harassed producers of the most important, in an international sense, of all the commodities produced in the United States, and that the very commodity which every thinking man is at the present moment most anxious to find every possible market for, upon the most advantageous terms possible. Section 11 of the Act reads as follows:

"Sec. 11. That upon each order transmitted, or directed or authorized to be transmitted, by any person within the United States for the making of any contract of sale of cotton grown in the United States for future delivery in cases in which the contract of sale is or is to be made at, on, or in any exchange, board of trade, or similar institution or place of business in any foreign country, there is hereby levied an excise tax at the rate of 2 cents for each pound of the cotton so ordered to be bought or sold under such contract: *Provided*, That no tax shall be levied under this Act on any such order if the contract made in pursuance thereof comply either with the conditions specified in the first, second, third, fourth, fifth, and sixth subdivisions of section five, or with all the conditions specified in section ten of this Act, except that the quantity of the cotton involved in the contract may be expressed therein in terms of kilograms instead of pounds."

The legislative explanation of this extraordinary provision of the Lever Act is that it will never do to hold the "cotton gamblers" who now frequent the American cotton exchanges to rigid and sharply restricted conditions of trading at home and at the same time to have it open to these immoral persons to use the readily accessible cables and go on with their "gambling" in the Liverpool and other foreign markets. The actual effect of the provision, however, is that not a single person within the United States, except a mere buying agent of a foreign house, can buy a hundred bales of cotton and sell on a foreign exchange a contract for the future delivery of the same, without paying a tax of $10 per bale, or $100 for the one hundred bales included in the contract. Surely, this is a marvelous device for obtaining the widest possible market and the highest possible price for the American cotton crop! It may be said that the proviso contained in Section 11 will become operative and that the foreign exchanges will make their form of contract conform to the provisions of the Lever Act, so that the selling of future contracts on those exchanges will become tax free. But every person familiar with the conditions of the cotton trade

in foreign countries,—conditions which must be met by the forms of contract of the foreign exchanges,—knows that contracts embodying the provisions of the Lever Act are impossible there. Hence, so long as the Lever Act is in force, all American cotton merchants will be precluded from buying any cotton at all for sale, in the form of future contracts, on the Liverpool and other foreign cotton exchanges. Should the Liverpool Exchange re-open to-morrow, (assuming that President Wilson will sign the Lever Bill within a day or two), none of the cotton now beginning to be offered for sale in the South, nor any of the vast burden of cotton requiring to be marketed by the South in the next three or four months, could be safely bought by any person within the United States and "hedged" with future contracts on that exchange; for should such a buyer be unable to dispose of his cotton before the end of February, 1915—i. e. before the possible or even probable date of the termination of the European war,—and thus be compelled to transfer his hedge to a position later than February, he would be compelled to pay to the United States Government a tax of $10 per bale on every bale of the cotton whose "hedges" were thus transferred. This is indeed a mockery of good sense in the solution of a problem that is to-day deeply vexing the minds of American bankers and merchants, as well as of American cotton producers, and that is troubling the Government of the United States itself.

Arthur Richmond Marsh

WILL GOVERNMENT REGULATION SUCCEED

By Samuel O. Dunn*

WHETHER government regulation of railways and other public service corporations will succeed is a question of foremost importance to the American people. If regulation is a failure the public will be presented with two alternatives. It may let these concerns be managed without regulation and control; or it may acquire and operate them itself.

Many have no doubt as to which of these alternatives would be preferable. They would unhesitatingly choose public ownership. Many would even prefer public ownership rather than private ownership subject to public regulation. I have given some years of study to government ownership; and I have become with respect to the politico-economic opinion now apparently dominant, a heretic. I do not accept the view that if we had to choose between unregulated private management and government ownership we ought to choose public ownership. Under the political conditions that exist in this country, if I had to choose between unregulated private management and government management I would choose unregulated private management. Five years ago I would have said the opposite. That was before I had really studied the subject. Unregulated private management has serious faults. It has developed numerous abuses in this and other countries. But government management is also unregulated management, for the government cannot regulate itself. And unregulated government management has greater faults than unregulated private management. Under unregulated, or practically unregulated, private management of railways we had rebating, stock watering and numerous other abuses. But along with those abuses we had the most enterprising and progressive railway management that ever existed. The unregulated private management developed railways faster, built them cheaper, paid higher wages, charged lower rates, and did more to promote commercial and industrial development than has been done by any other railway management, regulated or unregulated, private or public. It was the first railway management in the world to adopt the air brake. It was the first to adopt the automatic block signal. It was the first to adopt steel freight and passenger cars. It was the first to develop those systematic methods for increasing the average load hauled per car and per train which have done more to reduce the cost of railway transportation, and thereby to keep down the rates that must be charged for it, than all the other methods that have been developed since the railway was invented. As President Hadley, of Yale has said, "With all the talent that has been put into public administration of industry, it is a salient fact that the important inventions have been made in countries enjoying private enterprise. * * * In most cases it took government experts from twenty to twenty-five years to discover them after they had been in use on private (railway) lines." It is this initiative and enterprise which constitute the great merit of private management; and it is the lack of them which constitutes the great defect of public management. And this one demerit of public management is more than an offset to all the shortcomings and offenses of unregulated private management.

Private management means progress, although incidental to that progress there may be abuses. Nowhere has public management meant progress in the true sense. Public management is like the Japanese nation. It is often skillful at imitating improved methods or machinery that others have introduced, but it never creates them. And this is a shortcoming of public management which is ineradicable.

I know that the advocates of public ownership make remarkable claims regarding the results it has secured in other countries, and that it would secure here. But you will search the world in vain for evidence in support of these claims. They tell us that government management would be more economical than private management; but the evidence shows that under comparable conditions private management is almost invariably more economical than public management. They tell us that public management would provide more adequate facilities than private management; but the evidence shows that under comparable conditions private management usually has provided more adequate facilities than public management. They tell us that our railways would be safer under public management; but when you study the evidence you find that in almost every country where there are both State and private railways the private railways are as safe as, or safer than, the State railways. They tell us that under government ownership railway rates in this country would be lower, in spite of the fact that the evidence shows that, all conditions considered, the rates here are the lowest in the world. They tell us that under government ownership the public would derive a profit from the railways, in spite of the fact that a great majority of State railways do not earn their operating expenses and interest, and, therefore, have a deficit which must be paid from public taxation.

But while to some of us it may seem clear that private ownership, even without regulation, would be preferable to government ownership, the fact must be recognized that it is very doubtful if the public could be convinced of this. The public believes that the only alternatives are either successful public regulation or public ownership. And if regulation fails public ownership very probably will soon follow. Therefore, all who believe in the advantages of private ownership and management should be anxious to see a policy of regulation worked out and adopted which will succeed.

The first essentials of such a policy are that its purpose and

*An address before the Indianapolis Transportation Club, May 11, 1914.

scope be clearly defined, and that it be kept to that purpose and within that scope.

The proper purpose of government regulation is the promotion and protection of those interests of the public that are affected by the concerns regulated. And how may this be best accomplished? The fact that a policy of regulation is adopted implies a conviction that the government cannot best promote and protect the interest of the public by undertaking the management of railways and other similar concerns itself. It may be assumed that if the public believed that government management would be preferable it would adopt that policy. By adopting public regulation the public shows that it wants the duties and responsibilities of management left with the owners and officers of these concerns, and intends that the regulating authorities shall interfere with and control their acts and policies only when they require control for the protection of the public. The function of those who regulate is not an executive function. It is a corrective one. It is not ordinarily their place to tell the managements what they must do any more than it is ordinarily the place of a police department to tell citizens what they must do. It is ordinarily their function to tell the managements what things they must not do, and keep them from doing those things, as it is the duty of a police department to tell citizens what they must not do and keep them from doing those things. Because policemen are required to prevent burglaries and apprehend those who commit them is no reason why the police departments should be authorized to control and direct every action of every citizen in every detail of his life. Likewise, because it is necessary to have laws and commissions to control those public service concerns and their officers who may be disposed to act dishonesty or unfairly, it does not follow that all public service concerns and all their officers should be presumed to be malefactors and extortionists and should have their every business act subjected to scrutiny and direction by public authorities.

The purpose of public regulation is, or ought to be, to conserve all the benefits of private enterprise and management while curbing the excesses and abuses to which they give rise when unregulated. To attempt to control and direct in detail the acts and policies of public service concerns while leaving them in private hands would be to sacrifice all of the advantages of private ownership and management, and secure none of the advantages of public ownership and management.

The purpose of public regulation should be, then, not managerial or executive, but corerctive. Over what parts of the business of a public service concern should this corrective authority extend? It should extend, it would seem, wherever experience shows that abuses will develop which work a detriment to the public. Experience has shown that railways may discriminate unfairly in their rates. Therefore, the regulating body should have authority to correct unfair railway discriminations. Experience has shown that railways and public utilities may charge exorbitant rates. Therefore, the regulating body should have authority to reduce rates that are unreasonable. Experience has shown that private managements, in the absence of competition, or where there is combination, may give poor service. Therefore, the regulating body should have power to correct defects of service. Experience has shown that such concerns may so keep their accounts as to deceive investors. Therefore, the regulating body should have authority to make them keep proper accounts and make proper reports. There is no necessary conflict between the principle that regulation should be given a wide scope, and the principle that it should not seek to arrogate to itself the functions of management. The regulating body which has a proper conception of its functions, and a reasonable capacity for self-restraint, will have no difficulty in correcting unfair discriminations in rates and shortcomings in service without trying to supersede the traffic manager in initiating rates and the general manager in directing operations.

Experence has shown that if regulation is to be at once tolerably intelligent and effective it must be taken out of the hands of both legislatures and courts and intrusted to administrative commissions. We have developed regulation by commission to a greater extent than the people of any other country, and some foreign observers whose opinions merit respect have expressed optimism regarding our experiment in this direction. "There can be little doubt," says Sidney Brooks, one of the leading publicists of England, "that it is in the utilization of such commissions to stand between the local authorities on the one hand and the corporations on the other that the United States is destined to lead the world and make the most valuable of all contributions to the problem of combining private initiative and enterprise with protection of public rights." Another Englishman who is a very keen student of public affairs and economic matters in this country is W. M. Acworth; and recently when Mr. Acworth appeared before the British Royal Commission on Railways he described the authority and work of the Interstate Commerce Commission and advocated the creation of a body with somewhat similar powers in England.

As we have adopted a policy of regulation which in outward seeming approximates the policy which it would appear is adapted to our needs, it might be thought that there could be no reason for serious doubt as to its success. And yet there is much ground for very serious doubt as to whether it will succeed. Why is this? Whose fault is it? What needs to be done to insure the success of regulation?

That the permanent success of regulation is so doubtful is due to the attitude and conduct of the corporations and their representatives, on the one hand, and the attitude and conduct of the public and its representatives, on the other hand.

When the policy of public regulation first began to be adopted most officers of public service corporations resented and resisted it as a meddlesome interference with their work and an encroachment on the property rights of investors. As time passed this general opposition to regulation merely as such declined, and it has finally disappeared. But there are managements of public service corporations here and there which, although some of them are honest and efficient, still regard public regulation in the same old way, and seize every opportunity to flout and defy the regulating authorities and the public which they represent. A short time ago a newspaper despatch described how a vice-president of a large railway system—which, by the way, is notably well managed—had literally booted out of his office a representative of the Interstate Commerce Commission. Now, nothing could be sillier from the standpoint of the railways themselves than such conduct on the part of a railway officer. Its necessary tendency is to incense the regulating authorities and the public against the railways, and, thereby, to promote drastic and harmful regulation. Again, some railway managements continue to do things which are unwise and dishonorable, if not downright dishonest, and the disclosure of which tends to blacken the reputations of all railway managers and managements. For example, right in the midst of the splendid fight which railway officers have been making for less drastic regulation of their rates and earnings were disclosed the facts regarding the financial legerdemain which contributed so largely to throw the St. Louis and San Francisco into bankruptcy and to compel the New York, New Haven and Hartford to suspend its dividend. These disclosures have done more harm to the cause of fair and salutary regulation for railways than the malevolent and ex-

aggerated attacks of many muckrakers and many demagogues. It is regrettable, but it is true, that one imbecile or dishonest railway manager can do more to turn government regulation in the wrong direction than ten capable and honest railway managers can do to turn it in the right direction.

While the success of regulation is menaced by the tactless, unwise, or unscrupulous conduct of a minority of corporation managers, it is menaced even more by the spirit which animates a large part of the public and which to an even greater degree animates most of the public authorities that are directly concerned with regulation. The public began to adopt laws and create tribunals for regulation in a prejudiced, revengeful spirit. This is not surprising, in view of some of the abuses which had prevailed and which it was the purpose of regulation to correct. It is not very surprising that this prejudiced, revengeful spirit has continued to be shown in view of some of the disclosures regarding corporation management which have continued to be made up to the present time. Nevertheless, that spirit has come to be, as respects the managements of most railways at least, entirely unjustified, and it is now, because of the effects which it is producing, very much the greatest obstacle to the success of public regulation.

One of its effects is the continuance of the adoption of legislation to regulate features of corporation management which either ought not to be regulated at all or ought to be left to be dealt with by the public service commissions. For example, there are the full crew laws which the labor lobby has succeeded in getting ignorant or vote-seeking lawmakers to burden the railways with. You have one of them in Indiana, As a means of promoting safety they are worse than worthless. They increase expenses, and they tend rather to increase than reduce the danger of accidents. Why are such laws passed? Sometimes it seems that the public must think that any legislation which will injure the railways is bound to benefit the public. You may say that the public is not responsible for such legislation and does not want it. But in every democratic community or country the people get the kind of legislation and government they really want and deserve. It is mere cant to say they do not. If a democratic government is corrupt, it reflects a corrupt people; if it is vicious, it reflects a vicious people; if it is foolish it reflects a foolish people.

Another menace to the success of regulation is the subjection of railways and other large concerns, such as telephone and telegraph companies, to the requirements of all of the States and of the Federal Government, besides. This might be tolerable if the various regulating authorities would show a disposition to unify and harmonize their regulations and to be reasonable and just. But, unfortunately, the requirements made by them are extremely diverse and often conflicting. And as to most of the States, it is impossible to say whether their laws, or the men they put on commissions to enforce them, are the more ignorant and unjust.

A spectacle which has been presented at the recent hearings before the Interstate Commerce Commission in the matter of advances in freight rates in eastern territory illustrates the kind of regulation and the kind of regulating officials we have in many States. The State commissions, like the Interstate Commerce Commission, are charged with enforcing the regulatory statutes. They are, besides, charged with the regulation of rates. It is tacitly assumed that in passing on the reasonableness of rates they will act as impartial arbiters between the concerns that charge them and those who pay them. Nevertheless, some time ago representatives of the commissions of eight States, all of them west of the Mississippi River, met at Kansas City, adopted resolutions declaring that no advances in rates were justified and designated the chairman of one of these commissions to appear for them before the Interstate Commerce Commission and oppose any advances. These wise and impartial commissioners, without having heard a single word of testimony or argument on either side, settled the entire question to their own satisfaction, and then proceeded to constitute themselves parties to the case. Their representative went to Washington and appeared there, as the record shows, not only for the State commissions which paid his expenses with the money of the taxpayers of their States, but also for two large shippers' organizations, the American National Live Stock Association and the Grain Dealers' Association.

Now, what must we think of the spirit that animates the railroad commissions of those eight States? What must railway men think of their chances of getting a square deal from them? What must investors think of the chance of fair treatment that capital invested in railways has in those States? Manifestly, those State commissions are packed against the railways. Their members have no sense of fairness and only a rudimentary sense of decency. A railway stands as much show of getting a square deal from them as a heretic stood of getting a square deal from the Spanish inquisition under Torquemada, or as a negro accused of rape does from a Southern mob. Railway regulation is in the same condition in those States as the administration of the criminal law was in Kansas and Colorado in past years, when every distinguished citizen of Dodge City or Cripple Creek had his own private burying ground; and it is not without its significance that in the one Western State where railway regulation has been the most drastic the chairman of the commission is an ex-cowpuncher who was once tried for murder, and one of the leading candidates for Governor is a former member of the Dalton gang of bandits. This State, I might add, is one of the eight whose commissions sent Mr. Thorne to Washington. Do you say that the action of these eight commissions did not reflect the public opinion of their States? It can hardly be without significance that in every one of them the members of the commissions are elected by the vote of the people.

Perhaps the most serious menace of all to the success of government regulation is the acceptance by many regulating authorities and a large part of the public of the principle that public service corporations should be limited to what is called a "fair return" upon the fair value of their properties. To this principle it is now being attempted to add the principle that there should not be included in valuation any allowances for increment in value or for value created by the investment of earnings. It is commonly assumed that the Supreme Court of the United States has held that all that a public service corporation is entitled to is a "fair return." The court never has laid down any such principle. What it has held is that a concern rendering a public service may not be restricted to less than a "fair return." Furthermore, it has held that such concerns are entitled to benefit by the increase in the value of their properties. But the public assumes, and perhaps correctly, that the court meant that the public may restrict a public service corporation to barely what might be construed to be a fair return, and a large part of the public has assumed, further, that this minimum which the courts have fixed may properly be taken by the regulating authorities as a maximum.

Now, there are two questions to be considered here. One is, how small a return a public service corporation may be restricted to without confiscation of its property? That is a legal question. The other is, what return ought a public service corporation to be allowed to earn in justice to investors and for the best interests of the public? That is a question of equity and public expediency. Now, it is the question of expediency, not the question of law, with which the public is most vitally concerned, and it is very unfortunate that it has got the two questions confused in its mind. It

seems not improbable that it would be better both for the owners of railways and public utilities and for the public if the constitutional rule that public service corporations cannot be denied a fair return had never been established. Then the question of public policy could be presented to the public without being mixed up and confused with a question of constitutional law. This is the situation in our neighbor Canada, as it is in France; and in both of these countries the profits well managed railways are allowed to earn, and which they are actually guaranteed by the public, are substantially larger in proportion than the public and regulating authorities in this country are disposed to allow to be earned. In our attempts to apply the legal formula of a fair return to the solution of a problem that is purely one of public policy and public expediency we are hindering, and threatening to arrest, the improvement and the increase of our transportation facilities.

Now, these are some of the obstacles to the success of government regulation. Will they be overcome? Will the attitude and conduct of public service corporations and their representatives, on the one side, and of the public and its representatives, on the other side, change enough to enable us to improve our system of regulation until it shall accomplish what such a system ought to accomplish, without hindering and hampering the managements of the concerns regulated, in doing the things which it is their proper function and their right to do? There is no great reason for pessimism on that score. The attitude and conduct of the owners and managers of public service corporations have improved remarkably within recent years. The number of them who now oppose fair and reasonable regulation is relatively small. On the other hand, there has been, especially within the past year, a remarkable change in public opinion with reference to public service corporations, and especially railways. The talk of business men in their offices and at their clubs, and of people generally on street cars and in trains, as well as the comment of the press, shows that the public is convinced that the policy of railway regulation has been growing too drastic, restrictive and burdensome to be either fair to the concerns regulated or beneficial to the interests of the public.

But while there is ground for optimism it would be easy to be too optimistic. Regulation in most of the States is still an utter failure, because it is ignorant, unpractical, demagogic, and even grossly and viciously unjust. It is much better in the nation, but far from entirely satisfactory. We are not out of the woods. It will take years of educational work and effort to remove the numerous formidable obstacles to the success of regulation. The railway financier who holds up his fellow stock holders and the public, the big shipper who practices piracy on both the railway and the little shipper, the railway official who does not know how to get on with the public, the railway official who grafts, the demagogue who furthers his political ambitions by hurling unjust accusations and cooked-up statistics at the railways, the railway commissioner who discloses his own character and prostitutes his office by constantly appearing as the persecuting attorney instead of acting as a just judge, and the numerous people of socialistic temperament and ideas who cannot conceive of any good coming out of a large corporation—these we shall always have with us to oppose all efforts and to defeat many efforts to put and keep regulation on a fair and sound basis. Perhaps we shall overcome them. Perhaps we shall not. If I were a candidate for office or ever interested to become one, I should tell you that all that is necessary to get this great question settled right, is to refer it to the good sense and conscientious judgment of the American people. As I am not a candidate for office and never expect to be, I feel very strongly that it will be necessary to strive strenuously for many years in order to educate the public mind and the public conscience up to the place where they will be disposed and able to solve the problem fairly and intelligently.

PLAN OF THE NEW YORK COFFEE EXCHANGE FOR DEALING IN RAW SUGAR FUTURES

By Franklin W. Hopkins
Member of New York Stock and Coffee Exchanges

THAT New York is soon to have a market for trading in raw sugar futures now seems practically assured. The New York Coffee Exchange has, by unanimous vote of its Board of Managers, decided to admit raw sugar contracts to dealings on that exchange and has prepared and approved all the necessary rules and regulations under which transactions in them are to be conducted. All that now remains to insure the inauguration of dealings in sugar futures on the Coffee Exchange is for the members to vote on the proposed amendments to the by-laws. This will be done on August 21 next, and should the vote of the members be favorable to the project, as now seems most likely, trading in these contracts will begin on the Coffee Exchange on September 1.

Ever since the present movement was started, a little over two months ago, transactions in raw sugar futures have been carried on "over-the-counter," in anticipation of their actual "listing" by the Coffee Exchange, and the widespread interest that has been manifested in these contracts for the future delivery of sugar would seem to augur well for the success and permanency of the project when business is finally begun on the Coffee Exchange.

The matter of trading in sugar futures, as is well known in the sugar trade, is by no means new, while the present plan for dealings in this country is far from being original. For many years sugar futures have been extensively traded in at both London and Hamburg, and fifteen years ago an attempt was made to introduce a market of this kind here. This movement, however, failed, chiefly for the reason that the principal refiners refused to give their co-operation to the project,—if, indeed, they were not positively hostile to it. In the present instance, though, not only is there a noticeable absence of the opposition which the movement started a number of years ago encountered, but there is a manifest disposition on the part of refiners themselves to help along the enterprise.

Those chiefly interested in the movement now under way, and who have been mainly instrumental in bringing it to practically a successful conclusion, scarcely hope for a big market at the outset, but they do hope and firmly believe that when, sooner or later, the benefits to be derived from having a market of this character become apparent to the dealers in and the consumers of sugar, the market for raw sugar futures will take rank with the futures markets for the other great commodities capable of being uniformly classed or graded,—such as grain, coffee, cotton, etc.

It was principally the fact that sugar, alone, of all the leading commodities, was without a market in this country in which consumers could purchase ahead,—say for two and three months' delivery,—the sugar which they knew they would require in the ordinary conduct of their business, that prompted the promoters of the project to inaugurate it at this time. The keen interest with which the Board of Managers of the Coffee Exchange took up the idea and pushed it to a stage which virtually means the actual establishment of such a market, as well as the enthusiasm displayed in other quarters, would seem to indicate that the movement is responsive to a long-felt want.

Under the new order of things, (assuming that the members of the Coffee Exchange vote in favor of the amended by-laws adopted

by the Board of Managers), it will be possible to contract for the future delivery of raw sugar for any month to be agreed upon between the buyer and seller, the unit of such trading being fixed at lots of fifty tons of 2,240 pounds each. Deliveries are to be made between the first and last days of whatever month the contract provides and are to be at the seller's option as to the time of delivery within the specified month, upon five, six or seven days' notice to the buyer.

It is provided in the rules governing transactions in sugar futures on the New York Coffee Exchange that:

"No contract for the future delivery of sugar shall be noticed in any respect, or in any manner recognized by the Exchange, unless both parties thereto shall be members of the Coffee Exchange of the City of New York. The grades deliverable under Contract I shall be raw sugars based on Cuban centrifugal sugar of 96 degrees average polarization outturn and shall embrace all centrifugals first running, and first product of European beet root sugars of 88 per cent net analysis."

The amended by-laws of the Exchange provide for a Committee on Sugar, the duties of which shall be to consider, report and recommend to the Board of Managers for its action, such matters pertaining to sugar as they consider advisable and beneficial to the interest of the Exchange; and which, in conjunction with the Committee on Trade and Statistics, shall, so far as practicable, establish relations with similar Sugar Associations in this or other countries, for information of common interest, as well as for the securing of such market reports, cables, news of the sugar trade and statistics as may be thought needful. The committee shall see to it that the existing import duties imposed by the Government on foreign sugars shall always be posted on the Bulletin Board of the Exchange and shall promptly post any prospective changes, as announced by the authorities. They shall also establish daily at 2 p. m. (on Saturdays at 11:30 a. m.), the New York Spot Quotation for Cuban Centrifugal (96 degrees average polarization) and report the same to the Superintendent of the Coffee Exchange.

In addition to the foregoing, forms of contract have been arranged under which transactions in the different kinds and grades of raw sugar are to be conducted. Thus it will be observed that all the machinery necessary for the carrying on of business in sugar futures on the New York Coffee Exchange has been completed.

INDUSTRY, COMMERCE AND FINANCE

Federal Reserve Board Completed and Organized.—The confirmation by the Senate, late last week, of the appointments of Mr. Paul M. Warburg, of New York, and Mr. Frederick A. Delano, of Chicago, as members of the Federal Reserve Board, making the membership of that body complete, and the formal organization of the Board early this week, have completed the preliminary steps towards the final organization of the Federal Reserve System, except for the nomination by the Federal Reserve Board of the Class C directors of each of the twelve regional reserve banks. Three such directors must be appointed for each of these banks. The organization of the Federal Reserve Board is as follows:

Governor: Charles S. Hamlin, of Boston, Mass. Vice-Governor: Frederic A. Delano, of Chicago, Ill.

Members of the Board:

Paul M. Warburg, of New York, N. Y.
W. P. G. Harding, of Birmingham, Ala.
Adolph C. Miller, of San Francisco, Cal.

Ex-Oficio Members of the Board:

The Secretary of the Treasury.
The Comptroller of the Currency.

The chairman of the Federal Reserve Board is ex-officio the Secretary of the Treasury.

It is expected that the Board, immediately after it has completed its formal organization, will proceed very rapidly with the choice of the Class C directors of the regional reserve banks, whose Class A directors (three bankers from each of the districts) and Class B directors (three business men of each district) have already been chosen by the member banks. The financial situation in the United States, which has been brought about by the general war in Europe, gives an immediate opportunity for the solution of unprecedentedly difficult problems of credit, the currency and exchange through the co-operation of all the banks of the country combined in the Federal Reserve System. Great crops, like the grain and cotton crops, require to be moved, without undue depreciation of prices, and the industries of the country must be kept in operation, notwithstanding their deprivation of the foreign markets upon which they have come to rely in no small degree. And, in general, the commerce of the United States, both domestic and international, must be safeguarded against the disturbing *contrecoups* of a conflict which has disarranged the entire financial fabric of the world. Hence the speedy inauguration of the new banking and currency system in the United States is now not a question of mere advantage and expediency, but of actual imperative need.

* * *

Pig Iron Production in the United States in July.—According to the statistics compiled by the "Iron Age," the production of coke and anthracite pig iron in this country showed a gain of almost exactly 50,000 gross tons over that for June, and also surpassed that of January and February of the current year. It was, however, about 607,000 tons smaller than the production for July, 1913. In the number of furnaces in blast there was a slight decline in July, as compared with June, 1914,—there being 194 furnaces in blast, with a daily capacity of 63,698 tons on July 1, and 188 furnaces with a daily capacity of 63,935 tons on August 1. Thus there was a decline of 6 furnaces, but an increase of 237 tons in the daily capacity of the furnaces in operation. It was noticeable that the increase of production came entirely from the plant furnaces, as the merchant furnaces actually lost ground to the extent of nearly 950 tons per day. The following table shows the production of pig iron in the United tSates for each of the past twelve months, with comparisons for the two previous years, in gross tons (2,240 pounds):

	1914.	1913.	1912.
July	1,957,645	2,560,646	2,410,889
June	1,917,783	2,628,565	2,440,745
May	2,032,686	2,822,217	2,512,583
April	2,269,955	2,752,761	2,375,436
March	2,347,867	2,763,563	2,405,318
February	1,868,670	2,586,337	2,100,815
January	1,885,054	2,735,331	2,057,911
	1913.	1912.	1911.
December	1,983,607	2,782,737	2,043,737
November	2,233,603	2,630,854	1,999,433
October	2,546,261	2,689,933	2,102,147
September	2,505,947	2,463,839	1,937,102
August	2,545,763	2,512,431	1,926,637

* * *

Highway Statistics of the United States for 1913.—Data compiled by the Bureau of Economics of the United States Department of Agriculture show that the total State expenditures for roads during the year 1913 amounted to about $206,000,000. The total mileage of improved and unimproved roads at the end of 1913 was 2,226,842 miles. In addition, it is shown that automobile revenues of the States in 1913 reached $7,820,895.77. State funds available for road building in 1914 are $42,951,981.

The local cash road and bridge expenditures on the part of coun-

ties, districts and townships have not yet been compiled for 1913. The figures for 1912 are given, however, and it is estimated that these are 10 per cent lower than those for the year 1913. The table shows that in 1913 there was a total expenditure of State funds for roads of approximately $38,750,000. The local road expenditures, if a 10 per cent increase over 1912 is correct, would amount to $151,250,000. In addition, there must be counted approximately $15,000,000, as the value of statute labor in working out the road tax. This makes a total outlay for roads in 1913 of about $206,000,000.

In 1904 the total expenditures for labor aggregated a little less than $80,000,000, so that the present annual expenditure for roads is more than two and a half times as great as it was nine years ago.

The fact that the States for 1914 have appropriated nearly $43,000,000, or an increase of more than $4,000,000, over the 1913 appropriation, and an increase of nearly $13,000,000 over the 1912 State appropriation, indicates an increased interest in the State development of good roads. The mileage of roads built with the aid of State funds to the close of 1913 aggregated nearly 21,000 miles, or only about 2,000 miles less than the famous national road system of France.

It is interesting to note that there are now but nine States that set aside no State funds for road building, and there are only seven States which now have no State highway law. During 1913 eight States employed convict labor in road-building to construct 695 miles of road.

Automobile owners paid in licenses and fees in 1913, $7,820,895, nearly all of which was applied to road work. This sum is about one-thirtieth of the total State and local expenditure for roads.

The following table gives the distribution of expenditures, mileage, etc., by States:

HIGHWAY STATISTICS BY STATES.

State.	Original State Highway Law Passed (year).	State Expenditures—Grand Total for Construction, Maintenance and Administration to Jan. 1, 1914.	State Expenditures—Total 1913.	Mileage—Total Mileage of all Roads.	Mileage—Per Cent of Roads Improved.	Automobile Revenues, 1913.	State Funds Available for 1914.	Cash Road and Bridge Expenditures of Counties, Districts and Townships During 1912 (1913 Appropriations are Estimated to be 10 Per Cent Higher than these Figures).
Alabama	1911	$292,039	$127,005	49,639	11.1	$83,000.00	$267,165	$1,644,094
Arizona	1909	607,136	274,631	5,987	5.9	17,416.00	258,577	200,000
Arkansas	1913	25,000	25,000	36,445	3.0	51,000.00	25,000	1,586,050
California	1895	2,986,880	2,032,084	48,069	18.3	75,000.00	5,000,000	9,902,160
Colorado	1909	520,478	461,229	30,571	1.0	56,520.00	375,000	1,469,690
Connecticut	1895	11,502,519	3,483,575	12,582	24.7	316,666.76	.....	1,250,000
Delaware	1903	162,695	30,000	3,000	7.4	24,735.00	30,000	339,480
Florida	....	.....	.....	17,954	12.1	.....	.....	1,500,000
Georgia	1908	Conv. labor	.....	83,986	14.2	12,000.00	.....	2,750,000
Idaho	1905	323,000	68,000	18,403	2.8	35,160.00	250,000	750,000
Illinois	1905	480,000	100,000	94,141	9.6	507,134.78	500,000	6,500,000
Indiana	....	.....	.....	63,370	42.3	118,245.00	.....	8,877,553
Iowa	1904	101,000	53,000	104,027	2.4	787,411.08	60,000	7,500,000
Kansas	1911	18,000	9,500	98,302	.4	186,066.06	10,000	5,155,360
Kentucky	1912	25,000	15,000	58,000	18.3	52,000.00	25,000	1,933,000
Louisiana	1910	370,594	111,000	24,962	2.3	.....	130,000	2,147,063
Maine	1901	(*)	.....	25,528	11.9	135,635.00	320,000	1,482,743
Maryland	1898	9,612,529	1,589,253	17,025	14.0	144,930.25	3,500,000	1,000,000
Massachusetts	1892	13,905,396	2,266,068	17,272	51.2	629,242.00	2,447,000	2,350,000
Michigan	1905	1,377,023	545,000	68,906	11.9	190,328.75	1,070,000	5,725,000
Minnesota	1905	1,337,993	503,186	79,323	7.8	40,000.00	1,400,000	3,000,000
Mississippi	....	.....	.....	44,072	.8	.....	.....	2,000,000
Missouri	1907	†1,146,730	408,192	107,923	4.4	173,510.50	300,000	4,650,516
Montana	1913	2,484	2,484	23,319	.4	8,700.00	10,000	1,532,788
Nebraska	1911	221,067	‡52,428	80,338	.3	26,000.00	80,000	2,278,188
Nevada	1911	§20,000	.....	12,751	.5	3,322.94	.....	150,000
New Hampshire	1903	2,083,565	475,449	15,116	12.4	141,151.64	.....	1,000,000
New Jersey	1891	5,821,115	1,131,891	14,842	30.3	636,543.07	.....	3,629,773
New Mexico	1909	340,620	121,631	16,920	4.2	12,302.73	120,000	300,000
New York	1898	67,155,471	15,531,928	80,000	21.5	1,275,727.27	14,000,000	6,938,694
North Carolina	1901	23,500	5,000	48,285	7.0	60,000.00	5,000	2,333,942
North Dakota	1909	.....	.....	61,593	.3	35,010.03	.....	1,023,569
Ohio	1904	3,268,333	738,174	83,681	33.8	395,063.23	3,500,000	7,350,000
Oklahoma	1911	10,323	5,000	71,325	.7	3,000.00	5,000	3,374,180
Oregon	1913	5,008	5,008	35,896	13.7	43,476.08	238,000	3,254,665
Pennsylvania	1903	§20,710,839	4,606,232	87,387	4.0	841,062.41	3,000,000	5,864,718
Rhode Island	1902	3,504,067	715,664	2,121	58.8	123,851.00	190,000	281,775
South Carolina	...	.....	.....	45,549	17.3	.....	.....	1,000,000
South Dakota	1911	.....	.....	56,354	.5	89,170.00	.....	1,250,000
Tennessee	...	.....	.....	45,913	11.7	9,000.00	.....	2,000,000
Texas	...	.....	.....	128,971	4.0	.....	.....	7,269,592
Utah	1909	531,000	97,000	7,970	20.7	3,000.00	100,000	500,000
Vermont	1892	2,727,963	505,000	14,406	21.3	111,459.81	410,000	676,039
Virginia	1906	1,663,317	368,206	43,399	8.6	80,008.32	450,000	2,296,105
Washington	1905	4,281,989	1,383,770	39,051	10.0	48,356.00	2,500,000	4,059,509
West Virginia	1909	118,000	3,500	32,109	1.7	40,000.00	.....	1,042,353
Wisconsin	1911	1,347,107	903,000	61,090	8.2	190,770.00	1,230,000	4,000,000
Wyoming	1911	‡32,000	8,763	10,569	4.0	7,920.00	6,237	365,386
Totals		158,717,379	38,755,088	2,226,842	10.0	7,820,895.77	42,951,981	137,483,985

*Amount not reported. †Distributed to countries from various funds. ‡Equipment for convict labor camps. §Total appropriations. ¶For large bridges only.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

IT is perhaps not unnatural, in this disturbed time, when the world's credit fabric appears to be straining and cracking, and when the ordinary course of business, whether financial or commercial, between the United States and foreign countries is almost completely interrupted, that many Americans holding insurance contracts issued by companies abroad, many of them companies whose domiciles are the very countries now engaged in relentless war, should display uneasiness as to the ability of the American branches of these companies to fulfil their contracts. Almost all the marine insurance taken out by Americans is placed with foreign companies; a very large proportion of the fire insurance of the United States is so placed; and foreign liability and accident companies do a very respectable share of the American business in this field. As the American policyholders of these foreign companies read in the daily press of the terrible financial and economic disturbance over practically all Europe, by reason of the war; as they read and hear of the virtually complete cessation of communication of any kind between the fighting groups of European countries, and of our own complete isolation from some of them; as they are informed that the moratorium,—a term little understood, and commonly taken to mean governmental permission not to pay debts,—is in force even in England, the world's financial centre; as they observe the incessant clamor for gold from this country on the part of all the combatants,—as all these things come to their attention, policyholders in foreign insurance companies can scarcely be blamed, if they jump over-hastily to the conclusion that it may be physically impossible for the companies, no matter how willing they may be, to obtain the money to settle losses as they occur. In the past the policyholders of foreign companies have perhaps felt quite as comfortable in the security of their contracts as have the policyholders of American companies proper. The very fact that a company in England, Germany, Russia, France, etc., had the resources to undertake business on a large scale here, with the ocean between its home office and its American branch, has hitherto carried with it a certain presumption of bigness and strength. But now the picture is reversed; distance no longer lends enchantment to the view; and the dire possibilities suggested by the war news get the upper hand in the policyholders mind. So he writes to a public insurance official or otherwise tries to satisfy himself that his insurance contract is not going to prove a total loss to him and worthless in time of trouble.

Of course, every one who knows anything about the manner in which the American business of foreign insurance companies of all kinds is conducted, is fully aware of the absurdity of these fears. The policyholder of what purports to be a foreign insurance company in reality holds no direct contract of insurance with the foreign company itself, but a contract of insurance with the American branch of the foreign company; and this American branch is in reality an independent insurance company, organized under the laws of some State, whose connection with the parent company is simply one of close relationship and support, and not one of commingling of affairs. The American branch of a foreign insurance company is compelled by our laws to maintain itself independently solvent; to keep in this country, in actual cash or securities, the full legal reserve required of any American company conducting the same branch of insurance; to make the same statutory deposits as American companies with the public authorities of States in which it does business; and, in general, to keep itself in precisely as strong a position, notwithstanding that it has the foreign company back of it, as if it had been organized under the laws of some one of our States. The obligation of the American branch to the parent company abroad is to remit to it such profits as it may actually make and as may be determined upon as not required for the purposes of a surplus, over and above legal liabilities in the United States. Hence it must always be in as good a position to pay its losses promptly as a purely American company can be required to be under the law. In fact, in some respects it is more closely supervised and guarded by public authority than is the American insurance company proper. For instance, the securities of the American branch of a foreign insurance company, representing its statutory reserves and surplus, if it has the latter, are deposited with trustees, under a trust instrument which requires an application to the public insurance authorities, before any of the securities may be released by the trustees, whether for the payment of losses or for transmission to the home office of the company abroad. Accordingly, the present chaos in the countries abroad which are the domiciles of the parent companies, can have no effect whatever upon the solvency of the American branches, unless the extreme need of money in those countries should lead to surreptitious depletion of the surpluses and even the reserves of the American branches, an almost inconceivable event.

And yet even the possibility of this event has been foreseen and guarded against by the New York State Insurance Department. On Friday of this week, Mr. Frank Hasbrouck, Superintendent of Insurance, addressed to the United States manager of each foreign fire insurance company having a branch or doing business in the State of New York two memoranda, the one calling attention to the provisions of the trust instrument, under which its securities are held, with regard to the necessary consent of the Department of Insurance for the release or transfer of these; and the second strongly urging the retention on this side of the water of all resources, whether cash or other, even though a part of them might legally be transmitted to the home offices of the companies abroad. The essential paragraph in the first of these memoranda is as follows:

"Under a provision of the trust instrument, you will note that no securities deposited with trustees may be released or transferred to the company without first obtaining the consent of the Superintendent of Insurance. In this connection it seems desirable to advise that the department holds that the trustee or trustees cannot release any securities or cash, other than interest earnings, to the manager or managers for any purpose other than to meet United States loss claims. The releasing of any such funds to the manager or managers so that same may be transmitted to home office will be held to be an evasion of the trust deed. You will further bear in mind the responsibliity of trustees for any and all branches of trust."

A FURTHER CONTRIBUTION BY MR. SAMUEL DAVIS TO THE DISCUSSION OF FEDERAL REGULATION OF INSURANCE

To the Editor of The Market World and Chronicle:

SIR:—"Scrutator Redivivus" returns to the attack, in your issue of July 25th, by insisting that it is over-enthusiastic to expect that Federal regulation of insurance—the result of a Constitutional amendment—would *ipso facto* deprive the States of any control whatsoever over the business. The incredulity he expresses is shared by others. For this reason President Kingsley recently obtained the opinion of an eminent Constitutional authority, former United States Senator John C. Spooner, hoping thereby to convince the doubting "Scrutators." Nevertheless it is even so. There is no room for doubt that the States must let go completely. But before adducing proof let us dispose of the exceptions taken by "Scrutator" to my statement that the law of insurance takes its rise in the *lex mercatoria*.

He says: "The traditions of the law are to be found in the common law of the Anglo Saxon race as far back as that law deals with questions of insurance." The authorities, I fear, are against this statement. In 1845 Barcelona adopted ordinances regulating insurance. Dr. Hoffman says:[1] "By a decree of Venice in 1468 insurance cases were to be tried before the consular mercantile court, and a complete code of insurance laws was made for Florence in 1523." According to Park: "The practice of insurance was introduced from Italy into England through the Lombards."[2] Professor Huebner also says: "Finally there followed the epoch-making Ordinance de la Marine, of 1861, which became the model for practically all the modern codes of commercial law on the Continent, including the law of marine insurance."[3] And, what is more to the point, he adds: "In England, on the contrary, the development of the law concerning insurance did not begin to assume such clear and definite form until almost the middle of the 18th century. It was then that Lord Mansfield in his efforts to formulate the commercial law of England, began to draw his legal principles very largely from the commercial ordinances and codes of the Continent."[4] In the Supreme Court case of the New England Marine Insurance Company vs. Dunham[5] it is said: "The contract of insurance is an exotic in the common law." And lastly may be cited Professor Vance, who says: "In order to determine what rules should be applied in deciding these causes, he looked to the various authorities that were in vogue on the Continent * * *. Thus in the skilful hands of Lord Mansfield the essential principles of the law merchant were incorporated into the common-law system of England, and the common-law courts thereby rendered competent to take adequate cognizance of all questions involving insurance."[6] These few citations (there are many more) seem to show conclusively that insurance law was not part of the common law of England, but was introduced from the Continent as a part of the law merchant.

The authorities are also numerous which hold insurance to be itself commerce. For example, it is said that "Franklin, Wilson and Hamilton, all members of the Constitutional convention, are on record to the effect that insurance was then commerce."[7]

Dr. Bigelow, quoted at home and abroad as a law writer of eminence, has this: "Congress has power under the Constitution to regulate commerce between States. 'Commerce' was no doubt an unfortunate word to use; but what the framers of the Constitution were aiming at is made plain enough in their debates and in the notorious facts of the times, if not in the final language of the Constitution itself; they were endeavoring to break down the barriers to freedom of intercourse between the States—business intercourse especially of all kinds. They, however, without due caution used the word 'commerce.' instead of business or some such term, and the Supreme Court of the United States, looking at the letter alone, could accordingly say, and did say, that insurance was not commerce, and hence that the States were not prohibited from discriminating against each other in regard to that important subject. And so the business of insurance was put in fetters not intended."[8] Other critics of the Supreme Court, in respect of the decision in "Paul vs. Virginia,"—and these authoritative writers on Constitutional law,—are Mr. Watson[9] and Professor Willoughby.[10]

In his second letter "Scrutator" holds that a Virginia case, Harris vs. The Commonwealth,[11] "assimilates insurance to labor and not to commerce." But this case does not do anything of the sort. It was a criminal prosecution against some insurance agents for combining to fix rates. And because the court relied upon "Paul vs. Virginia," it held that insurance was not a "commodity or a necessity to life within the spirit or letter of the law against engrossing." Then the court being under the necessity of deciding the issue before it, namely, whether the defendants were criminally liable for their combination, found a decision holding that combinations of laborers were in the absence of statute not unlawful for the purpose of increasing their wages, and thereupon it decided that a combination of insurance agents was not unlawful either. Thus the court does not assimilate insurance to labor. It does assimilate combination with combination and decides the issue accordingly. In the Texas case[12] cited by "Scrutator" we have the court construing a penal statute, prohibiting combinations to prevent competition in any article of merchandise intended for public use. Again the court referred to "Paul vs. Virginia," and held that the defendants were not guilty, because insurance was not a business of commerce nor one in which the public has an interest. So in the case of Hatch vs. Reardon,[13] the court held: "There is not the shadow of a ground for calling the transaction commerce"; and Judge Holmes expressly refused to consider what the situation would be if the acts in question were commerce. The court does not decide that brokers and commission men are not ordinarily engaged in commerce; it simply holds that in this case they were not.

The necessity for clear thinking and careful discrimination is apparent, otherwise our readers will be mislead on the tremendously important issue of Federal control. None of the cases herein considered can possibly be found to cast a doubt on the clear-cut status of insurance, if lawfully regulated by Congress. Every one of them is based upon "Paul vs. Virginia." If that case is overruled by a Constitutional amendment, as was the famous case of Chisholm vs. Georgia,[14] in 1798, by the 11th Amendment, all the decisions based upon it fall with it. In all probability, it was this consideration which prevented the Supreme Court, in the Deer Lodge County case, from reversing "Paul vs. Virginia." It is also inter-

[1] "Insurance Science and Economics," p. 198.
[2] Park: "System of Marine Insurance," 7th ed. London, 1817. Vols. I—XXXVIII. Cited by Huebner, "Insurance Science and Economics," page [illegible].
[3] "Yale Readings in Insurance," page 28.
[4] "Yale Readings in Insurance," page 28.
[5] See 11 Wall.
[6] Vance on Insurance, 1.
[7] Report of Committee on Insurance, Vol. 29, "Proceedings of the American Bar Association" (1906), page 557.
[8] "Centralization and the Law," pages 190-191.
[9] I Watson, "The Constitution," 520-521.
[10] II Willoughby, "The Constitution," ss. 294.
[11] 73 Southwestern Reporter, 561, 1912.
[12] Queen Insurance Company vs. State, 24 Southwestern Reporter, 397, 204 United States, 155.
[13] 2 Dall., 419.
[14] [illegible]

esting to note that the court's view in the Texas case has recently been overruled by the United States Supreme Court in German Alliance Insurance Company vs. Lewis,[15] which holds that insurance "is charged with a public interest," whereas the Texas court, taking "Paul vs. Virginia" for its text, held that the insurance business was not one in which the public has an interest. So far as the courts are concerned, they are beset with difficulties of their own making, as is clearly shown by the dissenting opinions in the Deer Lodge County and the German Alliance cases. These difficulties and the serious situation of the insurance business emphasize the great need of adding a few lines to the Constitution.

"Scrutator" is surely mistaken in thinking that the State has reserved power of any kind over matters expressly delegated to the National Government. Such subjects are given entirely and exclusively to Congress. Within its delegated sphere every foot of this country is United States territory first. By the 14th Amendment, even the citizenship of persons in a given locality is first Federal and then State. No instance of State taxation of a Federal franchise can be found. Property which is physically within the confines of a municipal government may be taxed, i. e. real estate, machinery, and the like. But no excise tax, no tax on gross or on net premiums, no regulation as to sub-standard or other forms of business, no requirements concerning surrender values can possibly be prescribed by any State Government, when once the regulation of insurance is lawfully given to Congress. One may amuse oneself with the decisions of State courts if he will, but this is a region where the Supreme Court alone rules, "anything in the Constitution or laws of any State to the contrary notwithstanding."[16] In Brown vs. Maryland,[17] Chief Justice Marshall remarks: "It has been observed that the powers remaining with the States may be so exercised as to come in conflict with those vested in Congress. When this happens that which is not supreme must yield to that which is supreme. It necessarily results from this principle that the taxing power of the State must have some limits. It cannot interfere with any regulation of commerce." And the opinion of Justice Bradley, in a leading case,[18] is also illuminating. It shows definitely that the State is in no way permitted to regulate, tax or hamper the conduct of a matter under the superior jurisdiction of Congress. As a summation of the whole subject he quotes the remarks of the Chief Justice in a previous case[19]: "We have repeatedly held that no State has the right to lay a tax on interstate commerce in any form * * * for the reason that taxation is a burden on that commerce and amounts to a regulation of it which belongs solely to Congress"; and goes on to say: "This is abundantly shown by the decisions, which are clear to the effect that neither licenses nor indirect taxation of any kind, nor any system of State regulation can be imposed upon interstate commerce; and that all acts of legislation producing any such result are to that extent unconstitutional and void." The Minnesota Rate Cases affirm this rule. In Simpson vs. Shepard,[20] the court says: "The grant in the Constitution of its own force, that is, without action by Congress, established the essential immunity of interstate commercial intercourse from the direct control of the States with respect to those subjects embraced within the grant which are of such a nature as to demand that if regulated at all their regulation should be prescribed by single authority. It has repeatedly been declared by this Court that as to those subjects which require a general system or uniformity of regulation, the power of Congress is exclusive."

But in order to prevent all necessity of freshly adjudicating the boundaries of State and Federal control, even in the single State which incorporates the insurance company—in which case the incorporating State only has some small control over intrastate questions– I would have the companies exchange their State charters for others to be granted by Congress, which has frequently in the past exercised its right to grant charters of incorporation. When by a Constitutional amendment the business or commerce of insurance shall be placed within the exclusive control of the National Government, then Congress will enact the legislation necessary for it to assume control. The creation of National insurance corporations, the enactment of a comprehensive code for regulating the business and the establishment of an adequate bureau of supervision will follow, in due course, as part of the incidental power belonging to Congress for the purpose of making effective the mandates of the Constitution. In conclusion, the thanks of those interested in placing insurance upon a National basis are due to "Scrutator Rerum" for raising the questions which he brings forward. The more the subject is studied and discussed the greater will be the interest aroused in the minds of those whose present indifference may result from a belief that the cause does not promise success. It is something to have abandoned the wrong road and to have entered the right path. The goal is sure to be reached. Yours truly,

Boston, Mass., July 29, 1914. SAMUEL DAVIS.

[Editor's Note.—We have obtained from "Scrutator Rerum" the following comment upon this second letter from Mr. Davis:

I must confine myself to the briefest of answers to Mr. Davis' contentions. At the start, I freely admit that by the introduction of marine insurance into the discussion he has apparently turned my flank on the question of a connection between the law of insurance and the law merchant. He is, of course, quite correct in alleging that marine insurance had its origin with merchants, was from the start governed by the law merchant, and to a large extent is still so governed. In my previous communications, I have had in mind only those kinds of insurance which are carried on within the United States and whose subjection to Federal regulation is primarily desired. I have left to one side marine insurance as *sui generis*, both in its method and in its law, and as not interstate in any but a very limited sense. I have supposed that the insurance which President Kingsley, Mr. Davis and other advocates of Federal regulation are concerned with is the insurance of life and property within the United States, and not on the high seas. I wish to call attention to the fact, however, that both in the English speaking countries and on the Continent of Europe, the law of marine insurance has been and is to-day something quite distinct and different from the law of life insurance, fire insurance, liability insurance, accident insurance, etc. I do not assert that no reflex and analogical influences of the law of marine insurance upon the law of the other forms of insurance may not be found. But the fundamental theory of marine insurance,—a participation of merchants in losses common to them all,—is different from the theory of the contractual forms of indemnity insurance. The very forms of policy show this, and the law recognizes it. The law of life insurance, fire insurance, and the other similar insurance has developed within the past two centuries, beginning with the time when the contracts of these insurances began to be looked upon as not mere wagers, but as having an actuarial basis which rendered them legitimate. The law of these insurances has been worked out in the civil, and not in the commercial courts.

But this is now a non-essential matter, and I shall not attempt

[15] U. S. Adv. Ops., 1913, page 613.
[16] Constitution of the United States, Article VI.
[17] 12 Wheat. 419.
[18] Crutcher vs. Kentucky, 141 United States, 47 (1891).
[19] Lyng vs. Michigan, 135 United States, 161.
[20] 230 United States, 352.

to review Mr. Davis' interpretation of the decisions of the courts to which I have previously referred. The interested reader may turn to those decisions for himself and decide whether my interpretation of their implications or Mr. Davis' is the more consonant with a sound conception of their historical and analytical significance.

With regard to the matter which has now become the essential one, the character of the power that would be vested in the Federal Government by a Constitutional amendment conferring upon it the right to regulate insurance,—I am glad to observe that in one respect I am absolutely at one with Mr. Davis. The power so conferred would be co-extensive with the existing power to regulate interstate and foreign commerce, no greater and no less. And the Supreme Court has decided in numberless cases that the power of the Federal Government to regulate interstate and foreign commerce is plenary, extends to every portion of the territory of the United States, and applies directly to every citizen of the United States. The Supreme Court has also decided in almost as many cases that the States may exercise this power in connection with matters within their jurisdiction, in so far as Congress has not exercised it; and that Congress itself must not exercise it in contravention of other provisions of the Constitution, nor in derogation of the police power of the States, reasonably exercised, nor of the power of the States to tax property within their several jurisdictions. I need not cite cases on these points other than those I have already cited in my previous communications; but a useful collection of them may be found in a recent digest of the decisions of the Supreme Court upon the "Power of Congress over Interstate Commerce," compiled for the use of the Committee on Interstate Commerce of the Senate of the United States.

That the power of the Federal Government to regulate insurance will not do away with the right of the States to apply reasonable police regulations to insurance nor to tax the property of insurance companies within the jurisdiction of the States cannot, in the light of the decisions, be doubted for a moment. And, as I have said before, the opportunities for the exercise of the police power are infinitely more numerous and of larger scope in the case of insurance than in that of interstate commerce. How, for instance, would Mr. Davis go about proving that the so-called Robertson Law, in Texas, requiring life insurance companies doing business in that State to invest within the State moneys collected by them from the citizens of the State, is not a valid exercise of the police power? And if he failed to prove this, how would he prove that the taxation of these moneys, whether kept in cash or invested, is beyond the power of the State? And how would Federal incorporation help in either respect? The Union Pacific Railroad, with its Federal charter, is in no different position, as regards the States through which it passes, than any State-incorporated railroad.

I must not intrude upon your space further, nor shall I again have anything to say in your pages on this subject. Like Mr. Davis, however, I am glad the discussion has arisen, because I, too, deeply feel the importance of having the managers of insurance in this country clearly understand what they will be getting, if the Federal Government takes over the regulation of insurance. —Speculator Rerum.]

THE COTTON MILL FIRE HAZARD IN THE UNITED STATES

THE quarterly bulletin of the National Fire Protection Association for July gives the following discussion of cotton mill fire hazard and causes in the United States:

There is probably no class of property which has received more study by fire protection engineers than cotton mills. The record given in this issue is based on fires for the years 1912 and 1913 only, and consequently permits of a comparison between present conditions and those of a few years ago, which were contained in the April, 1909, "Quarterly," which will be referred to as the old record. This old record embraced 4,510 fires, in 1,423 of which automatic sprinklers operated. In some of the tables the values of this old record have been given in heavy type to assist in the comparison. The efficiency of water supplies to sprinkler systems has been illustrated by diagrams which help to bring out many of the interesting points in such a study.

The new record of cotton mill fires does not present any radical differences from that given in the April, 1909, "Quarterly." As may be expected, the fires originating from pickers, openers, etc., constitute approximately one-half of the known causes of cotton mill fires. It is interesting to note a slight decrease in the number of fires due to spinning, especially in view of the fact that our table of losses indicates that fires occurring in spinning rooms have a high average loss. The fires attributed directly to matches have doubled in amount, which would seem to indicate that the American people are becoming more and more careless with matches. The increase in the percentage of fires due to lightning is noticeable but does not offer any ready explanation. Taken as a whole, the record apparently indicates that more attention has been given to special hazard causes, since that figure has dropped from 85.6 per cent in the old record to 79 per cent in the new record.

The causes of the fires naturally influence the statistics showing the rooms in which fires occur; so practically the same differences between the two records are found as were indicated in the tables of causes. Fifty-six and eight-tenths per cent of all fires occur in the picker or opener rooms, while 7.5 per cent are in the conveyor tube, and 10.6 per cent in the carding room.

It is always interesting to study the amount of loss in fires and particularly the relation of this loss to the location of the fire. A table giving this information in the buildings where sprinklers were installed has been prepared and brings out several important points. Many people have the impression that picker fires under sprinkler protection are trifling matters and should not be given serious thought even if they do occur frequently. Although an average of $284.37 for such fires is small in proportion to the total value of the property, nevertheless several such fires each year make up an appreciable total. It should also be noticed that waste house fires average $349.39, as compared with $297.46 in carding rooms, and $295.83 in conveyor tubes. The most important fact brought out by this table is the high average loss in spinning rooms, namely, $1,242.26, which value was not influenced by any especially large individual loss.

The percentage of day fires was 84.9 per cent, as compared with 88 per cent in the old record, and the percentage of fires while the plant was in operation remains practically the same, being 90.9 per cent, as compared to 92 per cent in the old record. It is worthy of note that a slight increase has taken place in the number of fires discovered by the watchman, with a corresponding drop in those discovered by employes.

The effect of automatic sprinklers in the new record does not show so large a percentage of fires extinguished or with no claim as in the old record, but on the other hand it is much more favorable in respect to large loss and unsatisfactory fires. It is indeed a remarkable showing for a class of property as hazardous as cotton mills, to be able to find only two unsatisfactory and five fires having a loss of more than $5,000 out of 578 such fires reported. It should be further considered that in every one of these the fire had a sufficient start to cause the sprinklers to operate.

The conclusion to be drawn from a review of such a record can only emphasize the tremendous value of automatic sprinklers as a means of protection, particularly in this class of property. In general, it would seem as if the showing of the new record is better than that of the old record, and indicates a slow but steady improvement in cotton mills as a fire risk.

COTTON MILLS—FIRE RECORD.

Total Number of Fires Reported in 1912 and 1913, 822.

COMMON CAUSES.

	Number of Fires.	Pct. of Common Causes.	Per Cent of Known Causes 1912-13.	Per Cent of Known Causes 1909.*
Lighting	22	15.2	3.1	3.8
Matches	52	35.8	7.4	3.5
Miscellaneous	14	9.7	2.0	0.4
Rubbish and sweepings	11	7.6	1.6	0.4
Locomotive sparks	5	3.4	0.7	0.1
Spontaneous combustion	5	3.4	0.7	0.4
Lightning	21	14.5	3.0	1.4
Heating	3	2.1	0.4	0.1
Power	12	8.3	1.7	2.5
Totals	145	100.0		

SPECIAL HAZARD CAUSES.

	Number of Fires.	Pct. of Special Hazards.	Per Cent of Known Causes 1912-13.	Per Cent of Known Causes 1909.*
Stock conveyors, etc	61	11.0	8.7	4.6
Miscellaneous	15	2.7	2.2	0.7
Spontaneous ignition in dye houses	3	0.5	0.4	1.3
Raw stock	5	0.9	0.7	1.4
Waste house	6	1.1	0.9	1.6
Drying	15	2.7	2.2	2.7
Fly frames	13	2.3	1.9	6.5
Twisting	3	0.5	0.4	0.2
Cop breaking (thread extractor)	6	1.1	0.9	1.3
Dust rooms and collectors	5	0.9	0.7	0.5
Spinning	28	5.0	4.0	6.7
Finishing	12	2.2	1.7	0.8
Carding	38	6.9	5.4	2.5
Pickers	332	59.8	47.4	52.5
Weaving	11	2.0	1.6	1.9
Drawing	2	0.4	0.3	1.0
Totals	555	100.0		
Common causes	145		20.7	13.7
Special hazard causes	555		79.0	85.6
Incendiary	1		0.15	0.5
Exposure	1		0.15	0.2
Total known causes	702		100.0	
Unknown causes	120			
Total	822			

*Figures refer to old record on cotton mills published in April, 1909, Quarterly, which record included 4,510 cotton mill fires.

AMERICAN LIFE INSURANCE COMPANIES AND THE WAR IN EUROPE

THE general war in Europe has made necessary decisive action on the part of the American life insurance companies doing business in European countries. These companies have outstanding in Europe a large volume of policies and of late years have been able to compete advantageously with the native companies. They have from the beginning been fully aware of the increased risk involved in the excessive militarism of the European countries, and have protected themselves in two ways: first, by writing policies absolving the companies from liability in case of death in military service, and, second, by charging premium rates high enough to cover this risk. It is understood, however, that owing to the extent of the present outburst of hostilities among the European countries and the probably relentless character of the struggle, all the companies doing a European business of importance have for some time past been declining new business, except in England and to some extent in France, though in both cases with a strong war-risk clause. Some idea of the amount of European business which American companies have on their books may be obtained from the recently issued German official figures of the business done and outstanding in Germany in 1912, for the four great American companies operating in that country. The figures, in marks [mark = 23.8 cents], are as follows:

LIFE INSURANCE BUSINESS OF AMERICAN COMPANIES IN GERMANY.

Name of Company.	Outstanding Life Insurances. End of 1912, Marks.	End of 1911, Marks.	Annuities 1912, Marks.	Premium Income 1912, Marks.
Equitable	34,330,624	37,900,095	49,210	827,038
Germania Life	174,250,031	170,952,491	109,518	7,601,573
Mutual Life	41,440,243	45,460,464	75,400	1,146,662
New York Life	285,530,851	263,184,946	314,868	14,021,860
Totals	835,551,809	817,497,996	548,986	23,597,133

During 1913, the two American companies which were expanding their German business, the New York Life and the Germania Life, wrote new insurance to the amounts of 33.3 million marks and 16.6 million marks, respectively. On the contrary, the Equitable and the Mutual Life have been gradually withdrawing from their European business, as the above figures indicate.

As to the manner in which the present European situation is being handled by the most active of the American companies in the European field,—the New York Life,—a public statement was made early this week by President Darwin P. Kingsley, of that company, of which the essential portion, as published in the New York "Evening Post" is as follows:

"Our headquarters for Europe is in Paris. At the present time, of course, there is no communication between Berlin and Paris, Vienna and Paris, and probably none between St. Petersburg and Paris. At the same time, our contract obligations must be currently carried out, and it will become necessary to modify the organization of our business until such time as the present conditions pass away. The business of Russia, Germany, Austria-Hungary, and France, and possibly even of England, will temporarily have to be treated as though it were a separate and distinct company.

"Our representatives in charge within each country will be given authority to sign for the company whatever papers may be necessary currently to carry out the company's obligations. It should be remembered that in each of these countries, except England, we have a deposit of liquid securities, mostly the bonds of their own governments, equal to the mathematical reserve on our business. Our local managements in case of necessity could sell these securities for current needs, but that contingency seems to be remote, because the bankers of the companies in each country, in case the current income should not be sufficient to meet the current obligations, will undoubtedly extend whatever credit we may need until communication between the different countries of the world is again restored.

"In the matter of mortality we have no fear. Business has been done in Europe for a long time in the expectation that something like this might happen. We are protected by the premium rates charged and the conditions in the policies themselves. Moreover, there is no probability that the actual mortality of people engaged in battle, either on the land or on the sea, will cause any very appreciable increase in our death claims. The civilians who have our policies are almost wholly of an age and in such positions that their liability of service is slight. The experience of life insurance companies in previous wars all confirms this.

"Of course, under existing conditions, no new business whatever will be written, with the possible exception of some business in France and in Great Britain. All such policies will contain a strong war clause."

RESULTS OBTAINED BY BRITISH MARINE INSURANCE COMPANIES IN 1912 AND 1913

THE now completed list of annual reports of British companies doing a strictly marine business makes it possible to survey the completed results of these companies for 1912 and indicate the results for the business written in 1913. British marine companies keep their accounts open for two years, so that complete figures are not yet possible for 1913. In fact, many settlements are made even in the third year, against which liability the companies are obliged to maintain a reserve even after the expiration of the year after that in which the policies were written.

The year 1912 found eight British companies doing a strictly marine business. The following table, compiled by the London "Times," shows the net premium income of these companies and their net profits, with a comparison with the profits obtained on the 1911 account:

UNDERWRITING ACCOUNTS OF 1912.

Company.	Net Premiums.	Net Profit After Meeting Claims and Expenses and Providing for Further Claims.	Pct. of Prems.	Corresponding Profit on the 1911 Accounts Amounts.	Pct. of Prems.
British and foreign	£513,527	£77,251	15.0	£85,583	18.1
Indemnity	435,860	30,037	6.89	62,522	19.
Maritime	290,350	25,730	8.9	7,849	3.
Merchants	251,536	1,802	.7	16,654	6.5
Reliance	135,763	12,597	9.2	20,507	15.9
Sea	404,144	27,580	7.0	25,048	7.
Union	562,593	37,394	6.6	35,485	7.5
World	256,524	4,879	1.9	23,366	9.1
Totals	£2,850,306	£217,270	7.6	£277,014	10.9

It is interesting to compare these results with the results of British marine insurance companies for the past ten years. The following table, from the "Australasian Insurance and Banking Record," shows that for the last four years marine underwriting has been profitable for the companies, making up in some degree for the disastrous experience of the four years, 1905 to 1908, inclusive:

UNDERWRITING RESULTS OF TEN YEARS' PERIOD, 1903-1912, INCLUSIVE.

Year.	Total Net Premiums.	Total Claims and Expenses.	Profit or Loss.	Pct. of Premiums.
1903 (11 companies)	£2,917,876	£2,808,463	£109,513	+3.7
1904 (11 companies)	2,949,263	2,803,686	+ 145,577	+ 4.9
1905 (11 companies)	2,862,523	2,915,510	— 52,987	—1.9
1906 (10 companies)	2,703,079	2,780,029	— 76,950	—2.8
1907 (9 companies)	2,534,428	2,548,588	— 14,160	—0.6
1908 (9 companies)	2,318,078	2,365,389	— 47,311	—2.0
1909 (10 companies)	2,790,173	2,644,736	+ 145,437	+ 5.2
1910 (8 companies)	2,285,903	2,129 081	+ 156,822	+ 6.9
1911 (9 companies)	2,751,185	2,483,721	267,464	9.7
1912 (8 companies	2,850,306	2,633,060	217,246	7.6
	£25,962,914	£26,112 263	£850,651	3.2

For 1913, only figures for first year settlements are as yet available. These figures, with corresponding figures for 1912, were as follows:

FIRST YEAR'S SETTLEMENT ON THE 1913 ACCOUNT.

Company.	Net Premiums.	First Year's Settlements and Expenses Amounts.	Pct. of Prems.	Corresponding Figures in 1912 Accounts Amounts.	Pct. of Prems.
British and foreign	£511,037	£214,003	41.2	£214,583	41.8
Indemnity	431,013	140,775	32.8	163,206	37.5
Maritime	0, [illegible]	113,657	39.1	103,210	37.3
Merchants	[illegible]	78,354	32.1	87,788	34.9
Reliance	[illegible]	[illegible] 41	31.8	49,072	36.1
Sea	[illegible]	[illegible] 07	28.	152,954	37.8
Union	[illegible]	[illegible] 86	29.8	225,759	40.1
World	[illegible]	[illegible] 1	[illegible]	87,613	34.2
Totals	[illegible]	[illegible] 26	30.2	£1,069,585	38.2

The final table shows the funds, interest receipts, and dividends payable on account of 1913:

FUNDS, INTEREST RECEIPTS, DIVIDENDS AND AMOUNTS WRITTEN OFF INVESTMENTS FOR 1913.

Company.	Funds, excl. Capital at 31 12 1913.	Interest Receipts.	Amounts to Be Paid in Dividends.	Amounts Written off Investments.
British and foreign	£1,871,754	£70,461	£70,978	£64,761
Indemnity	971,924	33,688	36,850	20,000
Maritime	462,658	17,924	12,500	20,000
Merchants	339,996	14,834	9,375	4,592
Reliance	303,637	11,443	14,125	16,000
Sea	646,682	38,154	40,000	35,000
Union	872,405	31,187	21,255	26,176
World	218,409	8,833	5,000	19,520
	£5,687,465	£232,524	£210,083	£206,049

This table sheds some light upon the source from which dividends have been paid in former years, when the underwriting yielded small profits or even losses. In these earlier years dividends were paid out of the profits, and such success attended marine underwriting that, in addition to the payment of dividends, very large reserves were accumulated. Later, in the periods of depression and underwriting loss, these reserves proved a boon to shareholders, dividends having been frequently paid out of the interest earned from investments. On the other hand, of recent years it has been a matter of no small moment in the companies' finances that large amounts have had to be written off for depreciation of investments.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Fire Losses in July.—The losses by fire in the United States and Canada during the month of July, as compiled from the carefully kept records of the "Journal of Commerce," aggregate $17,539,800, as compared with $20,660,900 during the same month last year. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
April	16,349,400	16,738,250	17,700,800
May	21,013,950	17,225,850	15,507,800
June	16,103,450	24,942,700	23,348,000
July	15,219,100	20,660,900	17,539,800
Total for seven months	$149,591,550	$138,906,550	$150,558,050

* * *

An Insurance Census of Argentina.—According to the "Review of the River Plate," the Commercial and Industrial Department of the Ministry of Agriculture has published the results of a census recently taken of the insurance business in Argentina. Prior to the putting into force of the first Argentine Commercial Code in 1859 it was impossible for insurance companies to be formed in the country. In 1864 there were seven insurance companies working, of which one was marine, two fire, three life, and one unspecified. One of these exists to-day, and of those actually existing in the country one, La Estrella, an Argentine company, and one foreign, the London Assurance, commenced operations in 1865. Prior to 1897 foreign companies did not have to put up any guarantee, but the law sanctioned in that year obliged foreign fire companies to deposit $300,000 paper, and other companies $150,000 paper. Companies operating in more than one class of risk have to put up a guarantee for each extra risk of $100,000. To-day there are eighty-five insurance companies operating in the country, of which fifty-two are Argentine, twenty-four English, three German, two American, one Brazilian, and one Swiss. Of the National Companies thirty-six have their head offices in the Federal capital and

sixteen in the interior. Of the eighty-five companies, eighty are limited liability, two co-operative, and three mutual. The paid-up capital of the national companies is $27,413,373 paper, and that of the foreign companies $115,892,100. The reserves of the companies are: National, $71,393,711; foreign, $46,642,897. The risks in which the companies work are:

	National.	Foreign.
Fire	36	23
Marine	7	6
Accident	19	3
Life	26	8
Hail	16	..
Various	11	3

Classification according to risk:

	National.	Foreign.
LIFE.		
Policies in force	32,677	13,622
Value of policies	$215,372,821	$137,510,445
Premiums	12,030,942	5,713,512
Claims paid last year	1,916,404	1,042,946
FIRE.		
Policies in force	117,806	57,163
Value of policies	$1,600,118,447	$1,468,514,268
Premiums	11,361,148	1,334,204
Claims paid last year	3,912,613	3,740,780
MARINE.		
Policies in force	11,190	26,780
Value of policies	$47,412,884	$140,879,015
Premiums	1,055,547	1,020,077
Claims paid last year	454,806	624,628
ACCIDENT.		
Policies in force	9,371	955
Value of policies	$174,227,280	$17,957,619
Premiums	2,595,098	226,093
Claims paid	1,253,308	163,893
HAIL.		
Premiums	$6,781,146	.....
Claims paid	3,403,784	.....

The total premium income from all classes of insurance for one year was: National, $34,188,414; foreign, $15,343,872. The claims paid in one year were: National, $11,018,762; foreign, $5,592,243.

* * *

Insurance Agents and Brokers Must Pay Income Tax on Renewal Commissions.—That commissions on renewal premiums for insurance are taxable under the Income Tax section of the Tariff Act, and must be returned as income for the period in which they were received, was a ruling handed down by the Commissioner of Internal Revenue, William H. Osborn, on August 8. Moreover, this ruling is retroactive in respect of commissions on renewal premiums received during the period March 1, 1913, to December 31, 1913. On this point the ruling says:

"Therefore, commissions on renewal premiums received between March 1 and December 31, 1913, are taxable income for that period and should be included in returns of income for 1913.

"Where commissions on renewal premiums received by individuals between March 1 and December 31, 1913 (including commissions on renewal premiums on business written prior to March 1, 1913, and payable and paid subsequent to that date) were not included in returns of income of such dividends for 1913, they should file amended returns and include in such amended returns the amount of said commissions on renewal premiums."

* * *

Accident and Burglary Insurance in Italy.—According to statistics published in "L'Assicurazione," eight companies transacting ordinary accident insurance collected in 1912 in premiums 17,505,375 lire [lira = 19.3 cents], and paid for claims 10,651,921 lire, equal to a loss ratio of 62 per cent, and the charges were equal to 27 per cent on the premium income. Workmen's compensation insurance was carried on by seven companies, and their experience, as in other countries, was unfavorable, as they paid on a premium income of 20,580,374 lire for claims 16,546,730 lire, or 82 per cent, while the charges amounted to 23 per cent, causing a loss of 5 per cent on the premium income. Burglary insurance business develops slowly in Italy, the total premium revenue of six companies reaching only 656,157 lire, but the claims thereon were equal to not more than 42 per cent, while the charge rate was equal to 30 per cent.

* * *

French Vital Statistics in 1913.—It is evident from statistics just published, says the "Insurance Observer," of London, that the decline of the French birth-rate has not yet been checked. Last year the number of births was 745,539, against 750,651 in the year before. This is the lowest total which has ever been reached, with the exception of 1911. In the years from 1872 to 1875 the average was about 950,000. Since 1907 it has been below 800,000. In less than forty years the birth-rate of France has diminished by 200,000 a year. This decline has become still more disquieting when compared with the birth statistics of other countries. In 1912 the excess of births over deaths in France was only 15 per 10,000. In the same year it was 158 in Belgium, 140 in Italy, 130 in Hungary, 127 in Germany, 107 in Austria, and 105 in England. In thirty-eight departments out of the eighty-seven the deaths last year exceeded the births. In 1912 this was only so in thirty-one departments. The birth-rate is the highest in Pas de Calais (266 per 10,000) and in Brittany and on the Northern coast generally, It is lowest in Burgundy and the valley of the Garonne, where the Department of Gers has only 129 births per 10,000. Thirteen thousand one hundred and sixty-nine fewer marriages were celebrated last year than in the year before. On the other hand, the number of divorces has increased by about 500. There were 15,076 last year, or 761 per million of the population.

* * *

Bills of Lading and Insurance.—A recent paragraph in the London "Times" says that in view especially of the recent epidemic of fires at Bombay underwriters are now giving careful consideration to the question of "clean" bills of lading. The problem has really been apparent for many years and is not confined to India. The difficulty, simply expressed, is that if a shipowner is at all lax in issuing clean bills of lading the underwriter may be asked to pay claims which really should never be placed before him. Thus if, as has happened before now, salt water is used to extinguish fire among cotton in India, and cotton be shipped in a damaged condition under a "clean" bill of lading, the underwriter might later be called upon to pay a claim on the ground that the cotton was damaged by sea water in the course of transit. It is maintained that the insurance companies have frequently been asked to pay claims in this manner, and the suggestion is made that owners, no doubt never thinking that marine underwriters might be held responsible, have granted a clean bill in exchange for letters of indemnity. The proceeding, perhaps, would be harmless enough if it merely meant that the owner desired a guarantee that he was not liable for damage done before shipment; but it would assume a very different complexion if it were ever shown that the owner issued clean bills against dirty merchandise, realizing at the time that marine underwriters might be called upon to pay for the damage as having been caused in transit. The difficulty probably only needs to be thoroughly ventilated to be removed. There are fire insurance companies and marine insurance companies, and in well-conducted businesses neither set of underwriters should be called upon to pay for liabilities properly attaching to the other.

* * *

Employers' Liability Insurance in Belgium.—Mr. Arthur J. Cook, in a recent issue of the "Post Magazine and Insurance Moni-

tor," of London, summarizes the employers' liability insurance business of Belgium in 1912 as follows:

The following particulars respecting the native and foreign companies which transact employers' liability insurance in Belgium are extracted from the accounts of the various organizations for 1912, which have been published in the official "Moniteur Belge."

The figures of the foreign companies refer only to Belgian business. [Franc 19.3 cents.]

Summary:	Premiums Received (Frs.)	Claims Paid (Frs.)
Belgian companies	14,253,835	10,199,324
British companies	4,312,501	3,649,092
French companies	2,235,301	1,559,450
Swiss companies	4,798,887	3,366,015
Totals	25,600,524	18,773,881

In 1910 the total premiums received amounted to francs 22,406,580 and the claims paid to francs 14,888,341. In the above sums are included premiums which fell due in 1911 and were not paid until 1912, but not those that were unpaid at the close of the latter year—some of which may never be received. On the other hand ,each association had unadjusted claims on its books that are not included in the above items, but claims of 1911 which were paid in 1912 are added. As in other countries, the temporary disablement cases unduly increase in Belgium, notwithstanding the efforts made to check malingering.

* * *

Infant Mortality According to Order of Birth.—The old belief, still common among the laity, that first-born children are endowed by nature with greater vitality and longevity than last-born, says the New York "Times," has induced Dr. Alfred Ploetz, of Munich, Germany, to make an exhaustive study to ascertain if this were true. He compiled the returns from a very large number of families of the nobility, and his figures show, generally speaking, that the vitality of first to ninth-born children varied very little, but that from the tenth to the nineteenth-born the mortality was markedly greater. Dr. Ploetz's figures, published in the "Archiv für Rassen und Gesellschafts-Biologie," appear in a recent issue of the "Journal of Heredity" of the American Genetic Association.

In the following table, Dr. Ploetz has made groupings of first-born, second-born, and so on, and it was his object to find out how many of these died before the fifth year:

Order of Birth.	Number of Children.	Per Cent Died.
First-born	614	26.4
Second-born	539	24.9
Third-born	455	26.4
Fourth-born	386	25.6
Fifth-born	311	26.0
Sixth-born	249	26.1
Seventh to ninth-born	463	26.3
Tenth to nineteenth-born	302	34.4
	3,319	26.7

Dr. Ploetz does not undertake to interpret the result of the investigation.

* * *

Registered Mail Insurance in 1913.—During the year 1913, registered mail insurance in the United States brought in premiums to the amount of $203,527, while losses reached only $14,101, or 7 per cent. The business was divided among twenty-four companies and so few got a good volume that the possibility of an underwriting profit to the majority was precluded. Only three companies wrote in excess of $10,000 in premiums and seven did less than $1,000 in premiums. Among the latter were two of the three reinsurance companies that participated in the business.

The returns show that the marine offices have been pushing the line and that the big fire agency plants of the fire and marine companies have not been educated up to getting this business. While the business is not of sufficient size to warrant the expenditure of a great deal of money in going after it, there are certain features, other than the low loss ratio, that make it desirable. It is short term business on which practically no reserve is necessary and the company knows at the end of each year just where it stands.

* * *

Group Compensation Insurance in Michigan.—Charles Van Keuren, of Lansing, district agent for the Detroit Life, says the "Indicator," of Detroit, has devised a co-operative compensation insurance plan which has now been in successful operation for about a month. The plan is to combine a number of employers of labor into a group through which they can secure a reduction in premium rate. The policy is a co-operative compensation one and under its terms the greater the number insured the less will be the amount of the minimum premium and the rate per $100 of payroll to be paid by each member. It is claimed that there are many small employers of labor in the small towns of Michigan who have not come under the Workmen's Compensation Act mainly because it has never been explained to them. Especial efforts are being made by Mr. Van Kueren to reach this class and so far with good success. Employers in the same line of business are grouped together and then for the purpose of formulating rates groups are formed according to the number of members. The first class to be rated is threshermen, and there are seven groups of these, ranging from 10 or less members to from 501 to 1,000. The rates per $100 range from $3.75 in group A to $3.25 in Group G, and the minimum premium from $50 to $25. The business is conducted mainly by mail and is really a campaign of education. The policy is copyrighted. At present its use is confined to Michigan, but Mr. Van Keuren plans to put it in operation in other States in the near future.

* * *

War Risks and Government.—Following close on the announcement made last week that the British Government would insure shipments of wheat to Great Britain in English bottoms up to 80 per cent, comes the news that the Belgian Government would also cover war risks on wheat shipped to Belgian ports. Pierre Mali, Belgian Consul at New York, received urgent cablegrams from the Minister of Foreign Affairs, at Brussels, on August 9 and 10, to the effect that the Belgian Government had decided to take this step and that war risks would be insured at ¼ per cent. It was also stated that, in the belief that the seas were now comparatively safe, the National Bank of Belgium was taking up documents on wheat.

In the United States, the National Foreign Trade Council, meeting in special session on August 10, adopted a resolution in which it was said:

"Even with legislation permitting the American registry and operation of foreign-built ships under the American flag, the movement of exports and imports will be greatly retarded because of prohibitive war risks—British Government insurance covering only British vessels and their cargoes—therefore, be it resolved, that we recommend that the Government promptly provide war-risk insurance on both the hulls and cargoes of American vessels engaged in over-sea trade at reasonable rates, and we urge upon Congress the immediate enactment of the laws necessary thereto."

The Special Committee on Shipments During the European War of the New York Chamber of Commerce issued a bulletin of information to American shippers on August 12.

According to the bulletin there is only one exception to the international rule that goods shipped by American shippers, as neutrals, to a neutral destination are exempt from capture, whether

shipped on an American or other neutral ship or on a belligerent ship. This exception is where the goods are intended to be transshipped to a hostile destination. Then a captor must prove intention to transship to justify the capture.

Contraband goods are of two classes, absolute and conditional. Absolute contraband is subject to capture even in an American bottom. Goods known as conditional contraband are not subject to capture in an American or other neutral or a belligerent bottom unless destined for the military use or benefit of a belligerent country. By way of warning, the bulletin here adds:

"As, however, the prize court of the captor has jurisdiction to determine the question of contraband, shippers should contemplate the possibility that both classes of contraband may possibly be seized and condemned."

INSURANCE NEWS IN THE WEST

Foreign Companies Scrutinized in Chicago.—Foreign companies have been receiving chief attention in Chicago during the past few days. Some of the banks and trust companies have given instructions to watch closely fire policies of foreign companies on property in which these institutions are interested as creditors, trustees or otherwise. That was only a reasonable precaution. It does not cast reflections upon admitted foreign companies. There are, however, so many policies in force issued by Lloyds and non-admitted surplus line companies, whose American assets are not a large factor, that financial institutions must be more careful than usual in scrutinizing insurance offered. The public at large also has shown an interest in the affairs of foreign companies and some of these companies of the highest standing have seen fit to take active measures to allay fears as to the possible effect of foreign wars upon them. It is reported in Chicago that some field men of American companies have been short-sighted or mean enough to attempt to create doubts as to the condition of foreign companies, hoping thereby to gain some little advantage for their own companies.

* * *

Phoenix of London Managerial Appointment.—Walter L. Maillot, of Chicago, for a number of years in the service of the New York Underwriters, has been appointed assistant Western manager of the Phoenix of London. It has been known in inside circles for two or three weeks that the Phoenix was negotiating with Mr. Maillot, but it was understood until this week that they had not got together. Assistant United States Manager Hart Darlington had stated that the company desired as assistant manager of the Western department a man who, in addition to his other duties, would take an active part in organizations of fire underwriters and make the company more of a factor in them. Mr. Maillot is such a man. Just coming into his prime, energetic, thoroughly competent, of fine presence and pleasing personality, he has taken an active part in organizations of field men with which he has been associated, and there appears no reason why he should not prove in every way a strong assistant manager and fine representative of the Phoenix.

Mr. Maillot received his early training in the home office of the New York Underwriters. Later he was in the field in Virginia, Texas, Arkansas and Oklahoma for the company. Later it made him State agent for Missouri. A few months ago, when Robert M. Bennett was transferred from Chicago to New York, Mr. Maillot was transferred to Chicago as State agent for Illinois and was also put in charge of the company's Western special hazard department. He stands high among Western field men.

* * *

Henry Evans, president of the Continental and the Fidelity-Phenix, has been in Chicago this week. He does not visit the city very often, but when he does come there usually is something important to be done. Hence the report that he is in town starts speculation as to what he is going to do, often wild speculation at that. Nothing has come out yet to show that his present visit has any special significance.

* * *

Southern Surety Changes.—Announcement was made this week of the appointment of the Smyth & Coambs Company as general agents at Chicago of the Southern Surety for all lines except industrial, health and accident. This is a corporation which recently succeeded the firm of Smyth & Coambs, composed of two young men who in the past few years have built up a considerable business as brokers. They have specialized on surety lines. In their new capacity they expect to employ a competent casualty man to handle that branch of their business. O. W. Huncke & Co., who have been general agents of the surety department of the Southern Surety, will continue as general agents of that department but will report their business through the Smyth & Coambs Company.

* * *

As was expected from the presence of Vice-President Harris in Chicago this week, the appointment of a successor to John T. Wagner as manager of the Chicago branch office of the casualty department of the Fidelity and Deposit was announced on Wednesday, in the person of H. B. Hodge. Mr. Hodge has been with the company in various capacities for seven years, serving both in the home office and in the field. He was for a time Western district manager and is therefore familiar with the company's Illinois business.

Mr. Wagner has opened a small office for the Hartford Accident and Indemnity in part of the space of the Royal Casualty. The last named company will move its home office back to St. Louis, which is its legal domicile, before the end of the month. Then the Hartford Indemnity will have the entire space it occupies in the Insurance Exchange. Mr. Wagner is now negotiating for certain agency connections. If these negotiations are successful, changes will result in the representation of one or more other companies now operating in the city.

* * *

Opposition to Proposed Accident Underwriters' Association.—Louis H. Fibel, president of the Great Eastern Casualty, has addressed a circular letter to certain of the industrial, health and accident companies urging them not to take part in the organization of the National Accident Underwriters and stating that he will give his reasons for this request at the meeting of the Detroit Conference at Atlantic City on September 9. As only one other man prominent in the Detroit Conference has expressed opposition to the organization of the new association, it does not look as if their protests would avail much. Aside from this opposition everything looks favorable for the successful launching of the National Accident Underwriters on September 10 and the peaceful dissolution of the three present organizations. Leaders in the business recognize the urgent need of certain reforms and are convinced that they can be brought about only through one strong organization. While some of them are strongly attached to their present associations, they are willing to abandon them in the interests of the business.

* * *

Surety Situation in the West.—Surety underwriters in Chicago profess to see very little effect upon their business from the European war. One, who is in a position to make observations over a large territory, states that there is apparent a slight tendency to defer action on contemplated contracts until financial conditions become

...ness outlook. Another [illegible] large, attributes this tendency to [illegible] has prevailed for several months [illegible] He does not believe the business will [illegible] of the war appreciably for several months yet [illegible] perhaps. There is an increase in fidelity losses due to the [illegible] employes who have been caught in the financial [illegible] themselves by "borrowing" from their employers.

The demand for fidelity bonds to protect the deposits of individuals and corporations, which was strong in July, has mostly died down. This demand was noticeable in Illinois more than elsewhere and resulted from the closing of the Munday Lorimer banks in Chicago, in June. The lesson apparently has been forgotten by this time. This really does not cause any regret on the part of some of the surety men. Their companies write these bonds and they are glad of the commissions on them, but they do not like them. Some conservative underwriters fear that great harm will result at a time of financial stress if some prominent surety company is obliged to decline to write such bonds on a bank on which it has assumed all the liability prudence will permit. In times of suspicion, they point out, such action by a surety company would be misconstrued by the public and give rise to rumors that the banks on which a company had full lines were in an unsound condition.

LA SALLE

Chicago, August 14, 1914.

ITEMS OF INSURANCE NEWS.

According to figures compiled by the "Journal of Commerce," one hundred and thirty-seven fire insurance companies report premiums aggregating over $9,600,000 in New York City for the first six months of 1914.

Press notices and dispatches, as collated by the bonding department of the Fidelity and Casualty indicate, for the month of June, the following defalcations in the United States: Banks and trust companies, $83,339; beneficial associations, $18,110; public service, $4,001.10; general business, $33,317; insurance companies, $8,575; miscellaneous, $50,561,61. Total, $196,904.71.

In his annual report to the Governor, W. J. Deacon, registrar of vital statistics of Kansas, recommends State life insurance, on the ground that the average death rate in Kansas is lower than in the large cities of the East, but that the rate of premium charged Kansas policyholders is based upon the general experience.

Following the reply of the South-Eastern Underwriters' Association to the city authorities and civic bodies of Birmingham, Ala., who had protested against the decision of the association to raise the fire insurance rates in Greater Birmingham 15 per cent, it is announced that arrangements will be made for a thorough investigation of the fire hazards and protective features of the city. Meanwhile, however, the recent 15 per cent increase in rates will stand.

The Equitable Life Assurance Society of New York has decided to abolish its practice of publishing lists of its death claims, as it has been discovered that these lists are used by unscrupulous promoters in finding prospects for wild-cat investment schemes.

The Southern Pacific Railroad Company has notified the New York Workmen's Commission that it will test the application of the workmen's compensation act as to the longshoremen and stevedores employed on the company's piers in New York City.

Reports to the South Carolina Insurance Department by insurance companies show, for the first six months of 1914: total number of fires, 5,415, against [illegible] for the same period in 1913; total insurance losses, $[illegible], against $1,276,574.10 for the same period in 1913.

The Second International Exposition of Safety and Sanitation will be held in New York City on December 12 to 19, 1914, under the direction of the American Museum of Safety.

The following officers were chosen by the Southern Casualty and Surety Conference at the Chattanooga convention: President A. B. Landon, Gulf Life; vice-president, P. M. Estes, Life and Casualty Co. of Tennessee; secretary and treasurer, Edwin Shelly, New Orleans Casualty. The executive committee is composed of:—Chairman, C. E. Clarke, Pelican Casualty; C. J. Cochran, United Casualty and Surety; O. P. Ott, Southern Mutual Life; R. D. Hoffaker, Interstate Life and Casualty; J. J. Wilson, Southern Surety.

Gunnar Huitfeldt, [illegible] commissioner of the World's Insurance Congress at the Panama-Pacific Exposition, recently stated at a dinner in Cincinnati that, to date, 80 per cent of the insurance interests in the United States have appointed delegates to the national council and of the 300 conventions already booked for San Francisco in 1915 one-third are insurance conventions.

The programme of the nineteenth annual convention of the National Association of Insurance Agents, to be held at Mineapolis, Minn., on August 17-18-19, is, briefly, as follows:

Monday, 11 to 12 A. M.—Address of Welcome and Response; President's Address; Address, "Agents' License and Qualification Laws," J. O. Preus, Insurance Commissioner, St. Paul, Minn.; Reports.

Tuesday, 10 A. M.—Address, "Jumbo Lines and Reinsurance Treaties," J. F. Joseph, vice-president Sterling Fire Insurance Co.; Discussion; Address, "Underwriters' Agencies," R. M. Potts, Superintendent of Insurance, Springfield, Ill.; Discussion; Introduction of Resolutions.

Tuesday (Casualty Section), 2 P. M.—Election of chairman and secretary; Organization of section; Discussion; General Business.

Wednesday, 10 A.M.—Address, "Co-operation of Insurance Interests," W. S. Diggs, president Ohio Insurance Federation; Discussion; Introduction of New Business.

Wednesday, 2 P. M.—Report of Committee on Resolutions; Discussion; Report of Committee on Nominations; Discussion; Adjournment.

The Insurance Federation of Pennsylvania has been organized, enlisting agents and policyholders in all lines of insurance for the protection of the business against adverse legislation. J. W. Henry and J. L. Rivolta, both of Pittsburgh, were elected president and secretary, respectively. Dues were placed at $2 per annum.

Insurance Commissioner Epsteen, of Colorado, has reprimanded A. N. Dempsey and revoked the license, for one month, of C. T. Austin, both agents of the Mutual Benefit Life, on the charge of the Pacific Mutual Life that these agents prepared and used literature containing false statements by implication and half truths damaging to the Pacific Mutual. This is the first result under Section 78 of the Colorado Insurance laws, recently put in effect, penalizing those guilty of circulating false literature, etc., as regards any insurance company.

Assistant Attorney-General Sagan, of Kentucky, has given his opinion that the Act of 1912 amending the Kentucky statutes providing for the organization of co-operative assessment life insurance companies is unconstitutional.

The Insurance Commissioner of Ohio has issued a warning to the property owners of that State against dealing in any way with insurance concerns not properly licensed in the Commonwealth. The notice is directed principally against inter-insurance concerns.

The Oregon Supreme Court, in W. C. Doyle vs. Portland Railway, Light and Power Co., has decided that trespassing upon railway property can no longer be considered "voluntary exposure to risk" where "a considerable number of people, in a thickly settled community, have been accustomed every day for several years to use a railroad bridge as a foot passageway, with the knowledge and acquiescence of the railroad company and its employes."

The Newark Fire Insurance Company has amended its charter, increasing its authorized capital from $500,000 to $1,000,000 and allowing the company to write all lines of automobile insurance.

The American Surety Co. announces the appointment of Secretary H. B. Zevely to be vice-president, with assignment to the Pacific Coast district, and the promotion of Auditor L. E. Carman to vice-president. Treasurer W. A. Brandt has been elected secretary-treasurer.

The Southwestern Surety Insurance Company, of Denison, Tex., has reinsured the outstanding accident and health and plate glass business of the General Bonding and Casualty Insurance Company of Dallas.

The Ohio Valley Fire and Marine of Paducah, Ky., has been licensed to do business, with a paid up capital of $51,750, and surplus of $44,409.

The Union Central Life, of Cincinnati, has secured an amendment to its charter permitting it to write personal accident and health insurance.

The stockholders of the Aegis Life, of Denver, have voted to reduce the capital stock of that company by one-half. The capital stock outstanding on January 1, 1911, was $236,360.

The New York Life announces that in view of the state of war in Europe, it has been decided to put the following clause in all policies issued to Europeans now residing in America, where there seems a possibility of these Europeans being called into active service abroad:

"During the first two years of the existence of this policy, if the insured shall die while engaged in military or naval service, or in consequence of such service, the amount payable under this policy shall be limited to the total premiums paid, without interest."

It is reported that the Norwegian Parliament has rejected the bill to secure a State monopoly of the life insurance business in Norway.. A commission was appointed to consider the question, and in the report stress was laid upon the heavy compensation which would have to paid to the companies and the insignificant benefits which would accrue to the Government were such a scheme adopted.

FINANCE AND COMMERCE

Financial and Commercial Review.
Banking Situation at Home and Abroad.
Statistics of Cotton and Coffee.
Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

WHILE all the world seemed to be waiting for real and significant war news, in the past week events in reality did not stand still. The scope of the European conflict was enlarged by the recognition of a state of war between France and Austria and between Great Britain and Austria. Indications were also presented that some of the smaller neutral States were likely to be drawn into the contest shortly. It need not be said that this added nothing to the sum of calamity of the European Armageddon. On the contrary, it could not fail to be rather hopefully regarded. Irrespective of American sympathies, however these may lie, the more the countries that are drawn into the conflict, especially against Germany and Austria, the brighter the prospect for its early termination.

Indeed, it is becoming increasingly unthinkable that the war can long survive the first desperate encounters. Unless all signs fail, the slaughter will be so awful as to stun the European peoples and set up a reaction from the war craze which will operate powerfully in behalf of the advocates of peace. At some stage of the war, finance, which was so impotent to prevent the precipitation of war, should be able to exert a tremendous influence for its termination, and nothing is more likely to contribute support to finance than the realization of the catastrophe to humanity threatened by a continuation of the struggle after determined engagements have shown the futile ruin occasioned by it all.

Such considerations must pervade the minds of men to-day, although it is too soon to allow them to govern the formation of plans to deal with the situation which the war has created. At the moment all efforts have to be directed toward coping with the brutal fact of the war and the terrific derangement of the financial and commercial machinery, the operations of which provide the world with its living. There has been no cessation of endeavor in this respect; and as the end of the week approached it was possible to see that progress was being made in the solution of the greatest problem of most immediate pressing importance, how to contrive a resumption of international trade movements and of international financial dealings, upon which the course of domestic trade and finance in every peaceful land depends, and without which some of the belligerent nations at least cannot long maintain their belligerency.

One of the most striking features of the situation is that the allies against Germany and Austria constitute an outer ring in contact with the rest of the world. With them, therefore, there can be some sustained commercial and financial relations. It happens also that one of the allies, Great Britain, is the foremost trading and banking country on the globe and Great Britain has been taking the most resolute steps to provide for a speedy resumption of these relations. One of the chief happenings of the week was the announcement which the British Admiralty was able to make that the Western half of the Atlantic Ocean was safe for shipping; and, unless the French and British navies should be overcome by the German fleet, no long time is likely to elapse before all international waters will be pronounced open for trade, except the English Channel and the North and Baltic seas, which have been closed for the purposes of naval warfare. Obviously this means a momentous contribution to the solution of the problem stated above, for when shipping can begin to move across the oceans there must be a very rapid recovery of trade and industry, domestic and international. Even though production, distribution and consumption will be less than normal they will be in much greater volume than when they have been laid under an embargo against all international traffic.

It was not, however, the maritime outlook which constituted the principal subject of interest in the last few days. That was supplied by the measures instituted,—especially in Great Britain,—and the co-operative projects launched elsewhere, to rehabilitate the international money market. Without the restoration of those credit processes which are called foreign exchange, there cannot be any foreign trade, and domestic trade will be dammed up by the blockade of exports and imports. To no country anywhere is it of more consequence at this time than to the United States to facilitate in every possible way the international movement of goods and commodities, for this country is in a position to make huge trade exports to take the place of those which ordinarily go from Europe to various parts of the world. It is going to be vital to our future welfare when settlement for this war has to be made, to have accumulated in advance enormous credit balances as a result of our provision of supplies to the world's markets. In that way alone can we hope to meet without disaster the demands which will be made upon us after the war to furnish capital to Europe with which to repair the waste of the war. In the meantime, it is going to be essential to the welfare of our people that American industry and commerce be busily engaged in purveying to foreign markets those commodities and goods in furnishing which full occupation will be given to the American population. Domestic trade alone will not suffice to employ our resources of men and materials to anything like the extent required to avert tremendous hardship and distress.

It has been quite natural that in the past turbulent fortnight American optimism should have turned its attention to the possibilities which this war seems to hold out for taking advantage of its sinister opportunity for procuring the enhanced economic good of the United States. It does provide such an opportunity. Nevertheless we are likely to place obstacles in our own way by rushing impulsively into undertakings, seeking to devise and extemporize expedients which have nothing to commend them save that they are experiments suggested by the opportunity. It is not wisdom, or even the highest self-interest, to regard too exclusively the prize which the war offers to the United States.

There has been more than enough of wild folly in the public prints in the past few days about New York becoming the world's financial centre. Already some frenzied prophets have had visions (and proclaimed them) of bills of exchange on New York supplanting bills on London and of foreign exchange quoted everywhere in terms of dollars, instead of in pounds sterling. Now, these like other good things may be expected to come in time, if we have patience to wait and work, but just at the moment the wisest thing we can do is not to try to rush the future. Nobody can tell what the European war will bring forth, but in the present posture of affairs it ought to suffice us to rely to the utmost on the financial and commercial machinery which has stood the world in stead in the past and helped to reconstruct it after its many breakdowns, rather than to attempt to substitute machinery of our own special pattern. The British Empire has not gone to pieces yet. It still has the colossal merchant marine that carries the bulk of the world's ocean trade; and it is more than doubtful if we are going to create out of hand

an American merchant marine which will compete with the British mercantile fleet, unless Great Britain is shattered by the war.

The matter which has given most concern to American bankers and merchants in the crisis of the European war has been the quantity of our immediate indebtedness abroad, represented practically by accounts against us at London. What the British banker has been trying to do is to devise some process by which so solvent a debtor as the United States can pay debts and still keep solvent. At least two measures of the past week have shown how prudently and wisely British finance is working to that end. Great Britain is the only belligerent nation which will have a gold supply during the war. The Bank of England has arranged to accumulate reserves in South Africa and in Australia from the output of the gold mines. It has arranged to accumulate another reserve in Canada; and against these reserves it will issue its notes in London. The British Government has also guaranteed the Bank of England against loss on the discount of domestic or foreign bills of exchange, on either home or foreign banks, accepted before August 4. This of itself will go very far toward rehabilitating the London money market, which is another phrase for describing the world's money market.

There would seem to remain, then, only the necessity for a comprehension on the part of our bankers of the desirability of co-operating with the Bank of England in the most practical way possible and arranging for the transfer of such a quantity of gold to Ottawa as circumstances may dictate. Without such initial gold payments on our foreign indebtedness it is going to be difficult to bring about a resumption of foreign exchange operations here, no matter if we have available commodity exports which could create bills. Ten days or so ago it was an excellent thing to enter into an agreement, as our bankers did, to discourage gold exports. It would be a very foolish thing to refuse to export gold for such an intelligent and effective use of it as has been indicated in the Bank of England's Canadian reserve scheme.

We expect to see a moderate amount of gold go across the Canadian border from this country in the next few days and we believe that no large amount will be necessary to start the foreign exchanges working again. We do not expect to see any vicious expedients for releasing gold resorted to, such as have been implied in the recommendation of legislation for the substitution of bank notes as a part of National bank reserves.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	—Week Aug. 1, 1914—			—Week Aug. 8, 1914—		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,425.7	630.4	2,056.1	1,464.5	620.6	2,085.1
Deposits (net)	1,451.5	484.2	1,935.8	1,433.6	475.3	1,908.9
Cash reserves	374.0	70.3	444.4	324.2	62.3	386.5
Reserve ratio (%)	25.7	16.6	22.9	22.6	13.3	20.2

Actual Status.

	—Week July 25, 1914—			—Week Aug. 1, 1914—		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,431.7	625.7	2,057.5	1,423.1	635.3	2,058.7
Deposits (net)	1,479.5	478.7	1,958.3	1,422.7	488.7	1,911.5
Cash reserves	393.6	74.2	467.8	344.3	67.1	411.5
Reserve ratio (%)	26.6	15.5	23.8	24.2	13.9	21.5

Actual Status Non-Member Institutions.

	1914			
	July 18.	July 25.	Aug. 1.	Aug. 8.
Loans	568.9	575.0	570.8	569.7
Deposits (net)	548.5	573.7	567.6	563.1
Cash reserves	54.1	54.9	53.2	54.3
Other reserves	85.1	87.7	83.8	68.5
Reserve ratio (%)	25.4	26.0	26.4	24.1

Aggregate Statement Actual.

(Exclusive of State National Banks Not Reporting Weekly.)

	1914			
	July 11.	July 18.	July 25.	Aug. 2.
Loans	2,635.7	2,665.2	2,630.5	2,629.5
Deposits (net)	2,492.1	2,492.7	2,532.6	2,479.1
Cash reserve	512.7	512.9	520.3	464.7

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 13.	July 20.	July 27.	Aug. 3.
Loans	397.1	398.4	396.4	396.8
Deposits	452.8	454.7	446.4	444.4
Cash reserves	100.3	100.6	99.7	95.9

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.63

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
August 8	1,493	1,302	2,795	1,248	1,351	2,599
August 1	1,611	1,317	2,961	1,838	1,435	3,273
July 25	1,630	1,286	2,917	1,588	1,364	2,953

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
August 8	2½	3½	6	8	7	6
August 1	2½	3¾	6	10	6	6¾
July 25	2½	3¾	6	2½	2¾	4½

*Nominal.

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	July 23.	July 30.	Aug. 7.	Aug. 13.
Deposits	55,920	67,131	68,249	91,215
Circulation	29,317	29,706	36,105	35,934
Gold	40,161	38,131	27,622	33,014
Securities	11,637	58,312	76,392	93,827
Reserve ratio (%)	52.10	40.03	14.62	17.00
Discount rate (%)	3	4	6	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,049.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 2.	July 9.	July 17.	July 25.
Gold and silver	1,586.8	1,596.4	1,681.6	1,722.7
Loans and discounts	1,284.3	1,026.0	867.3	801.0
Circulation	2,407.1	2,192.0	1,994.5	1,890.8
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	March.	April.	May.	June.
Loans on call	214.3	208.4	197.1	204.5
Loans, other	912.3	924.4	927.5	925.5
Deposits, demand	345.5	350.5	340.7	355.0
Deposits, other	760.6	767.0	759.3	767.7
Circulation	96.8	93.0	97.7	99.1
Cash reserves	112.7	113.2	113.3	113.3

THE COUNTRY'S COMMERCE

	May		June	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$133,723,713	$163,637,386	$131,245,877	$157,772,973
Exports	194,607,422	161,650,203	163,404,916	157,119,451
Specie.				
Gold Imports	4,561,260	1,972,411	3,386,974	3,817,112
Exports	12,467,492	16,835,902	569,315	48,107,064
Silver Imports	3,093,063	1,755,062	2,365,170	1,822,305
Exports	5,329,354	4,844,244	4,731,557	4,639,077

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

(Silver unquoted this week in New York.)

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
London	26	27¾	26½	26⅝	26⅝	27

COTTON

August 15, 1914.

ALL the cotton exchanges in the world, upon which contracts for the future delivery of American cotton are made, have remained closed during the past week, as have the world's securities exchanges. The absolute interruption of commercial intercourse between the nations of Europe by reason of the war, and the only partial intercourse between the United States and these countries, have to all intents and purposes brought the cotton trade to a standstill. Owing to the prohibitive rates of marine insurance and of exchange it is virtually impossible to export any cotton from the United States at present, although it has been reported that Japanese buyers have shown some activity in Texas, doubtless on the theory that by the time their cotton reaches the Pacific coast, the danger of capture on the voyage to Japan will have been eliminated. European merchants are not showing the slightest indication of a desire to buy actual cotton or to contract for it in the future. In such spot markets in the South as have any stock of cotton, for the first time in half a century it is being discovered that cotton may be utterly unsalable and that under such conditions it is no longer true to assert that "cotton is gold." In the absence of quotations from the cotton exchanges nobody in the South has any idea as to the market value of cotton; prices are anything that can be got from purchasers, of whom the only survivors are American spinners; quotations vary from place to place and from hour to hour in the same place. Moreover, with each succeeding day the confusion grows worse confounded, as the picking of the new crop extends, and more and more cotton accumulates in the markets of the extreme Southern sections of the Cotton Belt, where the crop moves earliest. Almost for the first time in history everybody is afraid of cotton. The merchant dares not buy it; the banker dares not lend upon it; the spinner is concerned lest, however cheaply he may purchase it, his competitors will obtain it still more cheaply a little later and will be able to undersell him in the marketing of his product. Four years ago spinners were willing to buy millions of bales of cotton for delivery to them over a period of years ahead; to-day the markets are practically devoid of any future commitments at all. Consequently, there is no support to prices from the anticipated requirements of the future, translated into the form of contracts for future delivery. Cotton is to-day exactly what some of the Congressional economists have insisted it ought to be, a commodity like hay or wool or lumber or potatoes. Like those commodities it can be sold, if a purchaser turns up; but in default of a purchaser who needs it for immediate use, it has no market value at all. For the time being it has ceased to be a world commodity with a world market, and has become, in respect of each lot of it, a local commodity with such market as accident may supply. The speculators will have nothing to do with it, and the merchants are ready to do nothing more than serve as mere intermediaries between the consumer ad the producer. This is a condition of things which the Southern critics of the "gambling" on cotton exchanges have long been proclaiming their desire to have brought about; their spokesmen in Congress have filled pages of the Congressional Record with eloquent pleas for it; and now events beyond the control either of Congress or of the cotton trade have brought it about. It will be well worth while to observe how the reality compares with the dream, in the opinion of those who have the reality to face. Within the cotton exchanges, both at home and abroad, the one effort is to liquidate outstanding engagements down to the bare bones of unescapable commitments entered into before the present situation came about. All endeavors are concentrated upon getting contracts off the books, upon disposing of all stocks of cotton at almost any sacrifice, and upon preventing any new commitments from being made. There is not to-day a cotton futures market in the world in which it would be possible to "hedge" even one hundred bales of cotton. All the vast machinery by means of which the future needs of Manchuria or of India in the way of cotton goods were made to provide a market for cotton now in the hands of merchants, but unsold, has been brought to a complete stop. Of course, the air is full of projects for replacing all this machinery and providing a market for the cotton crop, if in no other way, at the expense of the taxpayers of the country. At Washington, the colossal economic and financial ignorance of the coterie of Senators and Congressmen who have just compassed the passage of the Lever Bill through both Houses of Congress, is disporting itself in its fustian and bombast of tremendous schemes for Government valorization of cotton or for unlimited Government lending on uncontrolled warehouse receipts for cotton or even on cotton in farmers' hands, always at a very high price. More serious efforts are being made by bankers of high repute, in conjunction with exalted officers of the Government, to work out a programme for financing the season's crop and for distributing it at home and abroad as rapidly and at as high a price as possible. The one part of the community which it is generally agreed not to be worth while to call into consultation is the cotton trade itself. The experience, the resources, the credit, the accumulated knowledge of the cotton trade with regard to the possible outlet for cotton,—all these are treated as negligible, in comparison with the wisdom of statesmen, financiers, and political personages who have hitherto contributed nothing whatever to the distribution of the American cotton crop. It will be interesting to observe the financial and commercial results which these amateurish gentlemen obtain.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	.....	.....	9.90	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.00	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.08	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.80	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	.....	.....	.....
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	.....	.....	.....
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	.....	.....	.....
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.76	.....	.....	.....	.....	.....

Exchange operations suspended at 11:30 a. m.

May—						
High	....	.....	.....	.....	.....	.....
Low	....	.....	.....	.....	.....	.....
Close	....	.....	.....	.....	.....	.....
June—						
High	....	.....	.....	.....	.....	.....
Low	....	.....	.....	.....	.....	.....
Close	....	.....	.....	.....	.....	.....
July—						
High	....	.....	.....	.....	.....	.....
Low	....	.....	.....	.....	.....	.....
Close	....	.....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12.30 and closing bid prices for each delivery on [illegible], July 31, in pence and hundredths of a penny per pound, net weight:

Aug.—						
Opening	6.55	....	....	.....	.....	.....
12.30 p. m.	6.45	....	....	.....	.....	.....
Close	6.45	....	....	.....	.....	.....
Aug.-Sept.—						
Opening						
12.30 p. m.	15 points over J-F					
Close						
Sept.-Oct.—						
Opening						
12.30 p. m.	6 points over J-F					
Close						
Oct.-Nov.—						
Opening						
12.30 p. m.	1 points over J-F					
Close						
Nov.-Dec.—						
Opening						
12.30 p. m.	1 point under J-F					
Close						
Dec.-Jan.—						
Opening						
12.30 p. m.	1 point under J-F					
Close						
Jan.-Feb.—						
Opening						
12.30 p. m.	6.12	6.12	6.12	6.12	6.12	6.12
Close						
Feb.-Mar.—						
Opening	....	....	....	.....	.....	.....
12.30 p. m.	....	....	....	.....	.....	.....
Close	6.12½	....	....	.....	.....	.....
Mar.-Apr.—						
Opening	6.25	....	....	.....	.....	.....
12.30 p. m.	6.27½	....	....	.....	.....	.....
Close	6.15½	....	....	.....	.....	.....
April-May—						
Opening	....	....	....	.....	.....	.....
12.30 p. m.	....	....	....	.....	.....	.....
Close	6.16	....	....	.....	.....	.....
May-June—						
Opening	6.30	....	....	.....	.....	.....
12.30 p. m.	6.28	....	....	.....	.....	.....
Close	6.16½	....	....	.....	.....	.....
June-July—						
Opening	6.56	....	....	.....	.....	.....
12.30 p. m.	6.47	....	....	.....	.....	.....
Close	6.16½	....	....	.....	.....	.....

Above quotations for liquidating old contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	....	....	....	....	....	....
August	....	....	....	....	....	....
September	....	....	....	....	....	....
October	....	....	....	....	....	....
November	....	....	....	....	....	....
December	....	....	....	....	....	....
January	....	....	....	....	....	....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	11.00	11.00	11.00
[illegible]	....	....	....	....	....	....
[illegible]	....	....	....	....	....	....
[illegible]	....	....	....	....	....	....

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	2,850	11,840	1,157
France	.....	.....	.....
Continent	9,215	7,695	151
Mexico	48	500	.....
Japan	.....	600	.....
Totals	12,113	20,635	1,308
Since September 1.			
Great Britain	4,199,950	3,562,068	3,412,165
France	1,161,911	979,030	1,058,705
Continent	4,492,134	3,545,629	4,010,175
Mexico	15,142	22,914	27,947
Japan	514,770	387,020	346,790
Totals	10,383,907	8,496,661	8,855,782

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	.....	300	.....
Since September 1	7,258,494	7,457,862	.....

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	.....	201,757	.....	206,727	.....	.....
To Manchester	.....	231,877	.....	204,760	.....	.....
To Continent	2,250	394,361	2,250	415,219	.....	.....
To America	.....	118,289	.....	124,300	.....	.....
Total exports	2,250	946,284	2,250	951,006	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	6,000	2,716,000	.....	.....
Exports to Great Britain	.....	21,000	.....	.....
Exports to Continent	11,000	494,000	.....	.....
Exports to Japan and China	20,000	981,000	.....	.....
Afloat in harbor	15,000	.....	.....	.....

Exchange, 1s. 4¼.

Receipts exclusive of —— American this week, and —— this season; 1,000 this week last year, 28,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	655,000	459,000	908,000	625,000
London	6,000	.....	.....	.....
Manchester, in wareh'ses	35,000	22,000	63,000	44,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	4,000	.....	.....
Bremen	141,000	138,000	.....	.....
Havre	98,000	90,000	236,000	206,000
Other ports—Continent	29,000	20,000	.....	.....
Alexandria	74,000	.....	.....	.....
Bombay	475,000	.....	420,000	.....
U. S. interior towns	120,495	120,495	107,833	107,833
U. S. ports	139,050	139,050	228,266	228,266
Afloat for—				
Liverpool	42,000	17,000	35,000	5,000
London	.....	.....	.....	.....
Continent	152,000	49,000	.....	.....
Afloat in Bombay harbor	15,000	.....	.....	.....
Coastwise to New York	5,000	5,000	2,000	2,000
Exports to-day	.....	.....	.....	.....
Totals	2,003,545	1,063,545	.....	.....

Decrease in general visible supply for the week, ——, against decrease last year, 162,482. Decrease in American visible supply for the week, ——, against decrease last year, 106,482.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	.....
Crop in sight to date	13,826,130	.....
Total supply	15,185,100	.....
Less visible supply, American, to-day	1,063,553	.....
World's takings, American, to-day	14,121,547	.....
American Takings.		
Stocks at United States ports August 31	296,353	231,106
Returned from foreign countries	469	3,363
Receipts at United States ports to date	9,892,211	10,432,963
Total supply at ports	10,189,033	10,667,432
Deduct.		
Stocks at ports to-day	139,050	228,266
*Exports to date	8,501,661	8,857,282
Southern mill takings from ports	88,615	154,460
Burnt at ports	8	11,465
Totals	8,729,334	9,251,473
To Northern mills from ports	1,459,699	1,415,959
Overland to Northern mills	1,102,041	1,154,552
Total Northern mill takings	2,561,740	2,570,511
Southern mill takings	2,893,615	3,014,460
Total American mill takings, including Canada	5,455,355	5,584,971

*Includes 2,000 in transit between Southern ports and New York, against 5,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	27,940	5,455,355	13,831	.....
Great Britain	48,840	3,414,912	12,157	.....
Continent	67,695	4,841,356	.....	.....
Mexico	500	22,914	.....	.....
Japan and China	600	387,020	.....	.....
Totals	145,575	14,121,547	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	30,000	33,000	7,000	1,700
Sales, American	24,000	25,000	5,000	1,500
Sales, speculation	1,000	2,000	.....	.....
Sales, exports	2,000	2,000	.....	.....
Forwarded	61,000	56,000	24,000	17,000
Imports, all kinds	28,000	14,000	15,000	22,000
Imports, American	13,000	6,000	14,000	5,000
Actual exports, all kinds	4,000	4,000	2,000	2,000
Stock, all kinds	687,000	655,000	874,000	908,000
Stock, American	564,000	459,000	612,000	625,000
Afloat for Great Britain, all kinds	49,000	42,000	52,000	35,000
Afloat for Great Britain, American	11,000	17,000	21,000	5,000

* * *

CENSUS BUREAU REPORT ON CONSUMPTION AND DISTRIBUTION OF COTTON IN JULY.

On Friday, August 14, the United tSates Census Bureau issued its monthly report (the eleventh of the season of 1913-1914) on the consumption, distribution and supply of cotton in the United States for July, 1014. The figures, with comparisons for July, 1913, are given in the following tables,—round bales being counted as half bales and bales imported from foreign countries being reduced to equivalent 500-pound bales (net weight):

CONSUMPTION AND ACTIVE SPINDLES IN JULY

	Consumption		Active Spindles	
	1913, Bales.	1914, Bales.	1913, No.	1914, No.
In mills in the Cotton States	240,969	227,546	11,969,736	12,305,985
In mills in all other States	221,273	220,723	18,052,918	18,370,970
Totals for United States	462,242	*448,269	30,022,654	30,676,955

*Includes 17,237 bales of foreign cotton.

STOCKS OF COTTON AT MILLS AND IN WAREHOUSES ON JULY 31.

	In Manufacturers' Establishments		In Independent Warehouses	
	1913, Bales.	1914, Bales.	1913, Bales.	1914, Bales.
In the Cotton States	345,152	326,907	306,904	257,530
In all other States	612,409	577,507	74,835	166,686
Totals for U. S.	957,561	†904,414	381,739	‡424,216

†Includes 62,400 bales of foreign cotton.
‡Includes 9,504 bales of foreign cotton.

IMPORTS AND EXPORTS OF COTTON IN JULY.

Imports from	1913, Bales.	1914, Bales.	Exports to	1913, Bales.	1914, Bales.
Egypt	7,049	13,302	United Kingdom	39,898	53,739
Peru	906	442	Germany	40,548	41,291
China	1,303	3,338	France	7,132	2,522
All other countries	238	6,661	Italy	24,589	22,758
			All other countries	28,543	15,863
Total imports	9,496	23,743	Total exports	140,710	*136,173

*Includes 8,644 bales of linters.

In addition to cotton proper there were consumed in the United States, during July, 23,452 bales of linters (24,570 bales in July, 1913). Stocks of linters on July 31 were 83,928 bales at manufacturers' establishments (72,393 bales in July, 1913), and 33,444 bales in independent warehouses (29,148 bales in July, 1913).

The consumptio of cotton proper (including foreign cotton) in the United tSates for the ten months ended July 31, 1914, was 5,193,659 bales, compared with 5,050,971 bales for the same period in 1913.

* * *

Opportunity of American Cotton Mills During the Coming Season.—Under any consideration the spindles of Europe may be counted upon to consume at least 3,000,000 bales less than normal the coming season, says the "New York Sun," in a review and forecast of textile conditions. Such goods as may be manufactured will

be sold in the home markets, with the exception of a large part of the reduced output of Lancashire. The interesting question, therefore, is how much of this deficit in the world's supply of cotton fabrics the mills of the United States and Canada may be forced to make up. China has no large stock of goods, and the South American demand must be met.

American mills have a spindle and loom capacity to manufacture close to 7,000,000 bales, if they can find a market for their output. If cotton should be pressed for sale they probably would be willing to buy much more than their requirements. Hitherto the European spinner has been fortunate enough to buy low-priced cotton while his American competitor has held off until an advance in prices has forced him into the market. This year, however, it is hoped that the American manufacturer will seize his opportunity and not let bargains go to his European rival.

* * *

BRITISH BOARD OF TRADE OFFICIAL EXPORT FIGURES

The preliminary figures for the July exports of cotton yarns and cloths from Great Britain have been received by cable by the New York Cotton Exchange. We give them below, with the completed figures of the months since September 1, 1913:

	1913. Yarns, Pounds. Month.	Since Jan. 1.	Cloth, Yards. Month.	Since Jan. 1.
1913—September	15,734,400	154,761,700	548,972,500	5,350,278,900
1912—September	18,999,500	185,099,300	569,622,300	5,123,124,900
1913—October	19,959,100	174,720,800	630,937,100	5,981,216,300
1912—October	22,515,500	207,614,800	666,185,300	5,789,310,200
1913—November	18,247,000	192,968,400	563,650,100	6,544,866,100
1912—November	18,025,000	225,640,000	568,945,600	6,358,255,800
1913—December	17,207,100	210,175,500	530,692,300	7,075,558,400
1912—December	18,314,300	243,954,300	554,370,000	6,912,625,800
	1914.			
1914—January	19,056,000	19,056,000	688,105,100	688,105,100
1913—January	19,093,300	19,093,300	648,912,700	648,912,700
1914—February	18,074,100	37,130,100	583,451,600	1,271,556,700
1913—February	16,761,100	35,854,400	563,606,400	1,212,519,100
1914—March	19,824,300	56,954,400	590,375,000	1,861,931,700
1913—March	17,212,600	53,067,000	560,905,000	1,773,424,100
1914—April	18,992,500	75,946,900	531,908,600	2,393,840,300
1913—April	18,578,600	71,645,600	587,552,800	2,360,976,900
1914—May	20,234,300	96,181,200	572,913,100	2,966,753,400
1913—May	17,746,700	89,422,300	606,254,300	2,967,231,200
1914—June	17,233,000	113,414,200	498,504,900	3,465,258,300
1913—June	16,986,700	106,409,000	615,557,600	3,582,788,800
1914—July	20,000,000	126,419,000	629,000,000	4,094,278,300
1913—July	16,620,200	123,029,000	638,971,100	4,221,759,900

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3⅝ nom.	3⅝ nom.
Gray goods, 38 in., standard	4¾	4¾
Brown sheetings, Southern standard	7¾	7¾
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	24½-25	24½-25
Southern 2-ply skeins, 60s	45	45
Southern single skeins, 20s	21 -21½	21 -21½
Southern single chain warps, 20s	21 -21½	21 -21½
Southern 2-ply chain warps, 20s	21½-22	21½-22
Southern frame cones, 20s	22½	22½
Southern frame cones, 26s	25	25
Eastern carded cops, 20s	24	24
Eastern carded cops, 30s	28	28
Eastern carded peeler warps, 30s	30	30
Eastern carded peeler warps, 50s	47	47

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	September High.	Low.	December High.	Low.	May High.	Low.
August 8	94¾	92	99½	97½	1.07½	1.05½
August 10	98¼	94	1.03⅞	99	1.11¼	1.07½
August 11	96	93¾	1.01⅞	99¾	1.09	1.06⅞
August 12	93¾	92	1.00¼	98¼	1.07⅜	1.06½
August 13	93⅞	92	99¾	97¾	1.07⅜	1.05⅞
August 14	92¼	90⅞	98	96⅝	1.05	1.03⅞

CORN (New Contract).

	September High.	Low.	December High.	Low.	May High.	Low.
August 8	78½	75½	71¼	69¾	74	72½
August 10	79⅝	75¼	71⅞	69¼	74½	71⅝
August 11	78½	76½	69⅝	68¾	71	70⅛
August 12	80¼	78⅜	70¾	69½	72⅜	70¾
August 13	80	78¾	70⅜	68⅝	72⅛	70½
August 14	79⅛	77⅜	69⅛	68	70¾	69¼

OATS.

	September High.	Low.	December High.	Low.	May High.	Low.
August 8	41¼	39¾	44¼	43⅛	47⅛	46¼
August 10	42¾	40⅞	43⅞	43⅝	48¾	47
August 11	41⅞	40¼	45	43⅜	48	46⅜
August 12	42¼	41	45⅝	44¼	48¾	47½
August 13	42¼	41½	45½	44¾	48⅝	47⅞
August 14	42	41½	45¼	44⅝	48¼	47¾

LARD.

	September High.	Low.	October High.	Low.	January High.	Low.
August 8	10.12	9.72	10.17	9 87	10.30	10.20
August 10	10.27	10.10	10.45	10.25	.....	.....
August 11	9 92	9.52	10.07	9.32	10.32	9.65
August 12	9.60	9.32	9.80	9.50	10.12	9.82
August 13	9.62	9.50	9.82	9.70	10.15	10.05
August 14	9.55	9.42	9.75	9.60	10.05	10.00

RIBS.

	September High.	Low.	October High.	Low.	January High.	Low.
August 8	12.92	12.75	12.72	12.52	11.55	11.45
August 10	12.87	12.62	12.77	12.45	.....	.....
August 11	12.52	12.40	12.30	12.02	11.20	10.65
August 12	12.75	12.50	12.45	12.32	11.15	10.80
August 13	12.72	12 62	12.50	12.37	11.20	11.05
August 14	12.75	12.60	12.32	12.25	11.07	10.97

PORK.

	September High.	Low.	October High.	Low.	January High.	Low.
August 8	23.50	22.70	.....	.....	.....	.....
August 10	23.55	21.90	.....	.....	.....	.....
August 11	22.25	21 90	.....	.....	22.27	21.60
August 12	22 25	21.50	.....	.....	.....	.....
August 13	22.25	22.20	.....	.....	21.60	21.50
August 14	22.25	22.15	.....	.....	21.25	21.25

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on Friday, July 31, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.*
Spot	....	6.50	6.20	6.24	6.30	6.31
August	....	6.50	6.25	6.25	6.34	6.35
September	....	6.48	6.25	6.25	6.35	6.39
October	....	6.45	6.30	6.23	6.35	6.35
November	....	6.40	6.26	6.13	6.22	6.27
December	....	6.42	6.28	6.14	6.26	6.31
January	....	6.48	6.31	6.20	6.28	6.32
February	....	6.46	6.30	6.22	6.30	6.30
March	....	6.50	6.38	6.29	6.33	6.39

*First call.

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, on Thursday, July 30, in cents and hundredths of a cent per pound:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot	9⅛	9-9¼	9⅛	8⅞	8½	8½

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Last sale.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	79
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O	
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*	
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	99
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	98⅞
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*	
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O	
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	95½
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*	
120⅜	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-O*	
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	64
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	91
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	92¼
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov	
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	100¾
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	90½
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S	
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	87¼
91¾	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	89½
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	87⅞
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	98
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*	
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	100
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	99¾
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N	
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S	
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*	
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	96
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	116⅜
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J	
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	90½
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N	
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	70
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*	
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	37⅛
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	92½
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	95
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	95
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N	
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	68
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	95
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*	
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J	
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*	
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	81¾
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	19½
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	66
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D	
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*	
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	71
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*	
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	89½
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N	
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A	
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	98
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N	
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	75½
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	52½
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*	
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*	
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J	
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	67½
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	63½
90	Jan	20	85¾	July	23	Erie (Pa) col 4s	1951	*F-A	88¾
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-O	
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*	
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*	
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	105¼
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O	
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O	
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*	
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	91
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	43
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	72½
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	97½
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	100½
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J	
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S	
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D	
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S	
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	71
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O	
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O	
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F	
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J	
102¾	Feb	3	97	Mar.	21	Lake Erie & W 2d 5s	1941	J-J*	
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D	
93½	Sept	8	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	90

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

Range for 1913 High.			Low.			Bonds.	Maturity.	Interest Payable.	Thursday, July 30. Close.
95⅞	Feb	3	88	Dec	20	Lake Shore deb g 4s	1931	*M-N	
90⅛	Feb	19	84	Aug	4	Long Island unified 4s	1949	*M-S	
94	Jan	4	86	July	17	Long Island gen 4s	1938	*J-D	
96	Apr	23	89¼	Aug	22	Long Island ref 4s	1949	*M-S	
99½	Jan	13	94½	June	11	Louis & Nash unified 4s	1940	J-J*	93¼
95	Jan	14	86½	July	1	Manhattan con 4s	1990	*A-O	
95½	Jan	22	87¼	June	19	Man Ry 4s stpd tax exempt.	....	....	
95¼	Jan	8	86½	Oct	22	M K & T 1st 4s	1990	*J-D	81⅜
81¾	Jan	8	71	Nov	21	M K & T 2d 4s	June 1990	F-A	57
99¾	Sept	11	95½	Nov	12	M K & T ext g 5s	1944	M-N*	
77½	Feb	3	67¼	June	23	M K & T ref 4s	2004	M-S*	
87	Jan	2	79½	July	7	M K & T gen 4½s	1936	*J-J	
100¼	Jan	17	94	Aug	26	M K & T of Tex 5s	1942	M-S*	
100	Feb	18	95	Dec	1	Mo Pac col tr 5s	Jan 1917	M-S	
99⅞	Jan	13	91	July	14	Mo Pac col tr 5s	1920	F-A*	85½
70⅜	Jan	9	62	Dec	29	Mo Pac 4s	1945	*M-S	39½
85⅞	Jan	14	79⅝	Dec	16	Mobile & Ohio gen 4s	1938	M-S*	
78	Jan	7	73	Dec	9	Nassau Electric 4s	1951	*J-J	
88½	Jan	4	52	Dec	17	Nat Rys of M per lien 4½s	1957	J-J*	
78	Jan	9	76¼	Dec	28	Nat Rys of M con 4s	1977	A-O*	
108½	Feb	11	104½	Nov	8	Nash Chatt & St L con 5s	1928	*A-O	
103	Jan	6	96½	Dec	17	N Y Air Brake con 6s	1928	*M-N	97
87¼	Jan	30	80	Dec	10	N Y Central ref 3½s	1997	J-J*	79¾
91½	Jan	9	83	Dec	29	N Y Central deb 4s	1934	*M-N	
83	May	14	76½	Dec	23	N Y Central L S 3½s	1997	J-J*	
80	May	22	71	Dec	5	N Y Central M C col 3½s	1998	*F-A	
99½	Jan	2	93½	July	18	N Y C & St L 1st 4s	1937	A-C*	93½
86½	Jan	10	80	Nov	5	N Y G E L H & P 4s	1949	*F-A	
103⅜	Sept	29	100⅝	June	14	N Y G E L H & P col tr 5s	1948	J-D*	104
126	Jan	3	102¾	Dec	17	N Y N H & H con deb 6s	1948	*J-J	99
87	Jan	23	68	Nov	12	N Y N H & H deb 3½s	1956	*J-J	
92¼	Jan	20	84	Dec	23	N Y Ont & W 1st ref 4s	June 1992	M-S	81
79	Jan	10	72½	June	10	N Y Rys ref 4s	1942	J-D	72
61	Dec	30	51⅞	June	10	N Y Rys adj 5s	1942	J-D	45
99	Jan	31	88	June	11	N & W con 4s	1996	A-O*	
92¾	Jan	10	87	Dec	20	N & W div 1st lien 4s	1944	J-J*	
104⅞	May	26	102¼	Nov	5	N & W conv 4s	1932	*J-D	
92	Jan	13	83	June	23	N & W P C & C joint 4s	1941	J-D*	
98⅝	Jan	10	91½	July	7	North Pac prior 4s	Jan 1997	Q-J	92
68⅞	Sept	20	63½	June	5	North Pac gen 3s	Jan 2047	Q-F	67¼
94	Feb	25	86	Nov	6	Oregon Ry & Nav 4s	1946	*J-D	
112⅛	Jan	14	108½	July	17	Oregon Short Line 1st 6s	1922	*F-A	
109	Jan	16	103½	June	19	Oregon Short Line cons 5s	1946	J-J*	
93⅛	Jan	7	86½	June	13	Oregon Short Line ref 4s	1929	J-D*	89½
101½	Feb	3	98	July	16	Pacific Coast 1st 5s	1946	*J-D	
101	Jan	11	95	June	11	Pacific Tel & Tel 5s	1922	*J-J	
102¾	Feb	5	98	Nov	29	Penn con 4s	1948	M-N*	99
97½	Jan	7	95⅞	July	18	Penn con 3½s	Oct 1 1915	J-D	98¼
89	Jan	2	79	June	27	Peoria & E 1st 4s	1940	*A-O	
49¾	Feb	20	35	June	4	Peoria & E income 4s	Apr 1990	Ann.	21
97½	Jan	25	90⅜	Dec	19	Reading gen 4s	1997	*J-J	93
96¾	Mar	12	91½	June	16	Reading Jersey Cent col 4s	1951	*A-O	
103	Oct	11	102	Sept	30	Rep Iron & Steel col 5s	1934	A-C*	104
85¼	Jan	13	78	Oct	15	Rio Grande W 1st 4s	1939	J-J*	
81	Jan	23	67½	Dec	17	Rio Grande W col tr 4s	1949	*A-O	
84	Jan	31	75¼	Dec	10	St J & G I 1st 4s	1947	*J-J	
106	Jan	10	100	June	26	St L & I M gen 5s	1931	*A-O	
82⅝	Jan	31	74	Dec	22	St L & I M ref 4s	1929	J-J*	
83½	Jan	3	76½	Dec	9	St L & I M Riv & G Div 4s	1933	*M-N	
76¾	Jan	8	65	May	29	St L & S F R R ref 4s	1951	J-J*	63⅝
82¼	Jan	7	50½	July	18	St L & S F R R gen 5s	1927	*M-N	
90	Jan	6	83¼	Dec	22	St L S W 1st 4s	1989	M-N*	81⅛
80	Jan	3	78	Feb	17	St L S W 2d income 4s	Nov 1989	J-J	
81	Jan	7	75	Nov	26	St L S W consol 4s	1932	*J-D	
104½	Jan	13	100¼	July	16	St P M & M con 4½s	1933	J-J*	
96¼	Apr	4	92	July	21	St P M & M Mont ext 4s	1937	*J-D	95¼
85¾	Jan	2	75	Nov	19	San Antonio & A P 4s	1943	*J-J	
79	Jan	13	72½	Oct	15	Seaboard A L ref 4s	1950	A-O*	
86	Jan	23	79½	July	7	Seaboard A L stamped 4s	1950	A-O*	85
77¼	Jan	20	66½	June	12	Seaboard A L adj 5s	1949	F-A*	72
94⅛	Feb	4	87	June	12	So Pac ref 4s	1955	*J-J	89
98	Feb	7	87⅞	June	27	So Pac col 4s	Aug 1949	J-D	
93⅝	Feb	1	84	June	10	So Pac conv 4s	June 1929	M-S	80½
107⅛	Jan	10	101	June	24	So Ry 5s	1944	J-J*	102
78½	Jan	2	72¼	Dec	1	So Ry col tr 4s	1956	*A-O	67¾
86½	Jan	21	78½	June	20	So Ry M & O Div 4s	1938	M-S*	
88½	Jan	8	79⅛	Aug	12	So Ry St L Div 4s	1951	*J-J	
103	Jan	11	96	Dec	18	Tenn Coal & Iron gen 5s	1951	*J-J	
89¾	May	10	88	Oct	16	Term Ass'n St L ref 4s	1953	*J-J	
107¼	Jan	3	99	Nov	24	Texas Pac 1st 5s	2000	*J-D	
82⅝	Jan	10	77½	June	10	Third Av ref 4s T R ctfs std	2000	*J-J	
81½	Dec	31	80	Dec	18	Tol St L & W 3½s	1925	J-J*	
60	Aug	29	47½	June	9	Tol St L & W 1st 4s	1950	*A-O	44⅛
96	Sept	26	92½	May	13	Underground London 4s	1947	J-J*	
99⅜	Jan	14	94	Dec	2	Union Pacific 1st 4s	1933	*J-J	97
97	Jan	2	86¾	June	12	Union Pacific conv 4s	1927	J-J*	86
95½	Jan	7	87⅞	June	19	Union Pacific ref 4s	June 2008	M-S	93½
67	Jan	3	56½	Nov	24	United Rys San Fran 4s	1927	*A-O	
89	Jan	10	79	Nov	29	U S Realty & Imp 5s	1924	J-J*	
27	May	8	25	Jan	2	U S Reduc & Ref 6s	1931	J-J*	
103¾	Feb	8	100	Mar	13	U S Rubber 6s	1930	*M-N	102
102	Jan	7	96⅝	June	10	U S Steel 5s	1939	*F-A	101¼
98	Jan	13	90¼	July	1	Va-Car Chemical 1st 5s	1918	J-D*	96¼
106½	Jan	9	101	June	5	Wabash 1st 5s	Apr 1936	M-N	
101½	Jan	14	93½	Dec	2	Wabash 2d 5s	1923	J-D*	
61⅝	Jan	2	47½	June	12	Wabash ref & ext 4s	1956	J-J*	41¼
87½	Jan	2	80	Dec	19	Wab-Pitts T 1st Cen tr c	1954	*J-D	6¾
2	Aug	18	1½	June	13	Wabash Pitts T 2d tr c	1954	*J-D	
81¾	Jan	6	75	June	11	West Maryland 4s	1952	A-O*	58
107½	Jan	11	102	Sept	8	West N Y & P 1st 5s	1937	*J-J	
102½	Feb	4	95	Nov	22	West Union col tr 5s	1938	*J-J	
94½	Jan	15	87⅛	June	4	West Union R E 4½s	1950	*M-N	
98¼	Jan	13	90	Nov	22	West Shore 4s	2361	*J-J	
94	Jan	7	87	Dec	18	Westinghouse E & M 5s	1931	*J-J	93
80⅝	Jan	25	70	June	17	Wheeling & L E con 4s	1949	M-S*	
91⅝	Jan	11	84	June	25	Wisconsin Central 4s	1949	J-J*	86

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Last sale.	[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	917/8	
24¾	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	19⅛	
9	Dec	26	7⅝	Dec	16	Allis-Chalmers	..	.....	6	
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	32½	
80½	Sept	16	61⅝	June	10	Amalgamated Copper	6	Q May	49½	
57	Jan	3	41¼	Sept	5	Am Agr Chemical	4	Q Jan	50⅛	
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	.....	
50½	Jan	2	19¾	June	10	Am Beet Sugar	..	.....	19	
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....	
96¼	Jan	4	89½	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....	
136⅝	Jan	6	127¾	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....	
46⅞	Jan	31	21	June	11	Am Can	..	.....	19½	
129½	Jan	30	80½	June	10	Am Can pfd	7	Q Jan	80	
56⅜	Jan	2	36½	June	10	Am Car & Fdry	2	Q Jan	44¾	
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	112	
48¾	Jan	6	33¼	July	2	American Cities	..	.....	.....	
78½	Jan	2	60¼	June	28	American Cities pfd	6	Jan-July	59½	
57⅜	Jan	2	33½	June	12	Am Cotton Oil	..	.....	32	
98	May	6	92½	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....	
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	100	
5⅛	Jan	3	3½	July	9	Am Hide & Leather	..	.....	3¼	
28¼	Feb	10	15⅛	June	10	Am Hide & Leather pfd	..	.....	17	
27¾	Apr	4	17	June	10	Am Ice Securities	..	.....	19⅜	
12⅛	Nov	7	6⅞	June	10	Am Linseed	..	.....	7½	
33⅜	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	25	
44½	Jan	6	27	June	10	Am Locomotive	..	.....	20¼	
106¾	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....	
13	Jan	3	5¼	Oct	17	Am Malt	..	.....	.....	
61½	Jan	3	41⅞	Oct	24	Am Malt pfd	4	May-Nov	32	
86	Jan	9	79½	June	12	Am Smelting pfd B	5	Q Jan	.....	
74¾	Jan	30	58½	June	10	Am Smelting & Refin	4	Q Jan	52½	
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	97½	
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	153	
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan	.....	
40½	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	27½	
118	Jan	31	99⅞	Dec	9	Am Sugar Ref	7	Q Jan	100	
116⅝	Jan	28	110⅛	June	12	Am Sugar Ref pfd	7	Q Jan	108	
66⅛	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....	
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	114	
294¾	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar	215	
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	104	
23½	Sept	27	15	Dec	1	Am Woolen	..	.....	12	
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....	
32¼	Jan	2	11⅞	Nov	14	Am Writing Paper pfd	..	.....	.....	
41½	Jan	2	30⅞	June	10	Anaconda Copper	3	Q Jan	25	
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....	
43⅛	Feb	19	42¼	Jan	30	Associated Oil	6	Q Jan	.....	
106¾	Jan	6	90¼	Nov	10	Atch Top & Santa Fe	6	Q Mar	89¾	
102¼	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	97¾	
133¾	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	114	
52½	Jan	8	36½	Dec	13	Baldwin Locomotive Co	2	Jan-July	41	
105½	June	6	100¼	June	25	Baldwin Locomotive Co pfd	7	Jan-July	105¾	
106⅜	Jan	22	90⅝	June	10	Baltimore & Ohio	6	Mar-Sept	72	
88	Jan	10	77¼	June	18	Baltimore & Ohio pfd	4	Mar-Sept	72½	
41½	Jan	9	25	June	10	Bethlehem Steel	..	.....	30	
74	Aug	12	62¼	June	10	Bethlehem Steel pfd	5	Q Jan	81	
92¾	May	26	83¾	June	10	Brooklyn Rapid Transit	6	Q Jan	79½	
137⅞	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	.....	
116	Jan	30	100½	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....	
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....	
56½	Feb	3	16	Oct	22	California Petroleum	..	.....	16¼	
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	50	
63	Feb	13	58½	May	13	Canada Southern	3	Feb-Aug	.....	
266¾	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	157½	
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....	
30⅛	Feb	5	17	June	10	Central Leather	2	Feb	28	
97¼	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	96¼	
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	.....	
80	Jan	2	51⅛	July	11	Chesapeake & Ohio	4	Q Mar	41½	
18	Jan	2	7½	June	12	Chicago & Alton	..	.....	.....	
25¾	Feb	25	17¼	Aug	21	Chicago & Alton pfd	..	.....	.....	
17⅞	Jan	9	10⅛	June	4	Chicago Great Western	..	.....	9¼	
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	27⅛	
116¼	Jan	9	96¾	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	85¼	
145	Jan	30	131½	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	126	
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	127½	
188	Mar	3	171⅛	Nov	19	Chicago & N W pfd	8	Q Jan	.....	
125	Mar	8	119½	Aug	25	Chicago St P M & O	7	Feb-Aug	.....	
150½	Jan	21	130½	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....	
47⅝	Jan	2	30¾	June	10	Chino Con Copper	$3	Q Jan	32	
54	Jan	21	34⅞	Aug	26	C C C & St L	..	.....	.....	
94¾	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....	
41½	Feb	3	24½	June	10	Colorado Fuel & Iron	..	.....	21½	
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....	
33	Jan	3	23¾	June	12	Colorado Southern	..	.....	20	
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....	
65⅛	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....	
102¼	Feb	25	102¼	Feb	25	Consolidation Coal	6	Q Jan	.....	
132¾	Jan	9	125⅛	June	10	Consolidated Gas	6	Q Mar	116½	
17⅛	Jan	31	7⅜	June	10	Corn Products Ref Co	..	.....	7⅛	
79¼	Jan	31	61½	June	10	Corn Products Ref Co pfd	5	Q Jan	58⅛	
100⅛	Jan	16	91½	Dec	27	Deere & Co pfd	7	Q Mar	92½	
167	Jan	8	147½	June	11	Delaware & Hudson	9	Q Mar	140	
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	390	
23⅛	Jan	9	13⅜	June	11	Denver & Rio Grande	..	.....	.....	
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	8⅞	
30⅝	Feb	4	67½	June	3	Detroit United Railway	6	Q Mar	.....	
21¾	Jan	2	9¾	June	10	Distillers' Securities	..	....	11	

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Close.
8½	Jan	2	4	Dec	19	Duluth S S & Alt.....	..	.....	.....
16¼	Jan	2	10	July	11	Duluth S S & Alt pfd.....	..	.....	.....
32½	Jan	6	20¼	June	10	Erie	..	.....	20½
49½	Jan	30	32½	June	10	Erie 1st pfd	..	.....	32
41	Jan	30	28¼	June	10	Erie 2d pfd.....	..	.....	26¼
18	Jan	22	11	Dec	17	Federal Min & Smelt.....	..	.....	10
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd..	6	Q Mar	29½
185⅛	Apr	23	175	Jan	14	General Chemical	6	Q Mar	.....
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	.....
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	139
40	Aug	18	25	May	15	General Motors	..	.....	58⅞
81¾	Sept	30	70	May	8	General Motors pfd.....	7	May-Nov	79¾
180	Jan	11	150	May	19	Geo W Helme Co.....	..	.....	.....
68	Jan	2	151⅛	Nov	29	Goodrich (B F) Co.....	..	.....	20
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd.....	7	Q Jan	88
132⅝	Jan	9	115½	June	10	Great Northern pfd.....	7	Q Feb	114
41¼	Jan	3	25½	June	10	Great Northern Ore ctfs..	..	.....	23
52¾	Jan	7	40¾	July	11	Guggenheim Exploration ..	3½	Q Jan	40½
87	Feb	6	80	Oct	17	Havana Electric Ry.....	5	Q Feb	.....
96	Jan	8	90	Nov	5	Havana Electric Ry pfd....	6	Q Feb	.....
125	June	4	125	June	4	Hocking Valley	8	Q Mar	.....
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly	110
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	106
39	Jan	11	5	June	6	Inter Agricultural Corp....	..	.....	.....
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	20¾
19⅝	Jan	30	12⅜	June	4	Interborough-Met	..	.....	11
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	52
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	84
114¾	Sept	19	111	May	12	International Harv pfd...	7	Q Mar	117
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	.....
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd.	..	.....	.....
12⅝	Jan	30	6½	Oct	9	International Paper	..	.....	6¾
48½	Jan	30	32⅛	Oct	15	International Paper pfd....	2	Q Jan	30½
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	.....
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd....	..	.....	.....
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	.....
23	Jan	2	13	June	6	Iowa Central pfd.....	..	.....	.....
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd..	4	Q Jan	.....
110	Jan	2	106½	Oct	10	Kansas City Southern.....	..	.....	21⅛
78	Jan	7	53½	Sept	9	Kan City Southern pfd....	4	Q Jan	55
28¾	July	28	21⅜	June	5	Kayser (Julius) & Co.....	6	Q Jan	.....
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd..	7	Q Feb	.....
83	Sept	15	58	June	9	Kresge (S S) Co.....	6	Jan-July	.....
102	Jan	4	97	June	10	Kresge (S S) Co pfd.....	7	Q Jan	.....
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	..	.....	26½
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	85
11½	Feb	5	7	May	2	Lake Erie & Western.....	..	.....	.....
35	Jan	6	16	Nov	10	Lake Erie & Western pfd..	..	.....	.....
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July	121
235	Mar	6	195	June	6	Liggett & Myers.....	12	Q Mar	.....
116½	Jan	23	106½	July	22	Liggett & Myers pfd.....	7	Q Jan	.....
43⅛	Jan	6	30	June	10	Long Island	..	.....	31
200	Jan	28	150	June	13	Lorillard (P) Co.....	10	Q Jan	160
116½	Jan	22	103	June	10	Lorillard (P) Co pfd.....	7	Q Jan	115
142¼	Jan	10	126¼	June	11	Louisville & Nashville	7	Feb-Aug	127
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	61
69	Apr	7	62	Dec	17	Mackay Companies pfd.....	4	Q Jan	.....
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	128¼
76⅞	Jan	2	65	Oct	14	May Department Stores....	5	Q Mar	.....
105½	Jan	2	97½	June	10	May Dept Stores pfd.....	7	Q Jan	99½
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..	.....	53
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd ...	..	.....	.....
26½	Jan	4	20⅜	June	10	Miami Con Copper	50c	Q Feb	17½
23¼	Jan	2	12	June	11	Minn & St. Louis.....	..	.....	.....
47	Jan	29	30	Dec	4	Minn & St. Louis pfd.....	..	.....	.....
142¼	Jan	9	115¼	June	11	M St P & S S M.....	7	Apr-Oct	102
145	Apr	8	131	Nov	12	M St P & S S M pfd.....	7	Apr-Oct	.....
83½	Mar	5	81½	Dec	10	M St P & S S M l'd line.	4	Apr-Oct	.....
29⅛	Jan	7	18⅛	June	10	Missouri Kan & Tex.....	..	.....	10¼
64½	Apr	11	52	June	10	Missouri Kan & Tex pfd...	..	.....	27⅛
43⅜	Jan	9	21¼	Dec	23	Missouri Pacific	..	.....	8
.....	.....	.....	.....	.....	.....	Montana Power	2	Q Jan	43½
.....	.....	.....	.....	.....	.....	Montana Power pfd.....	7	Q Jan	.....
170	Jan	14	132½	June	9	Nashville Chatt & St L....	7	Feb-Aug	135
130	Sept	13	104	June	11	National Biscuit Co.....	7	Q Jan	120
124⅞	Jan	8	116	June	4	National Biscuit Co pfd..	7	Q Feb	125
19¼	Jan	30	9	June	5	National Enameling	..	.....	.....
92¼	Jan	30	74¼	Oct	21	National Enameling pfd...	7	Q April	.....
56¼	Jan	2	43	Oct	20	National Lead Co.....	3	Q Mar	41⅝
107¾	Oct	4	102	Oct	31	National Lead Co pfd.....	7	Q Mar	.....
59	Mar	3	31	Dec	8	Nat Rys of Mex 1st pfd...	..	.....	.....
27½	Jan	2	8¾	Dec	26	Nat Rys of Mex 2d pfd...	..	.....	7⅛
20	Jan	2	13	June	10	Nevada Con Copper	37½c	Q Mar	10¼
82½	Jan	8	56	July	16	New York Air Brake	6	Q Jan	58
109⅜	Jan	20	90⅜	Dec	15	New York Central	5	Q Jan	77
62¼	Jan	15	47	Dec	31	N Y Chicago & St L.....	..	.....	.....
10	Oct	14	8	Nov	10	New York Dock.....	..	.....	.....
79¾	Jan	10	65⅝	Dec	12	N Y N H & Hartford.....	..	.....	51
23⅜	Jan	11	25⅛	June	11	N Y Ontario & West.....	..	.....	18¼
47½	Apr	5	29	Dec	19	Norfolk & Southern	½	Jan	.....
112½	Jan	3	98	June	10	Norfolk & Western.....	6	Q Mar	97½
87	Feb	13	80¼	Aug	16	Norfolk & Western pfd....	4	Q Feb	.....
81½	Jan	9	69	June	9	North American	5	Q Jan	66
77¾	Jan	15	71	Dec	27	Northern O Tr & Light....	5	Q Mar	.....
122	Jan	6	101¾	June	11	Northern Pacific	7	Q Feb	97
21½	Jan	10	16	June	10	Pacific Mail	..	.....	17½
46	Jan	4	22	Nov	18	Pacific Tel & Tel.....	..	.....	20
86	Feb	19	82	Dec	4	Pacific Tel & Tel pfd.....	6	Q Jan	.....
123¾	Jan	7	106	Dec	13	Pennsylvania Railroad....	6	Q Feb	106

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Close.
129¾	Sept 23	104	June 10	Peoples' Gas & Coke.....	8	Q Feb	 106
99⅞	Jan 29	85	Sept 12	Philadelphia Co.....	7	Q Feb	....
104	June 11	77⅛	Dec 11	P C C & St Louis.....	3	Q Jan	..... 65¼
100	June 25	100	June 25	P C C & St Louis pfd.....	4	Q Jan	....
24⅜	Jan 2	14½	June 11	Pittsburgh Coal.....	..	.....	..... 16½
95	Jan 9	73	June 11	Pittsburgh Coal pfd	5	Q Jan	 82
100	Jan 6	90	Nov 12	Pittsburgh Steel pfd	7	Q Jan	....
36	Jan 7	18½	June 10	Pressed Steel Car	3	Q Mar	 34
101⅛	Jan 7	88½	June 10	Pressed Steel Car pfd	7	Q Feb	....
118	Jan 21	105	Dec 12	Public Service Corp N J ..	6	Q Jan	....
165	Jan 2	149	Sept 5	Pullman Co.....	8	Q Feb	..... 153⅞
4⅜	May 16	1	Dec 11	Quicksilver Co	..	.....	 1
8	May 17	2	Dec 11	Quicksilver Co pfd.....	..	.....	..... 1½
35	Jan 9	22¼	June 11	Railway Steel Spring	..	.....	..... 19¾
100	Jan 13	90¼	June 10	Railway Steel Spring pfd..	7	Q Mar	....
22	Jan 2	15	June 10	Ray Consol Copper	37½c	Q June	..... 16¼
171¾	Dec 26	151⅜	June 10	Reading	8	Q Feb	 140
92½	Apr 10	82½	Oct 14	Reading 1st pfd	4	Q Mar	....
95	Apr 10	84	June 10	Reading 2d pfd	4	Q Jan	 82
28⅜	Jan 31	17	June 10	Republic Iron & Steel	..	.....	..... 18½
92¼	Sept 13	72	June 11	Republic Iron & Steel pfd..	7	Q Jan	 78
24⅞	Feb 4	11⅝	Oct 17	Rock Island	..	.....	..... ⅞
44¾	Jan 2	17½	Oct 17	Rock Island pfd	..	.....	..... 1⅝
92¼	Jan 7	14	Nov 24	Rumely (M) Co.....	..	.....	 8
99¾	Jan 4	33	Dec 18	Rumely (M) Co pfd.....	..	.....	 22
20¾	Apr 1	14½	June 10	Seaboard Air Line.....	..	.....	 15
49⅜	Sept 23	38	June 12	Seaboard Air Line pfd.....	4	Q Nov	..... 47⅜
19¾	Jan 11	2¾	June 17	St L & San Fran	..	.....	..... 2⅛
59	Feb 11	13	June 28	St L & San Fran 1st pfd...	..	.....	....
29	Jan 11	5½	June 17	St L & San Fran 2d pfd....	..	.....	....
96½	May 15	96½	May 15	St L & S F C & E I pf ctf..	..	.....	....
35½	Jan 13	20	Dec 19	St Louis S W.....	..	.....	....
75	Jan 9	56¼	Dec 20	St Louis S W pfd.....	2	Q Jan	....
213½	Jan 2	154¾	June 12	Sears-Roebuck	7	Q Feb	..... 170¼
124½	Jan 2	116	June 19	Sears-Roebuck pfd.....	7	Q Jan	 122
45½	Jan 28	23	July 8	Sloss-Sheff St & I Co.....	..	.....	..... 19½
93¼	Feb 8	88	Apr 30	Sloss-Sheff St & I Co pfd..	7	Q Jan	....
110	Jan 30	83	Nov 10	Southern Pacific	6	Q Jan	..... 84⅞
28⅝	Jan 2	19⅛	June 12	Southern Railway	..	.....	..... 17¼
81½	Mar 26	72	June 10	Southern Railway pfd.....	5	Apr-Oct	..... 67½
40½	Jan 31	31	Dec 9	Standard Milling	3	June	 33
66⅞	Feb 4	52½	May 1	Standard Milling pfd.....	5	Apr-Oct	....
36	Feb 6	15¾	Dec 1	Studebaker	..	.....	..... 27½
93¼	Jan 13	64½	Nov 10	Studebaker pfd.....	7	Q Mar	..... 82¾
39½	Jan 4	26¾	June 10	Tennessee Copper	75c	Q Mar	..... 24¾
132½	Dec 31	89	June 10	Texas Co	10	Q Mar	 113
22⅝	Jan 28	10¼	June 4	Texas Pacific	..	.....	 12
97	Jan 18	93	June 4	Texas Pacific Land Tr....	..	.....	 95
43⅜	Sept 23	27⅞	June 10	Third Avenue R R.....	..	.....	 33
3	Jan 14	2	June 4	Toledo Railways & Light..	..	.....	....
13	Jan 9	7⅛	July 9	Toledo St L & W.....	..	.....	....
29¾	Jan 9	15¼	June 4	Toledo St L & W pfd.....	..	.....	....
109	Sept 6	101⅓	June 6	Twin City Rap Tran.....	6	Q Jan	..... 94⅞
7¾	Jan 3	4	Nov 14	Union Bag & Paper Co....	..	.....	 4
41¾	Jan 3	18½	Nov 20	Union Bag & Paper Co pfd	..	.....	..... 18½
99½	Jan 3	78	June 10	Underwood Typewriter	4	Q Jan	....
113	Jan 21	104	July 10	Underwood Typewriter pfd	7	Q Jan	....
162¾	Jan 6	137¾	June 11	Union Pacific	8	Q Jan	..... 113½
93½	Jan 6	79¾	June 10	Union Pacific pfd.....	4	Apr-Oct	 79
50½	Feb 7	40¼	June 10	United Cigar Mfg Co.....	4	Q Nov	..... 40¼
103	May 7	96	Sept 3	United Cigar Mfg Co pfd..	7	Q Mar	....
101	Jan 8	87	July 2	United Dry Goods.....	..	.....	....
105½	Jan 14	95	Dec 16	United Dry Goods pfd....	..	.....	....
35½	Jan 3	16	June 11	United Rys Invest Co.....	..	.....	....
63½	Jan 3	30	June 11	United Rys Invest Co pfd..	..	.....	 22
16¾	Jan 30	9¼	June 10	U S Cast Iron Pipe.....	..	.....	 9
56¾	Jan 31	40	Dec 31	U S Cast Iron Pipe pfd....	4	Jan	....
44	Jan 6	25	June 9	U S Industrial Alcohol	..	.....	....
97	Mar 4	85	June 18	U S Industrial Alcohol pfd.	7	Q Jan	....
77	Jan 9	49¾	Nov 28	U S Realty & Improv.....	5	Q Feb	....
1⅞	Jan 16	½	Sept 25	U S Reduc & Refin.....	..	.....	....
4	Jan 10	3	Apr 25	U S Reduc & Refin pfd....	..	.....	....
69½	Apr 4	51	Nov 10	U S Rubber	6	Q Jan	..... 45¾
109¾	Apr 9	98	June 10	U S Rubber 1st pfd.....	8	Q Jan	 97
81½	Jan 9	78¾	Feb 13	U S Rubber 2d pfd.....	6	Q Jan	....
69¼	Jan 2	40¾	June 11	U S Steel	5	Q Mar	..... 51⅞
110¾	Jan 30	102½	June 10	U S Steel pfd.....	7	Q Feb	..... 106½
60⅝	Jan 2	39⅝	June 10	Utah Copper	75c	Q Mar	 46
43⅛	Jan 3	22	July 1	Va-Car Chemical	..	.....	 21
114	Jan 3	93	June 30	Va-Car Chemical pfd.....	8	Q Jan	 96
54	Jan 28	36	Dec 15	Va Iron Coal & Coke.....	..	.....	 37
58	Feb 13	51	Jan 7	Va Ry & Power.....	3	Apr-Oct	....
90¾	Dec 11	89	July 24	Va Ry & Power pfd.....	6	Jan-July	....
21¾	Jan 24	11¼	Aug 8	Vulcan Detinning	..	.....	....
90	Jan 6	49	Oct 1	Vulcan Detinning pfd.....	..	.....	....
6	Aug 12	2	June 11	Wabash	..	.....	....
17⅛	Aug 13	6¼	July 8	Wabash pfd	..	.....	....
123	Jan 6	85¼	Dec 18	Wells-Fargo Express.....	6	Jan-July	 80
46	Jan 2	28⅞	Dec 12	Western Maryland Ry.....	..	.....	..... 13¼
65	Jan 27	53½	June 18	Western Maryland Ry pfd..	..	.....	 30
75½	Jan 9	54¼	Dec 22	Western Union Tel.....	4	Q Jan	 54
79¼	Jan 2	52⅝	June 10	Westinghouse E & M.....	4	Q Jan	..... 65½
119¾	Jan 7	107¾	June 13	Westingh'se E & M 1st pfd	7	Q Jan	 119
8	Jan 3	3¾	Oct 24	Wheeling & L E.....	..	.....	..... 2½
28⅛	Jan 13	13	June 11	Wheeling & L E 1st pfd...	..	.....	....
14	Jan 3	5⅝	Dec 19	Wheeling & L E 2d pfd....	..	.....	....
58½	Apr 23	40¼	June 11	Wisconsin Central	..	.....	..... 29¾
112	Jan 2	81½	June 20	Woolworth (F W) Co.....	6	Q Feb	 90
115½	Jan 3	109	June 14	Woolworth (F W) Co pfd..	7	Q Jan	 116

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

c Ex. dividends. e Ex. rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Sterling—						
Cables	.....	.....	.....	.....	.....	.....
Demand	.....	.....	.....	.....	.....	.....
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Francs—						
Sixty days sight						
Ninety days sight						
Reichsmarks—						
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....

[Complete confusion still prevailed in the foreign exchange market this week]

Railway Taxation for 1913.—The Bureau of Railway Economics has compiled the following table showing the taxes accrued on railways of the United States in the aggregate and per mile of line, during the fiscal year ended June 30, 1913:

RAILWAY TAXATION, YEAR ENDED JUNE 30, 1913.

State.	Railways of Classes I and II, including Leased and Proprietary Roads— Taxes.	Mileage.	Taxes Per Mile of Line.	Taxes of Switching and Terminal Companies.	Total Taxes.
Alabama	$1,546,694	4,521.83	$342.05	$49,196	$1,595,890
Arizona	884,089	2,360.16	374.59	.....	884,089
California	4,230,953	7,434.59	569.09	.....	4,230,953
Arkansas	1,765,785	4,008.54	430.83	.....	1,765,785
Colorado	1,847,783	5,488.06	336.69	20,432	1,868,215
Connecticut	1,115,007	1,000.87	1,114.04	721	1,115,728
Delaware	148,945	334.97	444.65	.....	148,945
District of Columbia	56,742	34.21	1,658.64	81,411	138,153
Florida	1,053,486	4,032.40	261.26	38,792	1,092,278
Georgia	1,724,971	5,953.63	289.73	40,763	1,765,734
Idaho	1,434,986	2,455.34	584.43	.....	1,434,986
Illinois	6,866,093	12,197.54	562.91	851,967	7,718,060
Indiana	4,535,497	7,429.20	610.50	183,722	4,719,219
Iowa	2,830,762	9,644.61	293.51	101,798	2,932,560
Kansas	3,401,989	8,913.20	381.68	40,465	3,442,454
Kentucky	1,636,135	3,421.94	478.13	230,267	1,866,402
Louisiana	1,486,001	4,448.11	334.07	71,698	1,577,699
Maine	1,112,211	2,249.31	494.47	42,699	1,154,910
Maryland	935,393	1,294.33	722.69	55,878	991,271
Massachusetts	3,542,864	2,085.53	1,698.78	6,396	3,549,260
Michigan	4,002,885	8,589.55	466.02	108,885	4,106,770
Minnesota	4,840,651	8,982.30	538.91	23,447	4,864,098
Mississippi	1,364,658	3,837.82	355.58	5,874	1,370,532
Missouri	2,204,457	8,010.84	275.18	178,958	2,383,415
Montana	1,874,406	4,303.57	435.55	.....	1,874,406
Nebraska	2,324,354	6,142.17	378.43	11,612	2,335,966
Nevada	931,431	2,097.29	444.11	.....	931,431
New Hampshire	862,289	1,206.95	714.44	10	862,299
New Jersey	6,824,108	2,129.49	3,204.57	35,365	6,859,473
New Mexico	970,914	3,072.00	316.05	.....	970,914
New York	10,560,490	7,921.45	1,333.15	106,483	10,666,973
North Carolina	1,327,478	4,520.76	293.64	10	1,327,488
North Dakota	1,728,169	4,954.04	348.84	.....	1,728,169
Ohio	7,800,208	9,015.37	865.21	175,979	7,976,187
Oklahoma	3,117,360	6,346.09	491.23	85	3,117,445
Oregon	1,495,146	2,335.09	640.23	88,659	1,583,805
Pennsylvania	8,497,141	10,540.97	806.11	132,114	8,629,255
Rhode Island	350,960	197.94	1,773.06	.....	350,960
South Carolina	860,854	3,157.51	272.64	23,502	884,356
South Dakota	956,242	4,160.18	229.86	.....	956,242
Tennessee	1,345,195	3,412.09	394.24	47,195	1,392,390
Texas	3,216,714	14,316.05	224.69	213,997	3,430,711
Utah	932,534	1,996.75	467.06	27,820	960,414
Vermont	386,965	924.23	418.66	.....	386,965
Virginia	2,244,539	4,115.65	545.37	13,224	2,257,763
Washington	3,751,589	4,636.20	809.19	.....	3,751,589
West Virginia	1,492,546	3,166.86	471.30	9,443	1,501,989
Wisconsin	3,855,846	7,083.91	544.31	12,074	3,867,920
Wyoming	655,992	1,624.21	403.88	.....	655,992
Total State and local taxes	$122,932,567	232,195.76	$529.44	$3,025,941	$125,958,508
Internal U. S. Revenue tax	4,902,055	.....	.....	183,474	5,085,529
Miscellaneous	214,303	.....	.....	.....	214,303
Canada	1,729,052	14,594.58	104.77	12,479	1,541,531
Mexico	158	51.67	3.06	.....	158
Total all taxes	$129,778,135	246,842.01	$524.94	$3,221,894	$132,800,029

Taxes paid by switching and terminal companies are not shown per mile because of their great proportion of terminal real estate and also because report of miles of first main track of these roads is not required by the commission.

Railways of Classes I and II include respectively roads having annual operating revenues above $1,000,000 and those having annual operating revenues from $100,000 to $1,000,000. The mileage given for these two classes of roads is miles of line, that is, miles of first main track owned, including branches and spurs. Taxes have not been apportioned per mile of track because the Interstate Commerce Commission does not require reports of miles of track by States.

Class III roads are omitted, because their taxes are only about two-thirds of 1 per cent of the aggregate.

Total State and local taxes per mile of line amounting to $529.44 in 1913 show an increase over 1912 of $26.49, or 5.27 per cent, and over 1911 of $70.50, or 15.36 per cent.

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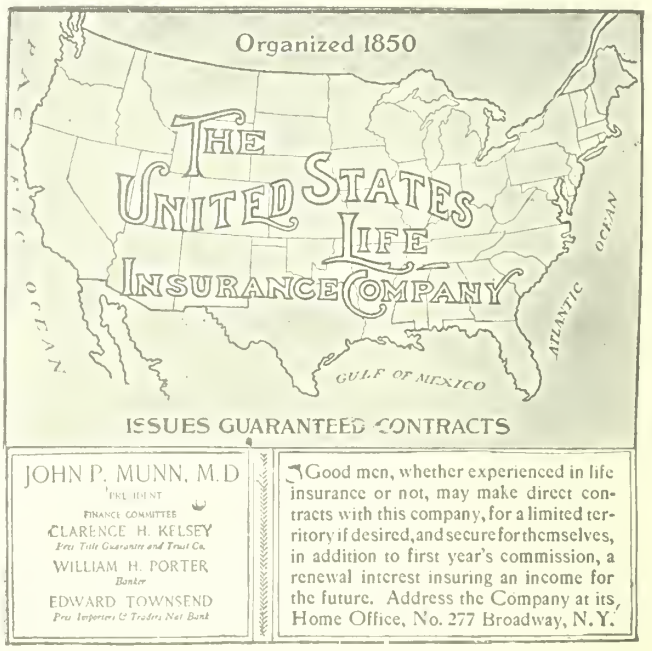
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...	*Per cent price.		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The Market World and Chronicle

NEW YORK, SATURDAY, AUGUST 22, 1914

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A. R. MARSH, Editor

IT must have struck every thoughtful American that, since the outbreak of the general war in Europe, our own Government has been taking up in quick succession plans for providing through the agency of the Government itself for commercial and financial necessities which hitherto either have been left to purely private initiative, or else have been regarded as implying a National policy quite the contrary of what it is proposed now to do. The general explanation is, of course, that although we are not in a state of war, in the sense of being engaged in a conflict of arms with another country, we are in every other respect so involved in the complications of the war other nations are engaged in that we must proceed in a multitude of matters just as if we were actually engaged in warfare ourselves. War of any kind is a very exceptional thing, despite the not infrequent occurrence of small wars between nations living as unfriendly neighbors; and war on the scale of the present war in Europe is something that occurs only at intervals of a century or more. In the very nature of things it is impossible for all the nations of the earth to maintain over the long periods of time intervening between the major wars reserves of money and goods sufficient to enable them to meet by the mere resources of their individual citizens all the vast uncertainties and all the derangements of customary activities which are produced by these wars. During times of peace each department of industry and commerce in a given country gathers to itself by a natural process just that amount of capital and of human energy that will enable it to supply the requirements of the community, whether that community be the narrower one of the given country itself, or the wider one of the world's customers for what is produced and offered for sale. A few examples of what we mean may make this essential point clear. The capital employed in the cotton manufacturing industry in the United States is directly governed by the country's requirements for dry goods in normal times, plus such surplus as a foreign market can be found for; and the number of persons engaged in the industry is directly governed by the capital employed and indirectly by the same requirements for goods that control the supply of capital that is drawn to the industry. It is true that capital is continually being lost to the industry though the inefficiency of those attempting to employ it; but new capital in new hands continually takes the place of that lost in this manner, and the sum-total of capital and of persons employed in the industry remains always exactly what the community requires for the satisfaction of its needs. In the same way, the number of cotton merchants and the amount of capital employed in the cotton trade remain always exactly what are required for the distribution of the cotton crop, notwithstanding that numerous cotton merchants fail, dissipating their capital, while new merchants constantly join the ranks with new capital. The same is true in every other branch of business. There are at any given time just as many dealers in foreign exchange, and no more, with just as much capital as is required, and no more, as are required to handle the customary amount of foreign exchange called for by our commercial and financial transactions with foreign countries. In normal times, the operation of the law of competition alone is itself sufficient to accomplish these results. Through it the incompetent minds and the ill-used capital are being continually eliminated from every branch of industry and commerce, while the remuneration paid by the community for the service it requires is continually drawing in minds (some competent, others later to be found incompetent) and capital (some to become immediately productive, and other to be lost through unprofitable use), which will provide what is called for from this particular department of economic activity.

After long years of general peace, the adjustments of capital and of persons employed to the various departments of industry and trade become exceedingly fine and complex; and, more than this, they become international instead of merely national in their scope. In addition, as the adjustments of capital and personnel to the requirements to be met become international, the differentiation of industries and trades as between the different nations grows apace. In every country the available capital and personnel flow to those economic pursuits from which the greatest profit can be obtained in that country, and commodities which can be produced in some other country are left to that country. For example, chemical dyes can be manufactured in the United States, of equal quality in every respect with those produced in Germany; yet virtually no chemical dyes actually are produced here, as the cotton and woolen manufacturers have recently discovered to their dismay. The explanation is that capital and labor employed in dye-making in Germany are relatively more profitable than the same capital and labor can be made to be in making dyes in the United States. It is, then, economically absurd to have American capital and labor employed in the making of dyes, when the same capital and labor can be employed here in other industries which yield a larger relative return and enable us to buy German dyes at a saving to ourselves. This principle operates in a hundred ways, and is of course the reason why there is international commerce at all. The notion of a country industrially and commercially sufficient unto itself, such as the Secretary of the Interior, Mr. Franklin K. Lane,

has expounded in a pro forma interview printed elsewhere in this paper, is simply one of a nation doing for itself a multitude of things which it could more profitably leave to other countries to do.

But all this has to do with normal times, when peace reigns generally between country and country throughout the world. It is the result of purely competitive forces, grounded in human initiative, and working freely because there is little interference with them. And the longer the period of general peace, the more completely will the process just described have been carried out. The vast internexus of relations between country and country will be found to have made the very countries dependent one upon another. The closeness of the adjustment of capital and personnel, the world over, to the normal requirements of each department of trade and industry, will have made every one of those departments less able to deal independently with conditions that destroy the delicate balance between the conveniently placed supply and the easily directed demand for the product or service required. In fact, if there is too violent a rupture of the continuity of relations, more than one of the departments of industry and commerce, in more than one country, will find itself unable to survive unless it is given some help from the outside.

It is when things come to this pass that even the most independent and self reliant turn to their government for aid. It is no denial of the principle of individual responsibility, when those fully adequate to all situations that may develop in time of peace, find themselves inadequate to the situations produced by a war virtually world-wide. The foundation of modern society is the interdependence of the several parts. When one or more of the parts are deprived of their ability to fulfil their functions, all the rest must come to a standstill in their activities. This is precisely what a general war anywhere on the globe now brings about; and war is always and everywhere a national and not an individual affair. This is as much true of the nations not directly engaged in the war as of the belligerents themselves.

There is, then, nothing inconsistent with the perpetuation of the principle of a free and individually independent and responsible community, in the measures which the National Government has recently adopted, or is about to adopt, for the purpose of providing for the country as a whole the use of certain instrumentalities which private initiative is no longer in a position to supply, though the welfare of the whole community depends upon their being available.

It is clear that our financial, and hence our industrial and commercial health, depend upon our being able to ship to other countries the commodities which we produce in super-abundance, because they are the most profitable to us. We have been buying from these other countries those commodities which they can produce more efficiently and economically than we can. We have been counting upon paying them for their commodities with our own commodities and not with gold. But the war in Europe has brought [illegible] either cannot ship our commodities at all [illegible] relations ruinous to ourselves. We have virtually [illegible] ships of our own, because it has been [illegible] to use the ships of other countries and [illegible] capital, brains and labor to the production of certain [illegible] transported in those ships. Now, however, by reason of the war, we cannot have the use of the ships of other countries; nor are there private resources here available for the quick provision of ships and their operation on the terms which our laws make possible.

Here is a war situation and we are quite right in expecting the National Government to deal with it as such. In fact, the Government has already begun to do so through the act amendatory of the Panama Canal Act, which was signed by President Wilson on Tuesday of this week, under which foreign-built ships may be admitted to American registry for over-seas trade. The further legislation, not yet enacted into law but reported as earnestly approved by President Wilson, under which $25,000,000 derived from the sale of Panama bonds, will be devoted to the purchase of a fleet of ocean-going steamships, about whose neutrality there can be no doubt, as they will belong to the Government of the United States itself, is a war measure designed to relieve the involuntary embargo upon our exports of cotton, wheat, corn and manufactured articles. As a war measure this legislation will be justified even in the eyes of those to whom government ownership is anathema maranatha. It is probably true that after all is over there will be plenty of politicians who will clamorously urge that the United States should continue to operate its vast steamship system. We all remember the long train of trouble that flowed from the issue of greenbacks by reason of the emergency of our Civil War. No doubt we shall have a similar prolonged agitation for the continuance of the policy of keeping the Government in the steamship business. But the Greenbackers, with all their fervor and supposed influence over the masses, did not prevail; and we do not believe that the fate of any who strive to procure the maintenance of an ocean fleet owned and operated by the Government will have greater success.

We need speak only in passing of the steps taken by the Treasury Department to prevent the tie-up of accounts due to the war from producing a stringency of money and untoward results in the value of all kinds of property. Here the Government has been on ground familiar to the community, inasmuch as, in one or another form, Governmental help has more than once been given during our periods of panic. Here, too, the principle of the war measure comes into play, and it has not been found by experience that the community has lost in respect of its free initiative by reason of such temporary Governmental interposition.

There remains the question of Governmental aid in the marketing of the cotton crop, our great National asset for the purposes of our international financial and commercial relations. Conference upon conference has been held upon this subject with high officers of the Government,—bankers and spinners and farmers having been called into consultation, and only cotton merchants having thus far been omitted. On Monday next, a still greater conference is to be held in Washington, at which, we understand, there is to be some representation of the cotton trade, for the purpose of discussing still further what the Government can do to conserve the great asset of the country, the cotton crop of the present season. There is here one of the greatest war emergencies we have to face. Governmental help is as indispensable here as it is in the matter of the ships to transport the cotton and other of our commodities across the seas. It is profoundly to be hoped that next Monday's conference will arrive at a just conclusion as to the methods that should be adopted.

Arthur Richmond Marsh

HOW THE UNITED STATES MAY PROFIT ECONOMICALLY FROM THE WAR IN EUROPE

An Interview Given Out by Hon. Franklin K. Lane, Secretary of the Interior*

WASHINGTON, August 16.—"A direct benefit to the United States from the European war will be its effect in making the people of this country realize to a greater extent the value of its mineral resources," said Franklin K. Lane, Secretary of the Interior, in an interview to-day. "It is entirely possible to so mutilize these resources and expand our industries that the label 'Made in America' will become familiar in our own foreign markets.

"Of an importance second only to that of the food supply," said Mr. Lane, "is the supply of mineral products necessary to meet the requirements of twentieth century civilization. One of the first effects of the war has been to make us realize the interdependence of nations in the matter of food supply. Most of the countries now at war are dependent upon importation of foodstuffs, and we have cause for self-congratulation in the United States that we are able to feed ourselves. What we possibly have not so fully realized is that we are nearly as independent in the possession of essential mineral resources, and that the interference with manufacturing caused by interruption of the flow of importations of many necessary raw materials, may be overcome almost wholly by development of neglected resources in our own country."

"Do you mean," Mr. Lane was asked, "that the United States can make itself independent of the rest of the world in its manufactures?"

"Very largely," asserted the Secretary. "The main difficulties to be overcome are in the rearrangement of the distribution system necessary to establishing this independence. Business is established along certain well-marked channels, and usually follows the line of least resistance. It has been easier, and perhaps cheaper, to import mineral products and materials from other countries than to go to the trouble and expense of developing our own resources of the same nature. Forced to the latter course by suspension of commerce with other countries, I believe that American enterprise and energy will almost at once turn to the development of the native resources, rather than permit production to lag and supply to be diminished in any industry.

"For the maintenance of agriculture, for instance, we rely more and more largely upon mineral fertilizers. The three essential plant foods are potash, nitrogen and phosphorus, the latter used generally in the form of phosphates. We have depended, with the rest of the world, very largely upon the mines of Germany for our supply of potash salts, and war has cut off this supply, but we have large deposits of potash in a California reserve which can be immediately opened and developed if a bill now before Congress to make these supplies available is enacted. Chile holds a practical world monopoly of the most readily available nitrogen in its great nitrate beds, and not only the manufacture of agricultural fertilizers, but also of many kinds of high explosives, have been made dependent upon the Chilean supply of nitrates. If this supply should be cut off, a new supply would have to be found or manufactures and agriculture would suffer. Fortunately, this new supply is at hand. We can draw nitrogen from the air and fix it with lime by the use of large and cheap electrical development, as is done at Niagara Falls and in Norway, and all that is necessary to pave the way to this electrical development is the passage by Congress of the Ferris Bill now pending, which will make possible the utilization of the great unused water powers of the Western States.

"The Southern States have for years largely supplied the world with phosphates, but because of the distribution system, a large part of this supply has gone to Europe, and much of the phosphates used in the Western States have been imported across the Pacific. We have some 3,000,000 acres of phosphate lands in the West lying near the smelters from which is produced the sulphuric acid necessary to convert these phosphates into form available for plant food, and still there is no law by which these phosphate deposits can be made commercially available, although a bill which would allow of their immediate development has been favorably reported by the Public Lands Committee of the House of Representatives, and is awaiting the approval of the House and Senate."

"Will these resources be developed if these laws are passed?" the Secretary was asked.

"Of course they will," he replied. "You can depend upon American enterprise and ambition to make good when it is given an opportunity. At present these deposits and resources are locked up out of use. To open them to use when the supply from other countries is cut off means to make American industries using these materials independent of the rest of the world, and business men will not neglect the opportunity to make our industries safe from the interruptions of war we are now experiencing."

"What other industries are there now dependent upon the products of other countries, which can be made independent?" Mr. Lane was asked.

"The steel industry, for one," he replied. "Manganese is of large importance to this industry, and the largest supply of ore comes from Russia and other countries with which commerce is now paralyzed. There are large deposits in South America which have not been developed, but it is not necessary even to go so far away as that. We have great stores of manganese in this country which has been largely untouched because it is somewhat inferior in quality. To bring this home supply into use means merely adoption of methods for its purification, which are known and can be successfully used, and then we can continue making manganese steel without regard to foreign wars or sources of material. There are other international contributions, though, in the steel industry. We have depended largely upon the Island of Ceylon for the graphite used in the manufacture of the crucibles in which crucible steel for edge tools and small firearms is made. Or to take another metal, European smelters, using in part Chinese and Mexican ores, have in late years furnished much of the world's supply of antimony, which is used in the manufacture of type metal, and also medicinally. War has paralyzed the production of antimony in England (at Newcastle), and prices have gone up. Antimony, however, is easily extracted from many low grade ores which we have in great quantities in at least seven States, and there is no reason why we should not make this extraction and be independent of other countries, both as to supply and prices. Similar conditions hold in the case of arsenic.

"A large tonnage of ferromanganese alloys comes from Germany and England. It is only in the last ten years that we have freed ourselves from Sicily's monopolistic control of the sulphur supply. Flint pebbles are common and the supply large enough in the United States, but for such an apparently unimportant product as these, used in the fine grinding of cement and ores, we have been depending upon the chalk cliffs of England, Denmark and France. Ores and mineral freight depend almost wholly upon the tramp steamer, a carrier of foreign parentage. Now the tramp steamer has taken to cover, and all kinds of ocean freight, espe-

*See editorial comment on Mr. Lane's suggestions, Page 227.

cially low grade freight, will be held up and its carriage almost entirely suspended during the war."

"Will this suspension mean disaster to our industries?"

"Not disaster, but inevitable interruption to some extent," replied Mr. Lane. "It means that suddenly materials upon which great industries depend, must be obtained from other sources. Importers, consumers and manufacturers are making anxious inquiries as to where they may find in the United States supplies of crude materials to replace the foreign supplies now shut off. This is the opportunity of the United States to free itself from dependence of its industries upon other countries, and business men are awakening to this fact. They look to the Government for aid in finding new sources of material with which to keep the factories open and in operation. When they have found the domestic supply and begin its use, they will not return to dependence upon the foreign supply, and thereafter good or bad times in the United States, so far as the maintenance of industries is concerned, will be more independent of foreign complications."

"What is the Government doing to aid industry in these matters?"

"All it can do under present laws," replied the Secretary. "The Nation's greatest natural resources are a part of the public domain, and under the charge of the Interior Department. The annual reports on the mineral resources of the United States published by the United States Geological Survey for the last thirty years, contain not only statistics of yearly production of all commercial minerals, but also useful facts regarding the occurrence, exploitation and application in the arts and sciences of the mineral wealth of the country. The Geological Survey has been instructed to furnish upon request the addresses of producers from whom buyers can supply their wants if the mineral is produced at all in this country or information regarding the localities where reported deposits are undeveloped. In some instances large deposits remain undeveloped simply because of the fact that distance from market has given to the foreign sources of raw material with the lower ocean freights an advantage over domestic producers shipping by rail."

"What immediate effects upon mineral industries may be expected from the war?" Mr. Lane was asked.

"Already the copper industry has felt the injurious effect of war," he said, "and production has been curtailed. While considerable copper is consumed in the munitions of war, the constructive arts of peace furnish a far better world market for American copper than will the destructive art of war. In the case of zinc, however, the effect of the European war is the opposite. The smelting centres of the Continent are in the zone of fighting. In Belgium for instance practically all the zinc smelters lie along the line of attack chosen by the German armies, while in Rhenish Prussia, Austria-Hungary, and Russian Poland the smelters are likewise located where military operations promise to be most active. It is within the limits of probability to expect a loss of a half million tons in the foreign production of zinc or nearly half the world's output, with beneficial effect upon the recent over-production in the United States, especially as affording the opportunity to export zinc and galvanized iron products to South American countries, which market has hitherto been only in part utilized by our exporters.

"Fuel oil has a large use in naval warfare of to-day, yet the tying up of the big tank steamers on both the Atlantic and Pacific seaports is already embarrassing the oil producers of this country who depend so largely upon the export trade in all the forms of petroleum, crude and refined. On the other hand, Russia, our strongest rival in oil production, must suffer more complete and longer continued interruption of exports, which should tend to enlarge the market for our oil."

"The supply of cheap foreign barytes has prevented the development of many good deposits of that mineral, but with the consumers on the Atlantic seaboard already looking for domestic supplies, some of the Southern mines should be reopened to supplement the outputs of those already in operation."

"The closure of the European market leaves but one buyer for the radium ores of Colorado and Utah, which is decidedly to the disadvantage of the miner. Had the legislation introduced in Congress been promptly enacted the United States Government would probably have been buying these ores at this time."

"While the United States leads in coal mines," continued the Secretary, "the six European nations now at war happen to be the next largest coal mining countries, producing together over half the world's coal. Interference with both the mining and the commerce of these nations must necessarily increase the demand for our coal at least in the neutral countries of the world. And coal is our one resource about which there need be no present anxiety. The United States is now producing 40 per cent of the world's supply of coal, and the reserves yet to be drawn upon exceed, so far as known, those of all the rest of the world combined. It is not generally known, however, to what an extent we have been depending upon Europe, principally Germany, for many of the chemical products derived from coal, and which we have been permitting to go to waste, in the most reckless manner. Coal tar obtained in the manufacture of coal gas, and of coke (in retort ovens) is capable of producing hundreds of chemical products, but the chemical industries dependent upon coal tar as a raw material have had little development in the United States. Our imports of coal tar products in 1913 were valued at $11,000,000 at initiating points and when they reached the ultimate consumer probably cost double that amount. If the present war continues any length of time the American consumer will have to do without aniline colors and dyes, certain drugs and numerous other coal tar products or the American manufacturers will undertake to supply these essential commodities which have hitherto carried the label 'Made in Germany.'"

"The Panama Canal is opened in time to help us in many ways. Bolivia, for instance, is one of the greatest tin producing countries in the world, but its heaviest exportations have been to Europe, and the United States has been getting its supply of materials for the manufacture of tin plate and tin alloys from London and Liverpool. With the suspension of European industry and the opening of the canal, there is no good reason why we should not now step in, bring Bolivia's tin ore to this country and manufacture it."

"Would this change of supply mean higher prices in this country?"

"Not necessarily," replied Mr. Lane. "During the period of transition from one supply to another, and the initial development of new sources of material, cost of production might possibly be slightly enhanced, but with a new production and distribution system, wholly domestic, once established, there is no reason why prices should be higher, and no reason why fluctuations in prices in other countries should so affect our industries or prices of our products to home consumers."

THE EXTENT OF THE GOVERNMENT OWNERSHIP OF RAILWAYS

[From the "Railway Age Gazette"]

"ARCHIV FÜR EISENBAHNWESEN," the official publication of the Prussian Ministry of Public Works, has again issued its compilation of the railway mileage statistics of the world, showing the mileage of railways owned by gov-

ernments and by private companies for the years 1911 and 1912. The previous compilation was issued in 1912, and the figures were published in the "Railway Age Gazette" for July 19, of that year, page 85. Railways owned by governments are listed as State railways, whether they are actually operated by the government or by private companies. The figures for 1912 are as follows, with the kilometers converted into miles:

EUROPE.

Country.	Private. Railways.	State. Railways.	Total.
Germany	2,750	36,200	38,950
Austria-Hungary	5,400	23,000	28,400
Great Britain	23,400	.....	23,400
France	25,660	5,540	31,200
Russia (in Europe)	14,200	24,400	38,600
Italy	1,870	8,930	10,800
Belgium	2,680	2,690	5,370
Luxemburg	204	122	326
Netherlands	880	1,100	1,980
Switzerland	1,290	1,700	2,990
Spain	9,540	.....	9,540
Portugal	1,155	695	1,850
Denmark	1,124	1,216	2,340
Norway	290	1,630	1,920
Sweden	6,090	2,760	8,850
Servia	226	356	582
Roumania	80	2,160	2,240
Greece	1,000	.....	1,000
Bulgaria	....	1,200	1,200
Turkey (in Europe)	1,045	.....	1,045
Malta, Jersey, Isle of Man	68	.....	68
Total miles	98,952	113,699	212,651

AMERICA.

Canada	24,930	1,770	26,700
United States	249,789	.....	249,789
Newfoundland	770	.....	770
Mexico	7,990	7,860	15,850
Central America	1,621	359	1,980
Greater Antilles	3,240	150	3,390
Lesser Antilles	336	.....	336
Colombia	511	110	621
Venezuela	564	68	632
British Guiana	103	.....	103
Dutch Guiana	37	.....	37
Ecuador	650	.....	650
Peru	610	1,050	1,660
Bolivia	895	.....	895
Brazil	7,400	6,400	13,800
Paraguay	230	.....	230
Uruguay	1,640	.....	1,640
Chile	1,980	1,980	3,960
Argentina	18,110	2,490	20,600
Total miles	321,406	22,237	343,643

ASIA.

Russian Central Asian Territory	1,090	2,970	4,060
Siberia, Manchuria	2,920	3,830	6,750
China	6,100	.....	6,100
Japan, including Korea	1,980	4,860	6,840
British India	4,100	29,300	33,400
Ceylon	580	.....	580
Persia	33	.....	33
Asia Minor, etc	2,370	910	3,280
Portuguese Indies	51	.....	51
Malay States	860	.....	860
Dutch Indies	210	1,380	1,590
Siam	110	590	700
Cochin China, etc	2,290	.....	2,290
Total miles	22,694	43,840	66,534

AFRICA.

Egypt	880	2,790	3,670
Algeria and Tunis	2,160	1,800	3,960
Belgian Kongo	860	.....	860
Union of South Africa:			
Cape Colony	410	3,400	3,810
Central South Africa	280	3,090	3,370
Natal	40	1,050	1,090
Rhodesia	2,350	.....	2,350
Colonies:			
Germany:			
German East Africa	....	745	745
German Southwest Africa	....	1,300	1,300
Togo	....	200	200
Kamerun	....	150	150
English	640	1,310	1,950
French	1,940	.....	1,940
Italian	96	.....	96
Portuguese	1,000	.....	1,000
Total miles	10,656	15,835	26,491

AUSTRALASIA.

New Zealand	120	2,760	2,880
Victoria	160	3,520	3,680
New South Wales	340	3,760	4,100
South Australia	100	2,080	2,180
Queensland	630	4,000	4,630
Tasmania	230	470	700
West Australia	1,040	2,380	3,420
Hawaii, etc.	88	.....	88
Total miles	2,708	18,970	21,678

SUMMARY.

	Private Railways.		State Railways.		Total	
	1910.	1912.	1910.	1912.	1910.	1912.
Europe	99,497	98,952	107,490	113,699	206,987	212,651
America	314,187	321,406	12,170	22,237	326,357	343,643
Asia	26,537	22,694	36,651	43,840	63,188	66,534
Africa	9,204	10,656	13,646	15,835	22,850	26,491
Australasia	1,234	2,708	17,995	18,970	19,229	21,678
Total miles	450,659	456,416	187,952	214,581	638,611	670,997

It will be seen that of the total mileage of the world for 1912—670,997 miles—private companies owned 456,416 miles, or 68 per cent, and governments owned 214,581 miles, or 32 per cent. In 1911 the total mileage was 654,435, of which companies owned 456,881, or 69.8 per cent, and governments 197,554, or 31.2 per cent. In 1910 the total mileage was 638,611, and the private companies owned 450,659, or 70.57 per cent, while governments owned 187,952, or 29.43 per cent. As compared with the 1910 figures there was an increase in the total railway mileage of the world of 32,386 miles, while the increase of government owned mileage was 26,629, and the increase of privately owned mileage was 5,757. As a matter of fact, however, there has not been as much change in the proportion of private to State railway ownership in that period as these figures seem to indicate.

It will be noted that 7,860 miles of railway in Mexico are included under State railways, whereas in 1911 and 1910 this mileage was credited to companies. A majority of the stock of the National Railways of Mexico is owned by the Mexican Government and has been since before the 1910 compilation was made. The transfer of nearly 8,000 miles of lines in Mexico from the private to the State column would have made the percentage of privately owned railway in 1910 69.2 per cent, instead of 70.57, and in 1911, 68.4 per cent.

"Archiv für Eisenbahnwesen" states that although most of its figures are derived from the official source where they were available it has been obliged to depend in part on unofficial figures, and that its compilation makes no pretense of absolute accuracy, but is only intended to show the approximate proportion of State and private railways.

The greatest increase in government-owned mileage is shown in the figures for America, where the total of State lines was increased by 10,067, mainly by the transfer of the Mexican mileage, but also by 359 miles in Central America, 110 in Colombia, and 68 in Venezuela, where there was none in 1910, a slight increase in the Greater Antilles, and an increase of 208 in Peru, 300 in Chile and 969 in Brazil. America also shows an increase of 7,219 miles in company mileage, principally in the United States and Canada, which is far greater than the actual increase of State railway mileage since 1910.

In Europe the government mileage increased 6,209 miles, principally by extensions of the existing government systems in Ger-

many, Austria-Hungary, Russia, Italy, Norway and Bulgaria, and by absorptions of private lines. The private mileage in Europe decreased 545 miles.

Asia shows an increase of 7,189 miles of government-owned mileage, and a reduction in private mileage of 3,843 miles. The principal change was in British India, where the State mileage increased from 24,406 to 29,300, while the privately-owned lines decreased from 7,615 to 4,100.

In Africa government-owned mileage increased 2,189 miles, while the private mileage increased 1,452, 1,800 miles of new State-owned line having been added in Algeria and Tunis, while the private mileage in those countries decreased from 3,127 to 2,160. The Rhodesian mileage of 2,350 miles, however, has been transferred to the company-owned column. In the compilation for 1910 it was erroneously included in the State mileage.

In Australasia State mileage increased 975 miles, while the company mileage shows an increase of 1,474.

The total increase of State mileage, as previously stated, is 26,629, while the increase in private mileage in America, Africa and Australasia totals 10,145. This is partly offset by the decrease of 4,388 miles in Europe and Asia. While measured by length of line private ownership is still overwhelmingly the railway policy of the world, the bulk of the privately-owned mileage is in the United States, the length of line in this country in 1912 being reported as 249,789 miles, which is 35,208 more than the aggregate length of all the State-owned railways in the world. Outside of the United States the mileage owned by companies is 206,627, or 7,954 miles less than the government-owned mileage.

As the "Railway Age Gazette" pointed out in connection with the 1910 figures, it cannot be said that even in point of mileage government ownership has become the policy of most of the leading countries of the world. All of the railways in the United States, Great Britain, Spain and China are in the hands of private companies, and most of those in Canada; in France three-fourths of the mileage is privately owned, and in Sweden nearly two-thirds; in Brazil and Argentina company mileage is greatly predominant. It is noteworthy that in North and South America there is only one country, Peru, in which there is more government than private mileage. On the other hand, in Germany, Austria-Hungary, Russia and Italy government ownership is the dominant policy, Japan is committed to State ownership, and in India the State-owned mileage greatly predominates. In India, however, the bulk of the State-owned mileage is leased to, and operated by, private companies, and in Mexico all of the lines are operated by companies.

There are twenty-six countries in the list given by "Archiv für Eisenbahnwesen," where there is no State-owned mileage and only five where there are no privately-owned railways, while the privately-owned mileage is greater in thirty-nine countries as against thirty-six where government ownership predominates.

WHAT IS MEANT BY A MORATORIUM

VERY few persons in the United States really understand what is meant by the word "moratorium," or legal period of delay in the payment of some or all forms of indebtedness, as that word is used and as the principle expressed by it has in recent weeks been put into effect by most of the European countries engaged in the great war that now plagues all mankind. There has never been a National moratorium in the United States, for the Constitutional reason that, except in bankruptcy proceedings and in connection with transactions between citizens of different States, the collection of debts is a matter exclusively reserved to the States. To obtain a real moratorium in this country, therefore, it would be necessary for all the States, as well as for the Federal Government, to take concurrent action,—a practical impossibility. This is not to say that we have not had the moratorium in a disguised form more than once in the United States. Thus it was really a moratorium, so far as the Federal Government was concerned, when during the Civil War nearly $1,000,000,000 of greenbacks were issued, and used, instead of gold or secured currency, for the purchase of supplies needed by the Northern armies. A much more common form of moratorium among us, however, is that which develops whenever we have a commercial and financial crisis of the first order, such as the panic of 1893, that of 1907 and the present extreme disturbance of our financial and commercial situation resulting from the European war. Such a moratorium as this comes about because the banks are compelled in large part to desist from the legal collection of their loans, knowing that the sale of their collaterals on a demoralized market would ruin not only their borrowers, but themselves; because business concerns dare not insist generally upon the payment of the indebtedness of their customers, knowing that the losses involved would bring general ruin; and because it is recognized throughout the business part of the community that somehow industry and commerce must be kept moving, even though there is required a relaxation of the usual severe principles of credit. Thus it is that with our securities markets all closed and with most of our great commodity markets in the same position, there is an undeclared yet none the less real moratorium in the United States at the present moment.

It is well worth while, however, for Americans to get a clear understanding of what a legalized moratorium declared by Government itself, as in the countries of Europe, actually is and what matters it covers, as well as what its limitations are. It goes almost without saying that there is much divergence between country and country in Europe with regard to the precise legal application of the legalized moratorium. The Continental countries differ considerably among themselves, and they all differ still more widely from England. The customary methods of conducting business, in respect of the liquidation of indebtedness, have always to be taken into consideration, and the moratorium adapted to them as each particular case may require. As England, however, is closest to us, both as regards its law and as regards its business and financial habits and practices, it will be well here to describe briefly the now partial but potentially complete moratorium in force in Great Britain.

On August 2, the British Government, through Mr. Lloyd George, introduced in the House of Commons a postponement of payments act, which was immediately read twice and passed without discussion. The same day the act was submitted to the House of Lords, which body immediately adopted it without debate. The royal assent was immediately given and the act became a statute of the realm. It is unnecessary to give here the full text of the statute; but, by its terms, it is to remain in effect for a period of six months from the date of its passage. Under it, the Government is empowered to postpone by Royal Proclamation the payment of such debts and for such periods of time as may be thought necessary. The first proclamation under the act was in fact issued on August 2, and reads as follows:

BY THE KING.
A PROCLAMATION
FOR POSTPONING THE PAYMENT OF CERTAIN BILLS OF EXCHANGE.

GEORGE R. I.: Whereas, In view of the critical situation in Europe and the financial difficulties caused thereby, it is expedient

that the payment of certain bills of exchange should be postponed as appears in this Proclamation:

Now, Therefore, We have thought fit, by and with the advice of Our Privy Council, to issue this Our Royal Proclamation, and we do hereby proclaim, direct, and ordain as follows:

If on the presentation for payment of a bill of exchange, other than a check or bill on demand, which has been accepted before the beginning of the fourth day of August, nineteen hundred and fourteen, the acceptor re-accepts the bill by a declaration on the face of the bill in the form set out hereunder, that bill shall, for all purposes, including the liability of any drawer or endorser or any other party thereto, be deemed to be due and be payable on a date one calendar month after the date of its original maturity, instead of on the date of its original maturity, and to be a bill for the original amount thereof increased by the amount of interest thereon calculated from the date of re-acceptance to the new date of payment at the Bank of England rate current on the date of the re-acceptance of the bill.

FORM OF RE-ACCEPTANCE.

Re-accepted under proclamation for £ (insert increased sum).

Signature.....

Date.....

Given at Our Court at Buckingham Palace, this second day of August, in the year of our Lord one thousand nine hundred and fourteen, and in the Fifth year of our Reign.

GOD SAVE THE KING.

On August 6, a second proclamation was issued, under which all payment due before September 4, 1914, under a check or demand bill drawn before August 4, or any negotiable instrument (except a bill of exchange dated before August 4) are to be deemed payable one month after the original due date or on September 4, 1914, whichever date is the *later;* but if payment is demanded and refused, the amount due is to bear interest either from August 4 or from the original due date, at the Bank Rate of Aug. 7. Certain debts, however, are excepted from this proclamation, i. e., wages amounting to less than £5 per week; rates and taxes; maritime freight, debts due from persons resident outside the British Isles, or from firms and corporations having a place of business outside the British Isles; dividends on trustees' securities; bank notes; Government payments; withdrawals of savings bank deposits from the Post Office Savings Bank; and payments under the National Insurance Act and the Workmen's Compensation Act.

The effect of the two proclamations is that virtually all debts due from residents of Great Britain to each other and from residents of Great Britain to residents of other countries, like the United States, (including under the term "residents" both firms and corporations) are unenforceable in Great Britain before September 4, 1914, at the earliest; although debts due from residents of the United States (or other countries) to residents of Great Britain remain payable on their actual due dates. Moreover, the Act of Parliament gives the British Government authority to extend still further by subsequent proclamations the period of the moratorium. Interest, however, upon the amounts due may be collected for the period of the postponement of the payment. It may be mentioned in closing that the advantage of such a legalized moratorium as this over the disguised moratorium now existing in the United States is that everybody gets the benefit of it; while there is only too much reason for thinking that gross discriminations exist in this country in the treatment of debtors by creditors. With us, the large borrowers of our banks fare much better than the small borrowers; the large customers of commercial houses better than the small customers; and, in general, the borrower and debtors in favor with their creditors better than the debtors without personal influence.

INDUSTRY, COMMERCE AND FINANCE

Condition and Expectancy of the Chief Crops in the United States, August 1, 1914.—The Crop Reporting Board (Bureau of Crop Estimates), of the United States Department of Agriculture, issued on August 7 its estimate of the condition and expectancy of yield, as of August 1, of the chief crops of the United States, except that the condition of cotton is given as of July 25. The following tables give first the condition and then the expected production:

ACREAGE AND CONDITION OF CROPS ON AUGUST 1, 1914.

	Acreage, 1914		Condition			
Crop.	Pct. of 1913.	Acres.	Aug. 1, 1914.	Aug. 1, 1913.	Aug. 1, Ten-yr. av.	July 1, 1914.
Winter wheat	111.6	35,387,000	...	...	...	94.1
Spring wheat	97.3	17,990,000	75.5	74.1	80.1	92.1
All wheat	106.4	53,377,000	...	...	...	93.4
Corn	99.3	105,067,000	74.8	75.8	81.9	85.8
Oats	100.0	38,383,000	79.4	73.8	80.9	84.5
Barley	100.4	7,528,000	85.3	74.9	82.1	92.6
Rye	99.1	2,533,000	...	...	...	92.9
Buckwheat	98.9	796,000	88.8	85.5	89.1	...
White potatoes	101.1	3,708,000	79.0	78.0	83.1	83.6
Sweet potatoes	94.9	593,000	75.5	85.8	86.5	77.1
Tobacco	94.6	1,151,000	66.5	78.3	81.5	66.0
Flax	84.1	1,927,000	82.1	77.4	82.6	90.5
Rice	85.2	704,800	87.6	88.7	88.4	86.5
Hay (tame)	98.9	48,400,000	86.7	81.8	†83.9	80.8
Cotton*	98.7	36,960,000	76.4	79.6	80.0	79.6
Apples	...	.....	61.5	52.2	54.3	64.2

*Condition relates to 25th of preceding month. †Six-year average.

The acreage of above crops (excluding apples) total 301,128,000 acres, compared with 300,303,000 in 1913, and 294,692,000 in 1912.

The crop expectancy, or indicated yield, this year derived from the condition of the several crops on August 1, 1914, with final yields for previous years, is shown in the following table:

INDICATED YIELD OF CROPS, BASED ON CONDITION AT AUGUST 1, 1914.

	Yield, Per Acre.		Total Production in Millions of Bushels			
			†1914			
Crop.	†1914. Bus.	1909-13 Av'ge. Bus.	Aug. Forecast.	July Forecast.	1913. Final.	1909-13 Av'ge. Final.
Winter wheat	*19.1	15.6	*675	653	523	441
Spring wheat	13.1	13.3	236	274	240	245
All wheat	17.1	14.7	911	927	763	686
Corn	25.1	25.9	2,634	2,917	2,447	2,708
Oats	30.0	30.6	1,153	1,197	1,122	1,131
Barley	26.9	24.3	203	211	178	182
Rye	*16.8	16.1	*43	...	41	35
Buckwheat	21.5	20.5	17	...	14	17
White potatoes	99.7	97.1	370	361	332	357
Sweet potatoes	84.1	92.7	50	49	59	58
Tobacco, lbs.	687.6	815.1	791	757	954	996
Flax	8.7	7.8	17	18	18	20
Rice	33.9	33.3	24	24	26	24
Hay (tame), tons	1.44	1.34	69	...	64	66

†Interpreted from condition reports. *Preliminary estimate.

* * *

New Railway Capital and Its Earnings in America and in Europe.—The Bureau of Railway News and Statistics has recently issued a bulletin on railway earnings on new capital invested in America and abroad. It is as follows:

"Although railroads of the United States added a far smaller amount to capital per mile between 1910 and 1912 than any of the three principal railroad countries of Europe, so great was the burden of increased expenses on revenues that they totally failed to keep abreast of the foreign systems in return on the investment. This is in spite of the fact that our own railways

made by far the largest increase, both actual and relative, in operated mileage.

"In the two years ended with 1912, for which comparisons for all four countries are now possible, United States railways added 3.7 per cent to mileage on an addition of 5.2 per cent to capital. In contrast with this showing, Germany's government roads added 6.4 per cent to capital to make an addition of only 2.5 per cent to mileage, while France, to expand by but 0.9 per cent in mileage, added 4.5 per cent to capital, and England, adding only 0.4 per cent to mileage, expanded capital 1.5 per cent.

"The effect of this economical outlay of new capital on American roads is shown partly in the per mile comparisons. United States railways in 1912 were capitalized only 1.4 per cent higher per mile than in 1910, while German roads were 3.9 per cent higher and French railways were 3.4 per cent higher. Though English roads show a smaller relative increase per mile than our own, this is because their capital per mile already is so excessively high, their 1.1 per cent representing more than three times our own 1.4 per cent in actual figures.

"It is in the absolute increase of capital per mile, however, that the moderation of American capitalization becomes most apparent, for while the United States in the two years was adding a paltry $878 per mile, England was adding $2,784, Germany $4,245 and France almost $4,500 per mile.

"Yet with all the advantage of moderate capitalization United States railways were so pressed between the millstones of sluggish revenue and rising expenses (spending 8.2 per cent more to do 3.3 per cent more business) that the ratio of net income to investment was 10.8 per cent smaller in 1912 than in 1910 (while with taxes included the loss is 12.5 per cent). Germany, despite its excessive capital expenditure aided by gigantic increases in traffic, and rates rigidly maintained in the face of public demands for reductions, displayed a ratio of income to capital 10.3 per cent larger in 1912 than in 1910. England's ratio fell 1.1 per cent, while that for France declined 3.7 per cent."

* * *

Formal Opening of the Panama Canal to Shipping.—On Saturday, August 15, 1914, the formal opening of the Panama Canal to ocean-going shipping took place. The steamship "Ancon," belonging to the War Department of the United States, made the first official passage from the Atlantic to the Pacific. The time required for the ship's passage from ocean to ocean was nine hours. For passing through the Gatun locks the time taken was seventy minutes, the shortest yet made by any large vessel. The other locks were passed with equal speed; and all the lock machinery was found to work easily and rapidly. From now on, vessels drawing not more than thirty feet of water may traverse the canal, whether they be commercial vessels or ships of war. In the latter case, strict rules for the observance of the perpetual neutrality provided in the Hay-Pauncefote Treaty with England, are laid down; and should any war ship of a country at war with another country pass through, she may not take coal, refit, revictual, load or unload arms and ammunition, or embark or disembark troops in the Canal Zone, or in the terminal waters at either end of the canal to a distance of three miles from land. The enforcement of these rules lies with the Government of the United States.

* * *

July Failures in the United States.—There was a considerable increase in the number of failures in the United States during July, as reported to R. G. Dun & Co., but the total liabilities were about the same as in 1913, although being larger than in other years. Thus, 1,411 concerns were forced to suspend last month, and the amount involved by these was $20,377,148, against 1,169 defaults for $20,325,705 a year ago, 1,230 for $16,098,460 in 1912, and 1,127 for only $12,150,070 in 1911. In 1910, 1,147 firms failed, owing $13,790,753. Of the 1,411 insolvencies in July, 29 were for $100,000 or more, aggregating in all $8,589,014, so that the average of the 1,382 smaller reverses was $8,530, as compared with $7,875 in the previous year. The returns for July of this year do not include the liabilities of the four suspensions in the financial district of New York resulting from the war in Europe, since no figures were available at the time the statement was prepared.

In the following table comparison is made of the number of commercial failures in the United States for July of the last three years, by leading classes of trade, and the liabilities reported in each class for July this year:

	Number			Liabilities.
Manufactures.	1914.	1913.	1912.	1914.
Iron and foundries	16	7	9	$1,787,302
Machinery, etc.	19	20	14	404,703
Woollens, etc.	8	2	6	265,801
Cotton and lace	2	2	3	5,704
Lumber, etc.	50	36	35	3,177,190
Clothing and millinery	59	44	55	718,900
Hats and gloves	11	6	7	119,001
Chemical and drugs	6	1	1	38,104
Paints and oils	....	6	1	.....
Printing, etc.	22	12	10	265,300
Milling and baking	17	20	26	128,010
Leather and shoes	9	7	8	18,400
Liquor and tobacco	8	7	6	46,703
Glass, etc.	6	15	15	24,702
All other	127	105	106	2,474,280
Total manufacturing	360	290	302	$9,474,100
Traders:				
General stores	101	95	131	$694,803
Groceries and meats	260	216	235	713,797
Hotels and restaurants	55	49	33	382,900
Liquors and tobacco	94	65	73	601,759
Clothing and furnishing	127	82	90	953,906
Dry goods and carpets	48	56	60	1,899,394
Shoes and rubbers	33	37	22	213,500
Furniture and crockery	21	20	33	463,701
Hardware and stoves	27	19	16	205,605
Chemicals and drugs	33	41	49	163,904
Paints and oils	4	6	4	31,800
Jewelry and clocks	26	24	27	241,990
Book and papers	11	12	8	57,900
Hats and gloves	11	4	5	121,400
All other	138	103	103	1,624,189
Total trading	989	829	889	$8,370,548
Brokers and agents	62	50	39	2,532,500
Total commercial	1,411	1,169	1,230	$20,377,148

* * *

Immigration Into United States in June and During 1913-1914.—The monthly bulletin of the Bureau of Immigration, the number of aliens admitted to the United States in June showed a severe falling off, both as compared with May this year and as compared with June, 1913. The number admitted in June this year was 71,728, against 107,796 in May this year and 176,261 in June, 1913. The following table shows the immigration into the United States, by months, for the governmental year ended June 30, with comparisons for the three preceding years:

	1914.	1913.	1912.	1911.
June	71,728	176,261	92,425	71,019
May	107,796	137,262	113,635	95,361
April	119,885	136,271	99,839	98,036
March	92,621	96,859	91,185	81,687
February	46,873	59,156	45,380	42,826
January	44,708	46,441	38,453	36,361
	1913.	1912.	1911.	1910.
December	95,387	76,315	61,626	59,841
November	104,671	94,739	61,765	74,353
October	134,140	108,300	69,418	83,805
September	136,347	105,611	62,599	83,938
August	126,180	82,377	50,110	78,574
July	138,244	78,101	57,737	73,153
Total for governmental year.	1,218,180	1,197,532	844,172	863,953

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

ACCORDING to press dispatches from Washington, on Thursday of this week the Administration bill for the provision of war-risk insurance upon vessels of American registry and their cargoes, during the continuance of the war in Europe, was favorably reported to both the Senate and the House, and is in a fair way to be enacted into law immediately. The final text of the measure (printed on another page) came to hand too late to be properly analyzed from an insurance point of view. It appears, however, from Section 7 of the bill that the amount of money to be appropriated for the purpose of this war-risk insurance is $5,000,000, and it is expected that the reasonable premiums to be collected will be quite enough to cover the cost of the insurance, so that in the end the National Treasury will suffer no loss whatever from the venture. The bill differs most advantageously from that introduced into the House by Mr. Lewis, of Maryland, on August 12 (H. R. 18370), in that it is on its face an emergency measure pure and simple, intended to remain on the statute books only so long as the European war lasts, and, perhaps even more important, in that it provides only for war-risk insurance, while the Lewis bill undertakes to establish a permanent governmental Bureau of Marine Insurance, which should "make provision for the insurance of vessels and cargoes against loss and damage through the perils of the sea, or by the risks of war, and all such risks as are incident to navigation and which have been insurable according to the customs of commerce." In short, the Lewis bill meant launching the Federal Government once and for all into the business of marine insurance, in time of peace as well as of war, in competition in time of peace with all the private agencies of marine insurance. It attempted a plain beginning, not merely of State insurance, but of National insurance. The Administration bill, on the other hand, has been best described by Mr. Underwood, the Democratic leader of the House, in what he said before the House Committee on Interstate and Foreign Commerce. The gist of his remarks to the Committee was: "There is no desire to perpetuate this war-risk insurance. It is purely an emergency measure. I do not believe it will cost the Government a dollar, premiums more than meeting charges for losses. The immediate need of this legislation is this. We owe European countries a great deal of money. We don't want to send our gold over to pay these debts. This insurance plan will let us send our wheat, corn and cotton to pay our balances abroad. The risk is slight. I think conditions will require us to keep this bill on the statute books only a short time."

There are some who assert that no matter what the excuse, it is State socialism, and nothing else, for the National Government to undertake the business of marine insurance in any form or at any time. As well accept at once, say these critics, the idea of a State monopoly of insurance, such as Italy has established for life insurance, if this perilous step be taken away from the conception of insurance as something that can be most efficiently conducted by private instrumentalities and hence ought to be left entirely to them. But this objection perhaps arises quite as much from a general suspicion and apprehension with regard to the advance of the idea of State insurance, as from any determinate and demonstrable reason why it would not at this particular time and under these extraordinary circumstances be of advantage to the entire country to have the blockade upon our foreign commerce occasioned by the tremendous rates which private marine underwriters feel obliged to charge for the war-risk, lifted, and the flow of that commerce once more made free. The serious harm to every man, woman and child in the United States occasioned by the conditions set forth by Mr. Underwood must be apparent to everybody. And it is no commitment of the country to a new doctrine of economic and social conduct of its affairs, if the Government intervenes to avert or at any rate mitigate the harm. It is generally recognized that a state of war compels numerous activities of government which are both unnecessary and undesired by the community in time of peace. And at the present moment the United States are, if not in a military sense, at least in an economic sense in a state of war. The reflex effects upon us of war among the nations to which we are most closely bound by financial and commercial relations are little different from the direct effects which would be occasioned for us, if we were actually at war ourselves.

The truth is that no department of our economic and financial activities can afford to provide itself with and to carry along for long periods of years, capital enough to meet the exigencies of war, particularly of war on so monstrous a scale that it is impossible more than once in a century. The capital in any department of business must be adapted to the normal requirements of that business in times of normal peace and commercial intercourse. It cannot be expected of the marine insurance business in private hands that it shall maintain a supply of capital sufficient to enable it off-hand to increase the risks it is underwriting five-fold or ten-fold. The corollary of this is that when events beyond anybody's control do increase the marine risk in its totality to several times its normal amount, the regular marine underwriters must speedily come to the end of their resources. Yet the function performed by marine underwriters is absolutely indispensable to the foreign commerce of every country, whether belligerent or at peace. It is, therefore, a practical and not a political or social question, what should be done to bring up the supply of marine insurance to the requirements of commerce in such a case of major emergency as we are now going through. It is hard to find any other recourse except the Government, with its power, through taxation if necessary, to compel all the citizens of the country who are affected by a stoppage of the country's foreign commerce,—and this means really all the citizens,—to step into the breach and carry the risk, until normal times return and the normal capital of marine underwriters is again sufficient for the needs of that commerce. This, it would appear, is what is proposed in the emergency marine insurance bill, now on the point of enactment into law. The necessity for its passage is so obvious that it is hardly possible to conceive of effective opposition to it.

STATE INSURANCE—ITS MESSAGE TO FRATERNAL ORGANIZATIONS

By S. H. Wolfe, Consulting Actuary*

IF one of us suffering from a headache should consult a physician, would we be content if the doctor confined his examination to the condition of the brain? Would we not be very apt to class him as an incompetent if he did not attempt to find whether the pain was due to an eye strain or to some derangement of the digestive functions or to any of the other causes which might possibly account for the headache?

Now to-day we all must admit that the insurance community is suffering from some trouble and we would be as short-sighted as the physician just referred to if we confined our inquiry to an investigation of the insurance field in our attempt to determine the cause. As an actual fact insurance organizations generally are simply experiencing a sympathetic reflex, a movement which is harmonious with the development of the general social body.

Somebody has compared this movement to a tidal wave which, starting at the Atlantic Coast a few years ago, has swept westward across the country and is doubling back on us from the Pacific Coast. This well describes the course of the various activities in the different State Legislatures, which typifies the awakening of the new consciousness of the people, which represents the changing of an extensive development to an intensive one, and which may be summed up as the attempt to give expression to the belief that the future development of our people must be along more unselfish lines than we have followed in the past. It is interesting to listen to so hardheaded a business man as Colonel Timothy S. Williams, President of the Brooklyn Rapid Transit Company, who, in trying to determine the reason for hard times, says:

"We business men must not deceive ourselves with the repeated assurance to ourselves and to the public that we are the innocent victims of radicalism. When we look for the cause of radicalism we find it in our own misdeeds and lower ethical standards. And in making this admission I do not single out the men of large affairs in industry, trade or finance—nor the managers or manipulators of railroads and other public utilities—but I have in mind as well the small merchant and trader, the small money lender, even the daily wage-earner; and organizations of labor as well as of capital."

In this advance we in this country do not stand alone. In Germany, in England and in practically every European country this conscience was awakened long before our sleep was disturbed; we have been far behind them in the adjustment of the social relationships and in none have we been more tardy than in the realm of insurance of the various kinds, for after all insurance is one of the most potent factors in social development.

Is it wise for any one of us to assume that he can stem this tide and interpose a barrier to what would seem to be a worldwide movement based upon well defined political and social doctrines? It seems to me that the action of such an ill advised individual would simply amount to a repetition of the futile efforts of King Canut, who unsuccessfully ordered the incoming tide to recede from his chair and was thus brought face to face with the stern truth that the forces of nature pay no heed to the orders or wishes of an individual.

This changed condition has manifested itself in many ways, but the growing tendency of the State to transact the business of insurance is one of the most far reaching and important. This participation in what has heretofore been "private business" has taken numerous forms and it may not be uninteresting to trace the origin and development of the idea.

The close connection which State insurance has with political ideas is well illustrated by the history of the movement in Germany. In 1871, when the new German Empire was formed, the Socialist party was a negligible factor and in the first Diet which met that year there were but two members of that political faith; we find, however, that the new cult made rapid strides, that in 1874 the number had increased to seven and in 1877 to twelve. With the object of checking the advance of this idea, the far-seeing Bismarck introduced repressive legislation in the Reichstag, but without success. Nothing daunted by his failure to accomplish his purpose the Iron Chancellor reintroduced his measures, but again met defeat, and it is difficult to predict what the result of this disagreement might have been had not a fanatic, in 1878, attempted to assassinate the Emperor, William the First. Within a few months, the attempt was repeated, and using this as an argument, Bismarck went before the people and asked to have a new Diet elected which would be more sympathetic with his views and wishes. The German people acceded to this request and repressive legislation followed, but it was accompanied by the promise of social reforms which would be of assistance to the people. It was not, however, until 1884 that the Reichstag and Bismarck could harmonize their views and the first accident insurance bill was passed, to become effective in the latter part of 1885. The bill which was then passed was but the forerunner of ones which extended the scope and increased the benefits which were conferred. An idea like this, however, so closely associated with the welfare of the people, could not be confined by geographical boundaries. The plan spread from country to country, varying, of course, with the temperamental differences of the various nationalities and being modified by the differing political conditions.

It took a long time for the basic idea to bridge the three thousand miles which separate this country from Europe. We were a young nation and our great tracts of unpopulated acres permitted us to indulge in a wasteful system of extensive development both agriculturally and socially. Gradually, however, we have been brought face to face with the idea that there are certain things in this world which must be exercised for the benefit of society and not for the selfish purposes of the individual. Once having reached that conclusion, we Americans, with characteristic impetuosity, have rushed in and are attempting not only to catch up with the procession of progressive nations, but are attempting to take our position in the very first rank. It is little wonder that this gigantic effort has resulted in certain crudities and excesses which must be the subject of future corrections.

As the early German Act dealt with accident insurance, so the earlier manifestations of this new order of things in the United States were along the lines of correcting the hardships which followed the injuries received in the course of employment. We inherited our employers' liability laws, as we did most of our elements of jurisprudence, from England, and for years we followed the same conservative model. When an accident occurred the injured workman could not recover any damages from his employer if the latter were able to show that the workman had been negligent to even the slightest degree, or if the injury arose from the negligence of a fellow workman or if the injury were properly associated with the occupation itself so that it was presumed that the workman had a knowledge of the inherent danger of his occupation. Now these three defenses, which may be briefly referred to as the contributory negligence, the fellow servant and the inher-

* A paper read before the National Fraternal Congress of America, August, 1914.

ent risk defenses, are antiquated, unjust and entirely inapplicable to modern industrial conditions. When only two or three men were employed in a shop, when tools were simple, when complicated methods of power transmission were absent, it was fair enough to say that the employer should not be held responsible for injury which resulted from an act of negligence upon the part of the workman himself; under those conditions it was not improper to hold that the employer should not be liable for the acts of another workman; when the processes were simple and every workman was familiar with the various details of the shop, it was not unjust to assume that when he accepted employment he was charged with a knowledge of the risks of the occupation.

All of these conditions, however, have been changed by modern industrial methods and the blind adherence to the three defenses before alluded to, brought home with added force the injustice which was being meted out to the injured workman and his dependent family. As the result, new laws have been placed upon our statute books which have attempted to remove the sufferings caused by industrial accidents, and the line of reasoning may be briefly stated as follows: Every industrial accidental injury may be placed in one of two subdivisions. Either it was caused by the willful intent of the workman or it was unintentionally received. If it belongs in the first class (and accidents solely due to intoxication are included therein) the workman himself must stand the responsibility; if it may properly be classed in the second group it is just as much a part of the cost of the production as the wear and tear of machinery and as such its cost should be added to the cost of production. This may be offered as the basic idea underlying all of the workmen's compensation laws in this country, but the various States have applied it in different ways, and as the methods of application have a direct bearing upon the subject about which I have been invited to speak, I shall briefly refer to them in order that you may see the changed attitude which the State has adopted towards insurance companies and the individual citizen.

In the State of Washington all of the employes in certain industries are brought within the Act and their employers are compelled to pay to the State a certain premium based upon their payroll expenditures. In case of accident the State furnishes medical service and if the disability should impair his earning powers materially, the injured workman receives compensation, the amount of which is based upon his average earnings; should death occur, his dependents receive a certain amount which serves to relieve any physical distress which the dependents may experience as a result of the sudden taking away of the wage-earner. Every employer engaged in the indicated occupations is required to contribute to the State fund and is not permitted to cover his liability by becoming insured in an insurance company.

In the Commonwealth of Massachusetts every employer is ostensibly given the right to decide whether he wants to go under the Act or not. I use the term "ostensibly" because it is the same kind of an option which the highwayman gives to the wayfarer when he points a loaded pistol at the pedestrian's head and says, "I don't insist upon you handing over your purse, but I think it advisable because if you don't I shall blow out your brains." It is true that the employer may elect to stay without the Act, but if he do so and one of his employes should be injured the employer would have all of his effective defenses removed and it would merely be a question of the size of the verdict which the jury would decide to give. In Massachusetts the assenting employer is required to insure in either a stock insurance company or in a mutual insurance company, the Commonwealth up to this time having refrained from the creation of an insurance fund of its own.

New York was one of the last States to put in force a Workmen's Compensation Act (a previous attempt having been declared unconstitutional) and its enactment is the most far reaching and drastic of any in this country. Employers are required to furnish their injured employes with medical and hospital service, crutches, trusses, medicines and other accessories for sixty days; if the disability extend beyond two weeks the injured workman receives two-thirds of his average earnings (within certain maximum and minimum limits) during the disability; if the injury be a specific one, such as the loss of a finger, a toe, an arm or a leg, payments are made for a definite number of weeks, irrespective of the duration of the incapacity; if death occur as a result of the injury, an allowance for funeral expenses is made, and if the deceased leave any dependents (widow, children, father, mother, grandparents, brothers or sisters) a certain percentage of his average earnings is paid to them, the total payments, however, being limited to $66.66 per month. The employer who comes within the Act must insure in a stock company, in a mutual company, in the State fund or furnish to the Commission satisfactory evidence of his financial ability to carry his own insurance; in the last named case he must make a deposit with the Commission of an amount satisfactory to it.

In New York, therefore, we shall have an opportunity to observe the relative merits of the different systems, for we shall have some employers insuring in private organizations and some insuring with the State itself. The New York Act differs from that of some other States, Michigan, for instance, in that the State fund has become an active competitor for business. It has not contented itself with furnishing a means of insurance if the employer should decide to apply to it instead of going into an insurance company, but it has gone actively into the field and has made a spirited canvass among the employers, soliciting their business and promulgating a rate which is lower than that which the insurance companies are permitted to charge. For the first time, as far as I have been able to determine, we have one of our States engaged in active competition with some of its own creations—the corporations which it has licensed. It will be interesting to observe whether the maximum efficiency can be obtained from a State institution or whether private enterprise is better equipped to furnish the particular service which insurance must render.

Heretofore my examples of State insurance have been confined to accident insurance, but I am able to refer to an experiment in this country which should be of greater interest to you. I refer to the attempt of the State of Wisconsin to issue life insurance policies, and lest you think that I am citing an isolated tendency I may remark in passing that in over fifteen of the State Legislatures, bills having for their object the creation of State Life Insurance Funds were introduced during the recent sessions, but all were defeated. With the details of the Wisconsin Act you are doubtless familiar; it plans to use State employes as an organization for spreading the idea; it is exempt from taxation and from certain expenditures which the private insurance companies have to meet. While it may be true that up to this time the number of residents of Wisconsin who have availed themselves of this privilege is comparatively small, it is hardly the part of wisdom to disregard the significance of the movement.

We all remember the investigation of life insurance conditions in New York in 1905. As a result of the disclosures at that time there was started in Massachusetts the project of savings bank insurance, whereby industrial and intermediate insurance could be sold over the counter without incurring any procurement expenses. As savings banks in Massachusetts have no capital stock, have their operations closely supervised by State officials and some of the pure administration expenses of their insurance departments are paid by the Commonwealth, it will be admitted, I think, that the

Massachusetts experiment may be properly considered as a manifestation of the spread of the State insurance idea. The Massachusetts plan, like the one in Wisconsin, has not reached the point where its size is giving the private companies any concern, but its constant progress, slow as it may be, is nevertheless of interest as indicating the trend of modern thought. I may call your attention to the fact that the Wisconsin plan was also an outcome of the investigation of life insurance companies which was undertaken in that State shortly after the Armstrong investigation in New York.

Workmen's Compensation Acts became general as a result of the dissatisfaction which the public felt with liability insurance companies. All who are familiar with insurance recognize that this condemnation was unjust and that the trouble was with the laws and not with the companies which issued policies in accordance with the laws; be this as it may, the fact remains that the constant irritation between the public and the insurance carriers had the important and far-reaching result that the State was brought into the insurance field, in some localities to the exclusion of the private companies and in others to a condition of active competition with them, with the slightly veiled threat that an unsatisfactory experience with this competitive condition will undoubtedly result in the withdrawal of the permission to the companies to engage in the work.

Now the point which I wish to bring to your attention is this: When the public became dissatisfied with liability insurance companies, it took steps to have the State engage in the business; when the public had reason to believe that evils were creeping into the administration of life insurance companies, it created organizations aimed to do away with the private insurer.

Is there not some food for thought here for the fraternal organizations? It is quite evident that we are getting away from the idea that the insurance policy is a contract, with the terms of which the contracting parties alone are interested. Tht State Legislatures have served notice upon us that a third party—the general public—is also vitally interested in seeing that insurance is placed upon a safe and sound basis. For many years the statutes have contained conservative restrictions applicable to the legal reserve companies; as a result no failures have occurred within recent years and at the time of the Armstrong investigation in New York the companies' representatives were enabled to advance the plea that no matter what evils had been disclosed, the integrity of the policy contracts had not been affected and the solvency of the issuing companies had not been questioned.

Fraternal insurance has existed for many years; it was intended that it should occupy a niche in our economic structure which could not be filled in any other way. It was intended that its benefits should be felt in fields which had been neglected by other organizations; it was felt that hand in hand with bonds of fraternal friendship should go some provision for the aid and assistance of those who were left behind when the wage-earner had gone. Can you imagine any situation which presents more valid reasons for surrounding that protection with every safeguard known to business and science? If the phrase had not become so trite and shopworn, I would inquire if a more sacred trust could exist.

If the legislators in every State had refrained from writing one word pertaining to insurance in the statute books, it would be merely an act of self-preservation for us to lay down certain rules of action for our guidance in the administration of the life insurance business, whether legal reserve or fraternal. There are certain principles which can be disregarded only at our peril. Years of experience have taught us that of each 1,000 people whose age is forty, a definite number will die before they reach the age of forty-one. It does not matter whether they are insured in one fraternal society or another. The wave of mortality sweeps on with utter disregard of such practical details. It follows, therefore, that we must provide for the payment of a certain amount to beneficiaries each year.

If our members were content to contribute each year the actual cost of the death claims which occur, everything would be simple and easy. There would be no need for reserve funds or those troublesome creatures known as actuaries. It is a fortunate thing, however, that human nature has a due regard for the future, and the insuring public, therefore, has expressed a desire to have its financial burdens lightened at the time when advancing age limits the productiveness of the individual. This effort to escape the inevitable increase in annual premiums gave birth to the necessity of accumulating a reserve fund, for it is a simple arithmetical fact, which must be apparent to all, that if we are to collect a smaller amount in the later years we must collect a larger amount in the earlier years. And this reserve fund, it will be noted, is the result not of a statutory enactment, but simply of the application of the rules of common sense arithmetic.

The fact just stated having been made patent to the legislators, they devised for the protection of you and of me a standard whereby we would be able to find out whether the company or the order to which we were entrusting our premiums was setting aside an amount necessary to carry all of its contracts to maturity, or whether it was dissipating its funds in riotous official living. That standard is the valuation basis which exists in the insurance statutes. Why anybody should object to a proper valuation is not clear to me. Would you have any confidence in your banking institution if its president told you that he did not know what its liability to its depositors amounted to? Suppose he told you that he knew that he had money enough on hand and received enough in the shape of deposits each day to pay the drafts as they were presented over the counter. Would you not be very apt to ask him whether he was using any part of your deposit to pay his salary and the rent, or whether he was providing for such expenses out of the legitimate profits of the banking business? If he professed an inability to answer your questions, would you be inclined to continue to deposit your money with him, or would you prefer to take your account to an institution which could answer your questions satisfactorily?

That is the situation in a nutshell, and it seems to me that every one of you is more interested than any insurance department can be in knowing whether his organization is in proper shape, whether its premiums have been properly computed, whether it has on hand sufficient funds to pay every claim as it matures and whether its affairs are so shaped as to render unnecessary the disturbances and inevitable damages which come from enforced re-rating.

Since supervision of insurance companies seems to be an accepted function of the State at the present time, would it not be a good idea to look upon that supervision as a friendly attempt to require all of us to maintain the necessary standards of solvency so that no scandal may occur to blot the fair face of fraternal insurance? Why should we not look upon every supervising officer as a friend who can be of assistance to us in carrying out our legitimate plans and who need not be feared as long as we are conducting our affairs along proper lines? Why should we not welcome any legislation which has for its avowed purpose the making of fraternal contracts safe, beyond the peradventure of a doubt, and the elimination of admitted evils?

Now a word in closing. As long as private insurers performed their function to the satisfaction of the people, they were permitted to continue to exercise those functions; when the confidence of the

people in those organizations became impaired, the State stepped in and assumed the role of insurer.

The message which State insurance brings to fraternal organizations, it seems to me, is simply this: "Put your house in order, so that no legitimate reason may be advanced for preventing the fraternal orders of the United States from carrying on the magnificent work which has been accomplished by them in the past in the direction of alleviating human suffering and want." Shall it be said of us in the future that we had the opportunity of profiting by the example of others and failed to avail ourselves of such a valuable privilege?

THE FIRST ANNUAL REPORT OF THE MASSACHUSETTS INDUSTRIAL ACCIDENT BOARD

THE complete statistical digest of the experience of the first year (July 1, 1912, to June 30, 1913) of operation under the Massachusetts Workmen's Compensation Act has just been published by the Massachusetts Industrial Accident Board. This report, of course, is of more interest as a matter of record than as furnishing material of immediate practical working value. The first year's experience is notoriously untrustworthy as a guide to ultimate results under any workmen's compensation law, and little of ultimate worth can be gained from Massachusetts' experience until three or four years have passed, enabling the full social and economic effects of the law to make themselves felt in the statistics. Furthermore, this report is unfortunately compiled in such form that much of its possible value is vitiated. Most serious of the omissions is that of figures for the number of employes employed in the State during the year and coming under the law. The report casually remarks: "If the figures were available, it would be interesting and valuable to show for each industry the relation between the number of employes and the number of accidents. It is possible, however, to get accurate figures only in certain classes of industry [twenty-five in all]." To anyone desirous of using the Massachusetts experience for the purposes of sound insurance calculations, such figures are, of course, not only "interesting and valuable," but indispensable.

It is unfortunate, also, that the report does not go more fully into the question of the length of time required for workmen suffering from certain specific injuries to get back to work. The tendency has invariably been seen, under workmen's compensation in other countries, for the length of time required for such injuries as broken collar-bone, broken arm, etc., to heal, to increase very largely year by year; and this is no small item in the ultimate cost of the system of workmen's compensation. It cannot but be felt that research of this kind would have been far more valuable than, for example, the work that must have been spent on reckoning the occurrence of accidents by hours of the day and days of the week.

The summary of the workings of the Massachusetts law is perhaps best given in the words of the report itself. It is as follows:

"During the first twelve months of the act there were reported to the Industrial Accident Board 89,694 non-fatal accidents.

"Four hundred and seventy-four persons engaged in occupations in Massachusetts, entitled to compensation for injury if insured, died as a result of injuries arising out of and in the course of their employment.

"Seventy-one more fatalities were reported to the Industrial Accident Board which were found on investigation not to arise out of or in the course of employment, or to be subject to the workings of the compensation act.

"Of the 474 fatally injured persons to whom the act was applicable, 290 were insured. and 184 were not insured.

"In 112 of the cases no dependents were left. In the remaining 362 cases there were 873 dependents, of whom 770 were wholly dependent and 103 were partially dependent upon the supporting member of the family.

"One hundred and sixty-four of the persons fatally injured were single, 30 were widowers, 2 were divorced, and 278 were married. These figures show that in 60 per cent of the fatal cases there were left widows in a state of dependency.

"Of the total number of non-fatal accidents reported (89,694), 68,586, or 76 per cent, were for injuries which incapacitated the employe for two weeks or less; and of these, 36,901, or 41 per cent of the total accidents reported, were for injuries which incapacitated the employe for one day only. * * *

"The number of days' work lost as a result of industrial injuries in Massachusetts, during the twelve months July 1, 1912, to June 30, 1913, on the basis of mean duration of disability, was 1,156,787.

"The number of weeks' work lost, due to industrial injury, was 165,255.

"On the basis of days' work lost, the number of persons constantly disabled, taken from industry as a result of industrial accidents in Massachusetts during the year July 1, 1912, to June 30, 1913, was 3,855.

"The average duration of disability for the 89,694 accidents reported was 12.89 days.

"The actual loss to wage-earners employed in the industries in Massachusetts, as a result of the incapacity due to industrial injuries, during the twelve months from July 1, 1912, to June 30, 1913, was $2,965,225,—a loss in wages of about $10,000 each working day.

"Of this total amount, $2,631,085 was a loss to wage-earners who were insured, and $334,140 was a loss for which the injured employes or their dependents received no compensation from insurance.

"The estimated payments by insurance companies for medical and hospital attention, disability and dependency compensation, including estimates of contingent liabilities to dependents of those killed and for those whose disability has not yet ceased, are $1,677,380.82, not including any cost of insurance administration, agents, etc., making the actual amount paid for disability and medical attention about $5,000 for each working day.

"The average cost for each accident reported, not including cost of insurance administration, etc., was $18.70."

The report then goes on to a statistical survey of the year's results, the important parts of which may be summarized as follows:

The magnitude of industrial accidents from July 1, 1912, to June 30, 1913, and the rights to compensation of those who were injured, are shown briefly in the following table:

ACCIDENT MAGNITUDE AND INSURANCE.

Accidents.	Totals.	Insured.	Not Insured.	Stood on Common Law.
Non-fatal	89,694	72,862	16,832	489
Fatal	474	290	184	1

The fact that in fatal cases the proportion of those insured to those who were not insured is much smaller than in non-fatal cases is explained by the large number of fatal accidents chargeable to steam railroads which are not insured under the Act.

Comparing the frequency distribution of non-fatal and fatal accidents by causes, there is found to be no concomitance in magnitude between the two groups. The two classes of accidents are on distinct bases. The figures on non-fatal accidents indicate for the general field where the heaviest cause incidence lies; those on fatal accidents give additional weight to those causes which re-

sulted in cases of an extremely serious nature, and shift the burden of incidence accordingly. The following table gives a summary of the year's experience in this field:

ACCIDENT FREQUENCY BY CAUSES.

Causes of Accidents.	Non-Fatal.	Fatal.
Hand labor	28,737	37
Special industries' machines	11,375	7
Falls	8,417	66
Miscellaneous (unclassified)	5,149	11
Eye injuries	4,331	..
Vehicles	3,770	43
Nails	3,462	..
Burns and boiler explosions	3,355	15
Infections from cuts, etc	2,102	5
Falling material	1,664	8
Saws	1,579	4
Presses	1,425	2
Street railways	1,302	20
Glass	1,281	1
Railroad equipment	1,230	119
Gears	1,101	2
Elevators	1,036	33
Belting	888	6
Animals, insects, etc	779	9
Lathes	767	..
Emery wheels	650	2
Hoists	630	4
Electricity	695	25
Shafting, set screws, etc	481	9
Excavations, cave-ins, etc	164	14
Wood moulders, etc	351	1
Drills	332	..
Cranes	297	11
Asphyxiation, drowning, etc	91	10
Explosions (not boiler)	215	4
Illness	290	3
Occupational diseases	104	2
Assault and fighting	207	1
Eight other causes*	631	..

*This classification applies to non-fatal accidents only.

Of the total number of persons reported as injured, 82,154, or 91 per cent, were males and 7,540, or 9 per cent, were females. The following table gives the accident frequency by age groups and by wages groups:

Age Group.	Non-Fatal.	Fatal.	Wage Group. Weekly Wage.	Non-Fatal.	Fatal.
Under 16	2,286	4	$8 and under	16,620	27
16 to 20	14,285	18	$9 to $15	53,377	288
21 to 29	31,894	135	$16 to $20	13,627	102
30 to 39	21,105	113	$21 and over	6,070	57
40 to 49	12,269	83			
50 to 59	5,876	66			
60 and over	1,979	55			

Grouping the reported fatal and non-fatal accidents according to industries, the results obtained for number, duration of disability and degrees of disability are shown in the accompanying Table A.

The cases of specific injury, for which set compensation is provided under the Massachusetts Act, numbered 967 for the year. The classified distribution of this total, together with the period for which additional compensation was due when the employe was injured, are shown below:

SUMMARY OF SPECIAL INJURIES.

Nature of Injury.	No. of Cases.	Period of Additional Compensation.
Both feet lost	1	100 weeks
Both eyes lost	2	
One eye lost	47	
One hand lost	35	50 weeks
One foot lost	22	
Two or more fingers lost	133	25 weeks
Two or more toes lost	21	
One finger lost	672	12 weeks
One toe lost	34	
Total	967	

The report then goes on to take up problems and unsuspected phases of the system of workmen's compensation which have forced themselves upon the Board's attention during the year, and to give the suggestions of the Board as to advisable changes in the law. These problems and perplexing contrarities appear all to be similar in nature to those which have manifested themselves during the early years of other workmen's compensation acts, American and foreign.

In speaking of the insurance companies and the Act, the report says:

"The Board desires to express its satisfaction with the spirit of co-operation shown by almost all the insurance companies in furtherance of the effective administration of the Act. Only a few of the companies have given any evidence of a tendency to revert to the methods which prevailed under the former liability law."

A number of the companies have taken advantage of the invitation of the Board to state what they were doing in the field of accident prevention, and their reports show the necessity of constant inspection of industrial plants and the benefit of compelling the use of mechanical safeguards wherever possible.

TABLE A. DISTRIBUTION OF ACCIDENTS BY EFFECTS AND BY INDUSTRIES.

	Total Accidents Reported.	Fatal Cases.	Non-Fatal Accidents										
				Duration of Disability — Weeks						Degree of Disability			
										Perma- nent Total.	Perma- nent Partial.	Tem- porary Total.	
			Number.	Under 2.	2-4.	4-8.	8-13.	13-26.	Over 26.				Minor.
Agriculture, forestry, animal husbandry	149	6	143	75	27	24	11	3	4	..	2	115	26
Extraction of minerals	335	4	331	228	52	30	16	4	1	..	5	236	90
Building trades	7,381	71	7,310	5,131	957	686	315	161	60	1	72	5,003	2,228
Chemical and allied products	713	5	708	552	67	50	23	15	1	..	8	375	325
Clay, glass and stone products	431	4	427	284	71	39	23	8	2	..	7	314	106
Clothing	419	..	419	341	51	17	3	5	...	..	1	233	185
Food and kindred products	2,208	10	2,198	1,698	269	151	49	22	6	..	32	1,235	931
Iron and steel and their products	13,592	24	13,568	10,904	1,217	842	259	109	17	..	215	6,795	6,558
Leather and its findings	5,721	8	5,713	4,599	556	352	137	54	15	..	157	2,428	3,128
Liquors and beverages	630	6	624	455	75	63	21	9	1	..	2	383	239
Lumber and its manufactures	2,736	9	2,727	1,922	403	278	78	38	8	..	128	1,755	844
Metal and metal products	4,304	5	4,299	3,372	531	273	77	38	8	..	106	2,526	1,667
Paper	2,110	5	2,105	1,440	350	219	53	34	9	..	76	1,387	642
Printing and bookbinding	793	1	792	578	90	79	33	10	2	..	17	477	298
Textiles	13,587	25	13,562	10,470	1,543	971	340	211	27	1	256	7,819	5,486
Fifteen other industries	10,729	31	10,698	9,034	906	482	172	90	14	1	150	4,789	5,758
Water transportation	1,757	21	1,736	1,142	240	216	74	59	5	..	16	1,276	444
Road, street and bridge transportation	11,581	183	11,398	8,330	1,511	984	338	200	65	2	113	7,471	3,812
Express companies	867	3	864	674	102	51	24	13	1	..	1	597	266
Post, telegraph and telephone	350	2	348	215	74	29	18	8	4	..	1	311	36
Other persons in transportation	10	..	10	6	3	...	...	1	...	..	...	5	5
Trade	8,149	42	8,107	6,024	1,024	660	233	141	25	1	63	4,732	3,311
Professional services	277	1	276	199	40	20	9	8	1	..	5	145	126
Domestic and personal services	1,339	8	1,331	834	209	137	49	34	8	1	24	916	390
Totals	90,168	474	89,694	68,586	10,568	6,638	2,355	1,275	272	7	1,457	51,329	36,901

NOTES ON INSURANCE, AMERICAN AND FOREIGN

A Bill in Congress to Establish a Bureau of War Risk Insurance.—After a conference at the White House between President Wilson, Chairman Alexander of the House Merchant Marine Committee, Chairman Underwood of the House Ways and Means Committee, Chairman Simmons of the Finance Committee and Chairman Clarke of the Senate Commerce Committee, a bill was introduced in Congress, by Chairman Alexander in the House, and Chairman Clarke in the Senate, proposing the establishment of a government bureau of war risk insurance for merchant vessels.

The text of the bill follows:

S. 6357.

IN THE SENATE OF THE UNITED STATES

August 19, 1914

Mr. Clarke of Arkansas introduced the following bill; which was read twice and referred to the Committee on Commerce

A BILL

To authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department

Whereas the foreign commerce of the United States is now greatly impeded and endangered through the absence of adequate facilities for the insurance of American vessels and their cargoes against the risks of war; and

Whereas it is deemed necessary and expedient that the United States shall temporarily provide for the export shipping trade of the United States adequate facilities for the insurance of its commerce against the risks of war: Therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established in the Treasury Department a bureau to be known as the Bureau of War Risk Insurance, the director and employes of which shall be appointed by the Secretary of the Treasury; the salary of the director shall be $6,000 per annum, and the salaries of the other employes shall be fixed by the Secretary of the Treasury, but in no case to exceed $5,000 per annum for any employe: Provided, That all employes receiving a salary of $3,000 per annum or less shall be subject to the civil service laws and regulations thereunder.

Sec. 2. That the said Bureau of War Risk Insurance, subject to the general direction of the Secretary of the Treasury, shall, as soon as practicable, make provisions for the insurance of American vessels, and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, wherever it shall appear to the Secretary that American vessels or shippers in American vessels are unable in any trade to secure adequate war risk insurance on terms of substantial equality with the vessels or shippers of other countries because of the protection given such vessels or shippers by those respective governments through war risk insurance.

Sec. 3. That the Bureau of War Risk Insurance, with the approval of the Secretary of the Treasury, is hereby authorized to adopt and publish a form of war risk policy, and to fix reasonable rates of premium for the insurance of American vessels and their cargoes against war risks, which rates shall be subject to such change, to each country and for each class, as the Secretary shall find may be required by the circumstances. The proceeds of the aforesaid premiums when received shall be covered into the Treasury of the United States.

Sec. 4. That the Bureau of War Risk Insurance, with the approval of the Secretary of the Treasury, shall have power to make any and all rules and regulations necessary for carrying out the purposes of this act.

Sec. 5. That the Secretary of the Treasury is authorized to establish an advisory board, to consist of three members skilled in the practices of war risk insurance, for the purpose of assisting the Bureau of War Risk Insurance in fixing rates of premium and in adjustment of claims for losses; the compensation of the members of said board to be determined by the Secretary of the Treasury. In the event of disagreement as to the claim for losses or amount thereof, between the said Bureau and the parties to said contract of insurance, an action on the claim may be brought against the United States in the District Court of the United States, sitting in admiralty, in the district in which the claimant or his agent may reside.

Sec. 6. That the Director of the Bureau of War Risk Insurance, upon the adjustment of any claims for losses in respect of which no action shall have been begun, shall, on approval of the Secretary of the Treasury, promptly pay such claim for losses to the party in interest; and the Secretary of the Treasury is directed to make provision for the speedy adjustment of claims for losses and also for the prompt notification of parties in interest of the decisions of the Bureau on their claims.

Sec. 7. That for the purpose of paying losses accruing under the provisions of this act there is hereby appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $5,000,000.

Sec. 8. There is hereby appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the Bureau of War Risk Insurance, out of any money of the Treasury of the United States not otherwise appropriated, the sum of $100,000.

Sec. 9. That the President is authorized to suspend the operation of this act whenever he shall find that the necessity for further war risk insurance by the Government has ceased to exist.

Sec. 10. That this act shall take effect from and after its passage.

* * *

Pneumonia as an Injury Under Workmen's Compensation.—One of the uncertainties with which underwriters have to contend in estimating probable costs under workmen's compensation is to what extent occupational diseases and sickness may be expected to figure as "injuries" under the various State laws. It may be taken as pretty well decided that where the word "accident" is specifically used in the statute, as defining the cause of injury for which compensation is payable, such cases may be considered as wholly outside the law. If, however, the word "injury" merely is used, the tendency in the decisions of the courts is rather the other way.

Still, it must not be thought that in the latter case the question is absolutely settled, for, as regards pneumonia, for example, there seems to be considerable difference of opinion as between the State and the Federal authorities, if not between the different State authorities. Under the Massachusetts Act, an employe got his feet wet in a leaky boat, which was furnished by his employer, and pneumonia developed as an after-effect. It was held by the Industrial Accident Board that this was a personal injury. (*Stone vs. Travelers Insurance Company.) Under the Federal Compensation Act relating to certain Federal employes, however, it has been held in an opinion of the Attorney General that an employe who contracted pneumonia from becoming over-heated while removing ashes from heating plant, was not entitled to compensation, as this

was not injury within the meaning of the statute. (*Re John Sheeran, 28, Op. Atty. Gen. 254.) These conflicting decisions or opinions were rendered in spite of the fact that the Federal Law is worded very much like the Massachusetts Act in relation to the "injuries" for which compensation shall be awarded.

In this connection, a decision recently rendered by the House of Lords, on appeal, under the British Workmen's Compensation Act is of interest. In the English case (Coyle or Brown vs. John Watson, Ltd.) the court takes a view of the question in harmony with that of the Massachusetts Industrial Accident Board. The facts of the case were as follows: On June 26, 1911, J. Brown was at work in Gilbertfield Colliery, Cambuslang, and in consequence of a wreck in shaft No. 2, which was the workmen's usual exit from the place where Brown worked, he was told to leave the pit by the communication road to the shaft of No. 1 pit, which was the downcast shaft. This led him to a mid-landing of No. 1 pit, where he had to wait an hour and a half. At this mid-landing a strong current of air blew in on Brown and his fellow-miners. The men had been sweating at their work and felt the down draught very cold. Brown's teeth were chattering, and his feet were cold. On the following day he was unable to start work on account of illness due to the chill incurred on the previous day. Pneumonia supervened, and he died on July 3, 1911. He left a widow and several pupil children.

Lord Dunedin delivered judgment as follows: My Lords, on the assumption that the case of Drylie was well decided, I am of opinion that this case is ruled by that. I cannot help thinking, on perusing the opinion of Lord Salvesen, that that learned judge really took the same view, although he did not wish to express a formal dissent from the views of the other members of the Second Division. It seems to me that here, as there, you have an accident interfering with the normal working of the mine, a consequential exposure of the workman to rigorous climatic conditions for a prolonged period, which exposure would not have been his fate but for the accident, and a finding of fact that the supervening illness was due to this prolonged exposure. There is no intervening circumstance, depending on some cause other than the accident, which occurs to break that chain of causation. I would illustrate what I mean by this by referring to the case of McLuckie vs. Watson, where the wetting which brought on the chill was not a necessary cause of the accident, but was due to the workman's determination not to wait his turn for the cage, but to stand in water in order to get in front of his fellows. As regards the case of Drylie, I was a party to that judgment, and I have seen no reason to alter the opinion I then formed. I have the satisfaction of knowing that those of your Lordships who have considered that case for the first time on this occasion have seen no reason to doubt that it was rightly decided. I, therefore, think that the present appeal should be allowed, and the award of the arbitrator restored.

The above cases serve to show not so much a fixed precedent in occupational disease and sickness cases as the uncertainty of the extent of the liability which insurance carriers are shouldering when insuring the workman's compensation risk. In all argument in regard to the adequacy of rates, a certain margin must be allowed for this uncertainty, unless underwriters are to find themselves suffering severe losses for which no provision has been made in calculating the price to be charged for this insurance.

* * *

Financial Relations of American Branches of Foreign Insurance Companies with Their Home Offices.—Inasmuch as the war in Europe has given rise to no inconsiderable amount of anxiety on the part of policyholders of foreign companies as to the ability of these companies to respond to calls from their United States branches for the purpose of meeting losses here, a new interest is given to a compilation made earlier in the year of the financial transactions between the American branches of foreign companies and their home offices. As was pointed out in this paper a week ago, the American branch of a foreign insurance company is in reality an independent concern, required to conform in the matter of reserves, etc., to the laws of the States in which it operates. None the less home offices may on occasion, such as the San Francisco fire, help out their American branches, just as if they were financially obligated to do so. On the other hand, remittances from foreign home offices to American branches may be simply for the purpose of providing capital for the enlargement of the business. In normal years, however, and when fresh capital is not required on this side of the water, the American branch remits such part of its realized profits as it can spare to the home office abroad.

The following table shows the remittances both ways in 1913, between most of the important foreign fire insurance companies and their American branches:

REMITTANCES BOTH WAYS BETWEEN FOREIGN COMPANIES AND THEIR AMERICAN BRANCHES IN 1913.

Company.	Country of Domicile.	Remittances from Home Office.	Remittances to Home Office.
Abeille	France	$441	$45,000
Atlas	England	65,926	115,838
British American	Canada	65,849	47,179
Balkan National	Bulgaria	150,000	58,576
Caledonian	Scotland	.....	113,716
Cologne Re-Insurance	Germany	171,165	411,784
Commercial Union	England	54,990	527,936
First Bulgarian	Bulgaria	168,523	11,000
Frankona Reinsurance	Germany	.....	.55,185
Générale	France	20,002	27,295
Hamburg-Bremen	Germany	10,527	5,855
Law Union and Rock	Enlgand	438,759	55,379
Liverpool and London and Globe	England	19,918	1,050,414
London Assurance	England	3,000	203.701
London and Lancashire	England	73.889	291,876
Minerva Reinsurance	Germany	158,729	165,194
Moscow	Russia	.....	250,000
Munich Reinsurance	Germany	.....	380,904
Nationale	France	.....	.....
North British and Mercantile	England	.....	732,244
Northern Assurance	England	209,816	495,494
Nord-Deutsche	Germany	150,000	.....
Norwich Union	England	279,781	317,523
Palatine	England	8,086	144,262
Phoenix, of London	England	73,515	51,545
Phénix	France	.....	60,000
Royal	England	780.068	1,175,183
Royal Exchange	England	250.341	234,594
Russian Reinsurance	Russia	.....	48,672
Scottish Union and National	Scotland	65,091	12,801
State Assurance	England	19,773	104,820
Sun	England	172,271	74,100
Svea	Sweden	25,000	.....
Swiss National	Switzerland	8,850	50,500
Union Association	England	362,469	77,332
Union	France	.....	2,163
Urbaine	France	536,146	9,074
Western Assurance	Canada	218,571	158,555
Yorkshire	England	12	730

INSURANCE NEWS IN THE WEST

Unsettled Outlook for Fire Companies in the West.—It looks as if the fire insurance companies were going to have some annoying times in parts of the West this Winter. They have had them so long in some States that they are calloused, but now States have joined the ranks of the trouble-makers that hitherto have been quite pleasant places in which to do business. It is true that the Attor-

*These decisions may be found in Bradbury's Workmen's Compensation and State Insurance Law, pp. 371-372.

ney General of Illinois once got after the companies because of the old Belleville compact and that the anti-compact laws of Wisconsin and Michigan caused annoyance at times. Also C. A. Palmer, when he was commissioner of Michigan, found ways of sticking pins into the companies that proved quite irritating. But these were good States to operate in compared with Kansas, Missouri and some others. Now the commissioners of Illinois and Wisconsin are demanding that rates be reduced. It does not follow that rates will be reduced, for these officials are not omnipotent; but they can stir up considerable trouble. They are both resourceful men and their official position enables them to get much publicity free. Even a mere "dub," if he could get into the newspapers enough, could get a following by advocating so popular a measure as reduction in insurance rates. Though these commissioners should do no more than "start something," there will be fledgling statesmen ready when the new legislatures convene to introduce fantastic bills of various kinds that will require watching.

Commissioner Winship, of Michigan, is less radical in his demands. In fact, he can hardly be said to be making demands, but he is expressing a preference for the establishment of some power to pass upon rates when the insurer and the insured do not agree as to what they should be. Just as there were some managers who were pleased when Kansas enacted its rate regulation law, so there probably will be found to be some who favor a measure such as is suggested by Mr. Winship. There are others, however, largely of the old guard, that have consistently opposed every measure that would deprive an insurance company of its liberty to conduct its business as it sees fit. To this class the Winship proposal can scarcely be otherwise than objectionable.

These specific proposals of insurance commissioners may not be so important in themselves, but they all represent phases of the movement towards a greated regulation of fire insurance, treating it more like an out and out public utility. Experience in this line in Kansas, Missouri and Kentucky has not been of a character to make the underwriters look forward to more of it with any relish. The litigation that grew out of the Kansas law settled all question as to the right of the States to regulate rates. The troubles in Missouri and Kentucky showed that company officials and State officials, apparently irreconcilable, can be brought together through the influence of business men. In these States this was done only after suspension of insurance business, loss to agent and inconvenience to the public. If this be possible after harm has been done, it would seem that it should be possible before drastic legislation has been enacted and antagonism has been heated to the boiling point. Perhaps mediation and compromise before legislation instead of after may be worked out as a programme for the future, resulting in more satisfaction to all parties concerned.

* * *

Western Live Stock Insurance Association to Be Organized.—On Wednesday of next week representatives of live stock insurance companies operating in the West will meet at Indianapolis for the purpose of forming an organization. It is expected that ten companies will be represented, all of them stock corporations. This movement toward organization has been going on for a number of months, J. W. Newman, president of the Kentucky Live Stock of Louisville, being the most active factor. There is much to be gained from exchange of experience among live stock insurance companies and also from co-operation among them. Some of those operating in the West have pioneered much of the territory and have a good knowledge of what fields should be avoided. They could save newer companies in the field a large amount of money by imparting this information to them. It is especially by co-operating with regard to agents and veterinarians, however, that it is hoped to gain most.

* * *

Excellent Prospect for New Association of Accident Underwriters.—At the last meeting in Chicago of prominent accident insurance men who are interested in the organization of the National Accident Underwriters, it was decided that the presidents of the three existing organizations should write the members of their respective organizations inviting them to join the new one. To A. E. Forrest, of the North American Accident, was assigned the duty of inviting the non-affiliated companies. C. H. Boyer, president of the Association of Accident Underwriters, was the first to get out his letters. At the end of last week he had received applications from twenty-one stock companies, not to mention the mutuals. If the others have as good returns from their letters a large initial membership will be assured. Only three companies, so far as known, as opposed to the new organization, and it is believed that two of them will come in. Replies received by Mr. Boyer indicate that a number of companies that intend to join the organization will not be represented at the Atlantic City meeting. A large proportion of the industrial companies are located in the West. Many of them are small and are obliged to watch every item of expense closely. The cost of a trip to Atlantic City is too heavy for some of them.

* * *

Continental Casualty to Write Workmen's Compensation Insurance.—Announcement by President H. G. B. Alexander that the Continental Casualty will write workmen's compensation insurance is of interest. It will be recalled that four or five years ago the company was on the point of going into the general casualty business as a multiple line company. That plan was abandoned or at least postponed. It is said that Mr. Alexander has not altered his opinion that it would be unwise to enter the multiple line field, but the writing of workmen's compensation insurance is regarded differently. It has been stated on good authority that it is not the intention of the Continental Casualty to make any drive for this business, but rather to write a moderate volume which it can secure with few changes in its agency force and handle at very little expense at the home office. Considerable of the company's present machinery will be available in the new line, especially its medical and claim department both at the home office and in the field. The company believes that by operating in this line in a modest way it can make a fair profit with very little investment in plant.

* * *

Important Agency Changes in Chicago.—Important changes in the personnel of the Meeker-Magner Company of Chicago will take place on September 1. This corporation is general agent of the General Accident in Illinois and also has an agency of the American Surety for Chicago. Lee B. Vastine, who has been president of the company, and M. J. Grogan, one of its vice-presidents, will withdraw and form the firm of Vastine & Grogan, taking a general agency of the Hartford Accident and Indemnity reporting through the Chicago branch office. As Mr. Vastine has a following of brokers controlling considerable business and Mr. Grogan has a direct business of good proportions, the change will doubtless reduce for the time the volume done by the General Accident, although Thomas J. Magner, who is the real head of the Meeker-Magner Company, and several of his associates will continue to represent the General Accident.

La Salle

Chicago, August 21, 1914.

ITEMS OF INSURANCE NEWS.

A bill has been passed by the Georgia Legislature requiring that all compaints for a receiver for an insurance company shall be submitted to the Insurance Commissioner and that no court of equity shall have jurisdiction unless the complaint is approved by the Governor, Attorney General and the Commissioner.

After several years of effort, the Georgia Legislature has finally adopted a vital statistics law for that State. The law provides for the registration of births and deaths under the supervision of the State Board of Health and for the appointment of a State registrar of vital statistics.

It is reported that the Missouri Compensation Commission has agreed upon a draft of the measure to be presented at the next session of the Legislature, and it is understood to be patterned after the Massachusetts law and will provide for a State Industrial Commission to administer the act. The act will abolish the present hotel inspection department, present board of mediation and arbitration, present State factory inspection department and present bureau of labor statistics. The duties of all of these are to be included in those of the Industrial Commission.

It is stated with much emphasis that those in control of the Republican organization in Pennsylvania have committed themselves to a compensation measure that will provide compulsory State workmen's compensation, similar to the drastic statutes now in force in Ohio and some of the other far Western States. That the rumor has more than ordinary significance is attested by the fact that a committee consisting of S. H. Pcole, of the Fidelity and Casualty; T. N. Metcalf, of the Standard, and J. S. Turn, of the Aetna, representing the Casualty Underwriters' Association of Philadelpha, has been appointed to take the matter up for consideration.

The United States Treasury Department has again granted a special dispensation allowing surety companies to write depository bonds on crop moving funds up to 20 per cent of capital and surplus instead of the customary 10 per cent in the case of other bonds. This action was also taken in 1913. This dispensation is granted because crop moving bonds are considered more in the light of collateral than of credit bonds, as the securities deposited are subject to joint control of the Government, the bank and the surety company.

Insurance Commissioner Ferguson, of Oregon, has issued a bulletin to agents for surety and casualty companies, which is in effect an ultimatum that the companies must transact business through authorized agents, or he will put them out of business.

Jeremiah F. Connor, of Oneida, N. Y., has been appointed counsel for the New York Workmen's Compensation Commission. Mr. Connor has been counsel for the State Conservation Commission since June last year. He was appointed city clerk of Oneida in 1902. In 1911 Mr. Connor was appointed a deputy attorney general and served until being made counsel for the conservation commission.

The Texas Attorney General's department has ruled that a mutual fire insurance company incorporated under the laws of Texas is not authorized to insure automobiles or other motor vehicles against any character of risk.

It is reported in press dispatches that Compensation Commissioner Chandler, of Connecticut, has recently ruled that unless an employer himself re-employs or else procures employment for an injured employe after the latter's recovery from an industrial accident, the employe is entitled to a continuation of his compensation for the days he is idle after recovery and until he finds employment.

The following is, in brief, the programme of the ninth annual meeting of the American Life Convention, to be held at Dallas, Texas, on October 7, 8, 9 and 10:

October 7, 10:30 A. M. (Medical Section): "Inspection of Risks," Dr. E. J. Spratling, Empire Life; "The Heart in Life Insurance," Dr. J. S. Lankford, San Antonio Life; "The Medico Actuarial Investigation and Its Effect Upon the Selection of Risks," Dr. H. A. Baker, Pittsburgh Life and Trust; "Certain Aspects of Life Underwriting," Mr. Franklin B. Mead, Secretary Lincoln National Life; topics to be announced later, Dr. Marion Souchon, Pan American Life, and Dr. E. W. Stevenson, Standard Life.

October 7, 10:30 A. M. (Legal Section): "Federal Supervision of Life Insurance—Possibility—Feasibility," Dan W. Simms, General Counsel La Fayette Life; "Liability of Insurance Companies as to the Acts of Agents and Limited Authority," John F. Onion, General Counsel San Antonio Life; "A Year in Court," Mr. Guilford A. Deitch, General Counsel Reserve Loan Life.

The address of Mr. Deitch will be delivered to the entire membership at the morning session of the annual meeting Friday, October 9, 1914.

October 8, 10:30 A. M.: Address of welcome; address of president. 2:00 P. M.: Address, Hon. W. W. Collier, Insurance Commissioner of Texas; "Getting Business," Mr. John C. Riheldaffer, Secretary George Washington Life; "Retaining Business," Mr. Arthur F. Hall, Vice-President Lincoln National Life. 8:00 P. M.: Discussion.

October 9, 9:30 A. M.: "Western and Southern Life Companies," Mr. J. B. Reynolds, President Kansas City Life; "A Year in Court," Mr. Guilford A. Deitch, General Counsel Reserve Loan Life; Discussion.

2:00 P. M.: "Opportunities for Young Men in Life Insurance Work," Mr. Crawford H. Ellis, President Pan American Life; "Life Underwriting as an Art," Mr. Charles W. Scovel, Associate General Agent Northwestern Mutual Life; "From the Standpoint of the Onlooker," Mr. C. M. Cartwright, Vice-President Western Underwriter Company; Discussion. 8:00 P. M.: Executive session.

October 10, 9:30 A. M.: Reports of Standing Committee; Unfinished Business; New Business; Election of Officers; Adjournment.

At the nineteenth annual meeting of the National Association of Insurance Agents, held at Minneapolis this week, the following officers were elected for the coming year: President, C. F. Hildreth, Freeport, Ill.; vice-presidents, New England States: L. C. Merrill, Concord, N. H.; middle department States: G. T. Amsden, Rochester, N. Y.; Southwestern States: L. H. Stubbs, St. Joseph, Mo.; Southeastern States: Walker Taylor, Wilmington, N. C. ; middle Western States: W. A. Eldridge, Detroit, Mich.; E. H. Forry, Indianapolis, and James B. Leedom, Milwaukee, Wis.; Rocky Mountain States: David J. Main, Denver.

With the exceptions of Messrs. Amsden and Main, all the vice-presidents are re-elected. Henry H. Putnam, of Boston, was unanimously re-elected secretary-treasurer.

Chairmen of standing committees were all re-elected as follows: Executive, E. C. Roth, Buffalo; grievance, J. K. Livingston, Detroit; legislative, George D. Markham, St. Louis; organization, F. E. Warner, Salem, Mass.

A permanent organization was formed last week by twenty-five general agents of casualty and surety companies in Texas to be known as the Texas Association of Casualty and Surety Agents. C. H. Verschoyle, of Dallas, was elected president. The executive committee was authorized to draft constitution and by-laws to be submitted at a second meeting to be held in the near future, probably at Galveston.

The St. Paul Fire and Marine has increased its capital from $500,000 to $1,000,000 by transferring $500,000 from surplus account to capital.

The Florida Fire has decided to continue in business. Its capital is being reduced to $100,000, wiping out the impairment and giving a surplus of about $60,000. C. H. Barnes has been re-elected president; E. A. Groover, vice-president and manager.

The West Virginia Local Agents' Association has responded to the recommendation of the West Virginia Fire Underwriters' Association, that commissions be put on a 15 per cent flat and 10 per cent contingent basis, with the following resolution:

Resolved by the fire insurance agents of the State of West Virginia in conference assembled that we are unalterably opposed to the proposed change in our commission as mentioned in circular to companies and members of West Virginia Underwriters' Association; and request that we be conferred with at least, if a change is decided on, and that a committee from the agents be given an opportunity of conferring with a similar committee from the West Virginia Underwriters' Association before action is taken.

Drastic action has been taken by the Birmingham, Ala., city commissioners to prevent the accumulation of trash and combustible material about the premises of any lot or building, in the hope of reducing the fire hazard of Birmingham. The section of the code which has regulated this in the past has called for notification by the city officials to the owner or occupant when improper conditions are found, but this has been stricken out of the section and all persons now found with any such accumulations about their property will be immediately arrested.

It is probable that for the time being insurance companies will take the full sixty days under the policy contract for the payment of losses because of the situation developed by the European war. If collections are delayed and companies have to pay their losses without the sixty day clause, it might force them to sell some of their good securities at a sacrifice.

The Texas automobile rate war shows no signs of abatement, some companies allowing as much as 50 per cent off the regular rates. Casualty men blame the fire insurance companies for starting the war. The reduction has been only on property damage, collision, fire and theft.

The Fireman's Fund started issuing its new automobile liability policy on August 1. This is the first fire company in the United States to issue as one company's contract such a policy.

A committee of five has been appointed by the Plate Glass Underwriters' Association to consider the question of commissions on plate glass insurance.

Under the title "The Insurance Broker: His Status Under the Laws of the Various States," Mr. Harrison Law, of Nutley, N. J., has brought together in a booklet the statutory provisions of such States as have enacted laws upon the subject, regarding the terms upon which insurance brokers (and, to some extent, insurance agents) are admitted to do busi-ness in these States. All essential matters about certificates, licenses, license fees, conditions under which an insurance brokerage business may be carried on, and the like, are compactly brought together, so that the requirements of any given State may be found in a moment. The booklet is one which every insurance broker and agent should have at hand; and its price is only 50 cents.

FINANCE AND COMMERCE

Financial and Commercial Review.
Banking Situation at Home and Abroad.
Statistics of Cotton and Coffee.
Market Prices of Securities and Commodities.

THE present is no time for ultra pessimistic utterances or for the indulgence of hopeless views of the future. On the other hand, it is no time for underestimating the conditions that have come about or for the bringing forward of false hopes regarding the likelihood of a boom in this country as a result of the European war. The plain fact,—and it has to be faced,—is that the security markets are faced by a world calamity. No economic fallacies can alter that fact. That the United States is in a better position than any other first-class power to stand the effects of this calamity is obvious. This country in the long run may benefit enormously in some directions by the changes that will be brought about. But the idea sprung in some quarters that this country can enjoy a period of prosperity while this conflict is in progress or even later, while Europe is staggering under the enormous burden of accumulated debts and the waste of productive energy and destruction of capital on an enormous scale, is too absurd to consider.

Social and economic science has scarcely ventured to speculate on the effects of warfare conducted on so vast a scale as is now under way. But in a vague way past experience prepares us for the general results to be expected. These are a world-wide exhaustion of capital with a period of utter prostration of trade and business in the countries involved. Necessarily the degree and the length of the depression that the world will suffer will depend upon the duration and scope of the conflict. But incalculable damage has already been done, and even if the war were to stop now it is certain that the process of recovery would be long and arduous. No such blow to the world's commerce and finance as that sustained by the shock of the opening of hostilities could have been delivered without stupendous consequences. It is the opinion of one of our greatest bankers that more injury has already been done to the overseas commerce and trade of the German Empire than would be covered by the imposition of any possible indemnity than could be imagined.

Our economists and statisticians are already endeavoring to figure on the net cost of the war to the countries involved in the gigantic struggle. These figures which are generally based on the estimates of the cost of the Balkan war, run into many billions of dollars. In the Balkan war only small nations were involved and those whose prosperity was least bound up with the world's trade and finance. The Balkan war itself was estimated to have cost something like a billion dollars. Whatever the figure at which the cost of the present war is put, it is sure to be an underestimate. Already in the United States business is beginning to feel the inevitable consequences of the disruption of international commerce and trade and the first effects are not reassuring. Rising security prices, active trade and corporate enterprise and, in short, general prosperity depend in the last analysis upon an accumulation of surplus wealth in the world. We are now faced with an enormous drain upon this surplus capital which will make its influence felt everywhere. A staggering burden will be placed upon the national debts of the countries involved in the war. The waste of productive energy according to the length of the struggle and the destruction of property in the actual theatre of war will be enormous. To this must be added the economic value of the men killed or maimed for life, which will make the process of recovery and the wiping out of the burden of taxation and debt the more difficult and drawn out. It is perhaps only when peace is declared that an idea of the real price to be paid will become evident.

In the immediate future it is not unlikely that an artificial boom will occur in the prices of certain goods and merchandise made dear by the extraordinary demands placed upon them by war. In the great rise in wheat here, there are signs that the food problem is already pressing for attention in Europe. This country stands in a fair way to benefit from these demands. Also in the long run the United States may benefit enormously from acquiring a big share of the foreign trade of the world, particularly in South America. But for every industry in this country that is boomed by the European war, it is safe to say that a dozen more are depressed. It is not impossible that the closing of the present war may be marked by a sudden and violent rise in the security markets. But it must be remembered that any such inflation of prices would probably be artificial and not permanent. The world-wide collapse in 1873 of the terrific boom that followed the Franco-Prussian war was an example of a boom based on a rise in prices and not values. In the security markets during the past year or so we have seen something of the repressive influences of the aftermath of war. When Secretary of the Interior Lane and other optimists predict greater industrial expansion for this country as a result of the European war, they can hardly be speaking of the immediate future.

It is in the secondary effects of the war that there lie great and undoubtedly well founded hopes for ultimate prosperity the world over. The economic crime that lies in the maintenance and continuous aggrandizement of huge navies and standing armies is likely to obtrude itself with irresistible force. Whether this is likely to be the last great war in the world we are not prepared to say, but the defeat of the nation,—and without the defeat of Germany we believe no lasting peace is possible,—which has done more than any other to foster this vast waste of public funds will mean a tremendous step toward the limitation of national armaments, if not for the establishment of a lasting peace. The significance of such a development becomes apparent when it is realized that according to some statisticians the war system of Europe directly and indirectly costs something like $2,000,000,000 a year to maintain.

In the period during which the world is recovering from the exhaustion of war there will be tremendous opportunities for investment in good securities. American securities will be especially desirable because it is obvious that the United States is certain to lead the world in the recovery. Even now it is a question whether the investor can do better than to hold good securities. Whether we are going to see a further return of foreign-owned American securities to this side on a big scale it is impossible to say. The huge selling from abroad just prior to the closing of the Stock Exchange probably represented the liquidation of Europe's speculative position rather than its investment holdings. We shall have to absorb dribbling liquidation probably for some time to come, but it is to be remembered that American securities will compare very favorably with those of European countries and it is probable that in a general way they will not be disturbed by the foreign investor except when absolutely necessary. Nevertheless, consideration of the progress of corporate enterprise in America must allow for the tremendously important fact that about one-third of the annual output of new securities in this country is

normally bought by Europe. For the next few years this market will be closed to us.

Just as present discussion in the financial community runs pretty generally upon the probable date for the reopening of the Stock Exchange. There is a great exchange of views on this question and a good deal of confusion of thought. The one thing certain seems to be that those in charge of affairs have made no preparations for the event. The fact is that the problem is an enormously difficult one. Wall Street is just beginning to appreciate that closing an exchange in the midst of a panic is a very different thing to opening it later on. When business was suspended on the Exchange a tremendous selling movement was in progress. The intention was that the Exchange would remain closed until reasons for this selling had been removed or until methods for taking care of it had been devised. So far no definite progress has taken place in either direction. The situation in Europe is still in a tremendously critical state and foreign liquidation would undoubtedly be resumed if it could be conducted. The banks here have simply managed to maintain the situation in status quo. But the task has made a tremendous impression on their reserves and there is no doubt that a reopening of the Exchange at the present time with the prospect of falling prices would put a severe strain on the banking position. The question of reopening, therefore, undoubtedly rests with the banks. But the stagnation in the security markets and the locking up of a tremendous quantity of money in collateral loans is working hardship upon the business world. There is no commercial paper market and even in cases where accommodation is extended privately rates have risen to a point which is simply prohibitive.

It appears, therefore, that as a result of this credit stringency we are facing in this country, as well as in other parts of the world, a liquidation in business. There are after all only two ways in which the banking position may be strengthened. One is by a liquidation in the securities markets and the other by a liquidation in general business. But the securities markets are being held artificially in a state of absolute rigidity. No liquidation is possible there while the Exchange remains closed. It remains, therefore, for business to liquidate first, or perhaps simultaneously. Fortunately, there has been no over-expansion in the world of business for several years. But it is pretty safe to say that from now on business will proceed on conservative lines.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Aug. 1, 1914			Week Aug. 8, 1914		
	Banks	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,425.7	630.4	2,056.1	1,464.5	620.6	2,085.1
Deposits (net)	1,454.5	481.2	1,935.8	1,433.6	475.3	1,908.9
Cash reserves	374.0	70.3	444.4	324.2	62.3	386.5
Reserve ratio (%)	25.7	14.6	22.9	22.6	13.3	20.2

Actual Status.

	Week July 25, 1914			Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,431.7	625.7	2,057.5	1,423.4	635.3	2,058.7
Deposits (net)	1,479.5	478.7	1,958.3	1,422.7	488.7	1,911.5
Cash reserves	393.6	74.2	467.8	344.3	67.1	411.5
Reserve ratio (%)	26.6	15.5	23.8	24.2	13.9	21.5

Actual Status Non-Member Institutions.

	1914			
	July 18.	July 25.	Aug. 1.	Aug. 8.
Loans	578.9	575.0	570.8	569.7
Deposits (net)	578.5	573.7	567.6	563.1
Cash reserves	53.1	52.5	53.2	54.3
Other reserves	83.1	83.5	83.8	68.5
Reserve ratio (%)	25.8	26.0	26.4	24.1

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914			
	July 11.	July 18.	July 25.	Aug. 2.
Loans	2,666.3	2,693.2	2,630.5	2,629.5
Deposits (net)	2,542.3	2,522.7	2,532.0	2,479.1
Cash reserves	507.	512.9	526.3	464.7

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 13.	July 20.	July 27.	Aug. 3.
Loans	397.1	398.4	396.4	396.8
Deposits	452.8	454.7	446.4	444.4
Cash reserves	100.3	100.6	99.7	95.9

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.68

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
August 15	1,198	1,592	2,790	820	1,378	2,199
August 8	1,493	1,302	2,795	1,248	1,351	2,599
August 1	1,644	1,317	2,961	1,838	1,435	3,273

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
August 15	2½	3½	6	8	8	7
August 8	2½	3½	6	8	7	6
August 1	2½	3¾	6	10	6	6¾

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	July 30.	Aug. 7.	Aug. 13.	Aug. 20.
Deposits	67,131	68,249	91,215	121,767
Circulation	29,706	36,105	35,934	37,186
Gold	38,131	27,622	33,014	37,959
Securities	58,312	76,392	93,827	120,766
Reserve ratio (%)	40.03	14.62	17.00	15¾
Discount rate (%)	4	6	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,049.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 2.	July 9.	July 17.	July 25.
Gold and silver	1,586.8	1,596.4	1,681.6	1,722.7
Loans and discounts	1,284.3	1,026.0	867.3	801.0
Circulation	2,407.1	2,192.0	1,994.5	1,890.8
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	March.	April.	May.	June.
Loans on call	214.3	208.4	197.1	204.5
Loans, other	912.3	924.4	927.5	925.5
Deposits, demand	345.5	350.5	340.7	355.0
Deposits, other	760.6	767.0	759.3	767.7
Circulation	96.8	93.0	97.7	99.1
Cash reserves	112.7	113.2	113.3	113.3

THE COUNTRY'S COMMERCE

	May		June	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$133,729,713	$163,637,386	$131,245,877	$157,779,953
Exports	194,607,422	161,650,203	163,404,916	157,119,451
Specie.				
Gold—Imports	4,581,260	1,972,411	3,386,974	3,817,112
Exports	12,467,492	16,835,902	569,315	48,107,064
Silver—Imports	3,093,063	1,755,062	2,365,170	1,822,305
Exports	5,329,354	4,844,244	4,731,557	4,639,077

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

(Silver unquoted this week in New York.)

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
London	27¼	27¼	26 15-16	26½	26	26

COTTON

August 22, 1914.

ALL the cotton exchanges in the world upon which contracts for the future delivery of American cotton are made have remained closed during the past week and there is therefore no chronicle of events in those markets, as markets for cotton, to be set down down. There has, indeed, been intense activity in all these futures markets, but it has been activity in the way of reducing commitments, untangling the web of contracts outstanding between members of the several exchanges among themselves and of members of the different exchanges with each other, and also in the way of fortifying financial positions by getting in moneys due from customers, in order that when the exchanges ultimately open again for business, with prices, as it is believed, far lower than those prevailing a fortnight ago, there may be no doubt about the ability of every member to meet his engagements to his fellow members without distress. In New York, almost all outstanding contracts have with the consent of customers now been transferred to the single position of December; while in Liverpool the same operation has concentrated all contracts in the coupled position of January-February. A mutual understanding has been arrived at among the members of both these exchanges, that no new business, either in spot cotton or in future contracts, shall be undertaken, until the stocks of cotton in the two markets have been disposed of to spinners, and the outstanding contracts, which now virtually all represent hedges against actual cotton, shall have been liquidated. In other words, these two exchanges have decided that the law of self-preservation requires them for the time being to abandon their customary function as markets in which contracts for future delivery are freely made. and to leave to others.—primarily. of course, to the producers and owners of cotton in the South,—the risk of carrying their cotton until spinners come into the market for it. This, for the most part, spinners show not the slightest inclination to do, even where they have access to the spot and futures markets, as is the case with the American, English, French, Italian, Japanese and Spanish spinners. Evidently all are of the opinion that the uncertainties occasioned by the European War are too great to warrant them in making any commitments or even calculations for the future. They are spinning cotton in considerable quantity, though the financial complications have undoubtedly for the time being reduced their operations. As they use up the cotton they have on hand they buy enough to replace it; but they do virtually nothing for the future. This, of course, greatly delays and prolongs the disposition of the stocks of cotton in markets like New York and Liverpool, thus deferring to an uncertain date the opening of the exchanges. It does more than this. however: it completely removes the support to the market value of cotton which for long years past has been derived from the anticipation by spinners of their future needs. Thus, if the futures exchanges were now to open, it would be a case of all sellers and virtually no buyers. The cotton crop is being rapidly picked and ginned; Southern merchants and bankers. as well as farmers, are extremely solicitous about the price to which cotton will decline, when a market for it is opened; and the already large accumulations of new crop cotton in the South would without doubt be incontinently sold at the best price it would bring, for fear that a few days' delay would bring more cotton for sale and lower prices still. In short, the entire process of translating the future into terms of the present, in respect of the price of cotton, has for the time being abruptly ceased. And the result is chaos in the cotton markets of the South, complete uncertainty on the part of spinners, and the probability that unless method of relief through Government aid is discovered at the conference to be held in Washington, on Monday next, the year's crop will for the most part be sold at whatever price it will bring within the first four months of the season, without regard to its economic value, if only its weight could be distributed over the twelve or thirteen months in which it will be consumed. Moreover, the American exchanges are rendered even more irresolute than they otherwise would be under the existing circumstances, by reason of the enactment into law of the Lever Bill, regulating American cotton exchanges and attempting to regulate foreign exchanges, with the express intent of fettering and hampering the initiative and the free operations of the cotton merchants who predominantly compose those exchanges. With this legislation to face, and considering the impossibility of forecasting its effects, American cotton merchants are to-day almost eliminated from the serious task of saving to the country and to the cotton producers, the larger part of the true value of this season's cotton crop. As regards the condition of the crop itself almost nobody is now giving it any attention. Prevalent opinion is that it has considerably improved since the last report of the Department of Agriculture; yet the interim report of Miss Kate M. Giles, issued on August 18, made the condition as of August 10 only 78.3 per cent of normal, a gain of .3 per cent in the period from July 25 to August 10. Since August 10, however, there have been general rains, probably beneficial for the most part, yet too heavy for the good of the plant in considerable sections of Texas.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	.....	.....	9.90	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.00	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.08	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.80	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	.....	.....	.....
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	.....	.....	.....
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	.....	.....	.....
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.76	.....	.....	.....	.....	.....

Exchange operations suspended at 11:30 a. m

May—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.80	.....	.....	.....	.....	.....
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

August—						
Opening	6.55	....	....	.....	.....	.....
12:30 p. m.	6.45	....	....	.....	.....	.....
Close	6.45	....	....	.....	.....	.....
Aug.-Sept.—						
Opening	....	....	} 15 points over J-F			
12.30 p. m.	....	....				
Close	....	....				
Sept.-Oct.—						
Opening	....	....	} 6 points over J-F			
12.30 p. m.	....	....				
Close	....	....				
Oct.-Nov.—						
Opening	....	....	} 4 points over J-F			
12.30 p. m.	....	....				
Close	....	....				
Nov.-Dec.—						
Opening	....	....	} 1 point under J-F			
12.30 p. m.	....	....				
Close	....	....				
Dec.-Jan.—						
Opening	....	....	} 1 point under J-F			
12:30 p. m.	....	....				
Close	....	....				
Jan.-Feb.—						
Opening	....	....	} 5.90	5.90	5.90	5.90
12:30 p. m.	....	....				
Close	....	....				
Feb.-Mar.—						
Opening	....	....	....	.....	.....	.....
12.30 p. m.	....	....	....	.....	.....	.....
Close	6.43½	....	....	.....	.....	.....
Mar.-Apr.—						
Opening	6.25	....	....	.....	.....	.....
12.30 p. m.	6.27½	....	....	.....	.....	.....
Close	6.15½	....	....	.....	.....	.....
April-May—						
Opening	....	....	....	.....	.....	.....
12.30 p. m.	....	....	....	.....	.....	.....
Close	6.16	....	....	.....	.....	.....
May-June—						
Opening	6.30	....	....	.....	.....	.....
12.30 p. m.	6.28	....	....	.....	.....	.....
Close	6.16½	....	....	.....	.....	.....
June-July—						
Opening	6.56	....	....	.....	.....	.....
12.30 p. m.	6.47	....	....	.....	.....	.....
Close	6.16½	....	....	.....	.....	.....

Above quotations f xed for liquidating old business. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30 in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	....	....	....	....	....	....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	11.00	11.00	nom.	nom.	nom.	nom.
New Orleans	....	....	....	....	....	....
Galveston	....	....	....	....	....	....
Mobile	....	....	....	....	....	....
Savannah	....	....	....	....	....	....
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	....	....	....	....	....	....
Baltimore	....	....	....	....	....	....
Augusta	11¼ old c'p 11 old c'p 10⅜ old c'p 10 old c'p 10 old 10½ old					
	10¼ new c'p 10 new c'p 9⅜ new c'p 9⅜ new 9 new 9½ new					
Memphis	....	....	....	....	....	....
St. Louis	....	....	....	....	....	....
Houston	....	....	....	....	....	....
Little Rock	....	....	....	....	....	....

*Prices all nominal.

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	....	7.24	....	7.24
Good middling	....	....	....	6.76	....	6.76
Middling	6.50	6.50	6.20	6.20	6.20	6.20
Low middling	....	....	....	5.72	....	5.72
Good ordinary	....	....	....	4.76	....	4.76
Estimated spot sales..	....	3,000	500	1,400	1,850	700

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling..	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	91,638	71,707	66,098	5,070
Overland to mills and Canada	2,043	1,624	3,153	2,420
So. mill takings, est., exclusive of takings from Southern ports.	10,000	5,000	15,000	.....
Loss of stocks at interior towns	*6,093	2,972	7,976	217
Brought into sight for week	109,374	75,359	76,275	7,273
Total Movement—				
Port receipts	8,691,337	11,982,236	9,958,309	10,447,981
Overland to mills and Canada	968,358	1,274,763	1,105,194	1,156,972
Southern mill takings..	2,240,000	2,700,000	2,820,000	2,860,000
Stocks at interior town in excess of Sept. 1..	46,056	†7,918	18,902	1,826
Brought into sight thus far this season	11,945,751	15,949,081	13,902,405	14,463,127

The total crop movement is respectively for 359 days, 358 days, 356 days and 355 days. *Gain. †Decrease.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	53,957	3,871,888	45,084	2,785	3,344,659	36,584
New Orleans	1,466	1,433,811	17,603	640	1,889,819	53,254
Mobile	121	228,531	3,660	40	431,864	2,257
Savannah	2,004	1,288,392	18,673	454	1,815,688	6,699
Charleston	1,005	303,189	3,266	75	423,427	1,233
Wilmington	27	342,728	5,772	.....	398,751	7,753
Norfolk	1,224	602,052	7,641	4	586,003	14,321
Baltimore	418	79,404	2,684	25	92,748	2,337
New York	.....	15,326	23,073	.....	6,732	94,922
Boston	415	45,792	4,523	144	21,143	4,127
Philadelphia	.....	8,326	1,606	.....	4,039	2,413
Newport News	714	113,792	.....	.....	140,590	.....
Brunswick	.....	284,334	323	.....	291,433	.....
Pensacola	.....	124,899	.....	.....	164,055	.....
Port Arthur	.....	138,642	.....	.....	46,238	.....
Pacific ports	.....	370,970	.....	.....	257,748	.....
Texas City, etc.	.....	709,224	8,190	628	503,524	1,778
Jacksonville, etc.	3,847	15,975	389	.....	29,245	45
Georgetown	.....	.....	.....	.....	.....	.....
Totals	66,098	9,933,275	142,364	4,795	10,447,706	227,823

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Ship'ts. Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Ship'ts. Stocks.
Brenham	2,090	22,328	1,928	765	67	17,861	39	466
Dallas	5	133,451	170	1,725	.....	109,519	12	426
Shreveport	11	111,215	1,759	1,513	40	195,018	2	3,534
Little Rock	28	181,787	1,651	6,078	1	189,962	624	5,587
Helena	....	41,613	.....	102	.....	65,812	....	1,056
Vicksburg	1	29,391	22	745	1	34,352	.....	636
Columbus, Miss.	.....	27,652	.....	113	.....	38,231	.....	176
Natchez	.....	18,131	.....	491	.....	19,706	.....	1,271
Memphis	1,410	820,214	4,965	12,030	280	1,128,898	638	15,294
Nashville	2	7,853	.....	57	.....	10,988	.....	130
Selma	683	119,696	764	738	76	129,692	5	684
Montgomery	293	158,806	261	3,693	254	156,818	178	3,030
Eufaula	49	21,412	57	852	42	22,518	.....	779
Columbus, Ga.	35	75,376	459	4,768	15	81,300	200	1,682
Macon	26	36,829	668	1,160	10	44,703	.....	11
Albany	595	21,639	505	824	108	27,708	38	1,239
Atlanta	73	165,174	86	670	88	232,603	91	924
Rome	71	52,129	159	3,501	20	54,519	100	2,869
Augusta	190	339,315	2,215	6,161	69	375,698	556	9,484
Columbia	1,700	198,911	1,700	.....	.....	89,225	.....	.....
Newberry	.....	19,657	.....	.....	2	23,423	2	.....
Charlotte	11	15,089	11	.....	2	14,835	2	.....
Raleigh	122	11,704	125	37	.....	14,973	.....	2
St. Louis	1,148	594,157	2,613	6,599	819	577,400	1,123	14,350
Houston	56,360	3,207,366	53,029	31,872	7,273	2,778,827	5,543	28,188
Meridian	108	59,061	206	1,781	.....	33,983	61	1,640
Cincinnati	1,098	238,519	305	24,360	1,267	255,829	548	13,067
Yazoo City	.....	22,476	100	1,886	.....	40,937	10	1,111
Totals	66,439	6,694,427	73,752	112,519	10,464	6,760,194	9,772	107,666

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	17,647	13,152	1,238
France	325	914	.....
Continent	7,658	26,206	2,309
Mexico	5	.....	.....
Japan	.....	.....	.....
Totals	25,835	10,272	3,547
Since September 1.			
Great Britain	4,217,597	3,575,220	3,415,249
France	1,162,236	979,941	1,058,705
Continent	4,499,992	3,571,835	4,012,522
Mexico	15,147	22,914	28,07
Japan	514,770	387,020	346,810
Totals	10,409,742	8,536,933	8,861,323

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	2,500	1,000	1,800
Since September 1	7,260,994	7,458,860	.....

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	3,250	205,007	1,750	208,411	800	
To Manchester	.....	231,877	.....	204,664		
To Continent	1,500	395,861	6,250	421,475	3,500	.....
To America	2,500	120,789	800	125,125	1,800	.....
Total exports	7,250	953,534	8,800	959,705	6,100	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	5,000	2,721,000	.....	.....
Exports to Great Britain	.....	21,000	.....	.....
Exports to Continent	20,000	514,000	.....	.....
Exp. to Japan and China	16,000	997,000	.....	.....
Afloat in harbor	5,000	.....	.....	.....

Exchange, 1s. 4¼.

Receipts exclusive of —— American this week, and —— this season; —— this week last year, 28,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	613,000	411,000	910,000	618,000
London	6,000	.....	.....	.....
Manchester, in wareh'ses	30,000	18,000	65,000	46,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	4,000	.....	.....
Bremen	113,000	111,000	.....	.....
Havre	91,000	83,000	234,000	204,000
Other ports—Continent	25,000	18,000	.....	.....
Alexandria	68,000	.....	.....	.....
Bombay	430,000	.....	408,000	.....
U. S. interior towns	112,519	112,519	107,666	107,666
U. S. ports	142,364	142,364	227,723	227,723
Afloat for—				
Liverpool	54,000	29,000	.....	.....
London	.....	.....	.....	.....
Continent	155,000	56,000	.....	.....
Afloat in Bombay harbor	5,000	.....	.....	.....
Coastwise to New York	13,000	13,000	2,000	2,000
Exports to-day	.....	.....	.....	.....
Totals	1,874,883	997,883	.....	.....

Decrease in general visible supply for the week, ——, against decrease last year, 128,662. Decrease in American visible supply for the week, ——, against decrease last year, 65,662.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	.....
Crop in sight to date	13,902,405	.....
Total supply	15,261,375	.....
Less visible supply, American, to-day	997,891	.....
World's takings, American, to-day	14,263,484	.....
American Takings.		
Stocks at United States ports August 31	296,353	231,116
Returned from foreign countries	469	3,363
Receipts at United States ports to date	9,958,309	10,447,981
Total supply at ports	10,255,131	10,682,460
Deduct.		
Stocks at ports to-day	142,364	227,723
*Exports to date	8,549,933	8,862,823
Southern mill takings from ports	89,316	156,319
Burnt at ports	8	11,465
Totals	8,781,651	9,258,330
To Northern mills from ports	1,473,480	1,424,120
Overland to Northern mills	1,105,194	1,156,972
Total Northern mill takings	2,578,674	2,581,092
Southern mill takings	2,909,346	3,016,319
Total American mill takings, including Canada	5,488,020	5,597,411

*Includes 2,000 in transit between Southern ports and New York, against 13,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	32,665	5,488,020	11,243	5,597,411
Great Britain	47,152	3,462,054	.....	.....
Continent	62,120	4,903,476	.....	.....
Mexico	.....	22,914	.....	.....
Japan and China	.....	387,020	.....	.....
Totals	141,937	14,263,484	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	29,000	32,000	3,000	8,000
Sales, American	23,000	23,000	2,000	6,000
Sales, speculation	1,000	1,000	.....	.....
Sales, exports	1,000	1,000	.....	.....
Forwarded	55,000	53,000	17,000	14,000
Imports, all kinds	21,000	20,000	53,000	17,000
Imports, American	8,000	2,000	28,000	4,000
Actual exports, all kinds	10,000	10,000	2,000	2,000
Stock, all kinds	642,000	613,000	908,000	910,000
Stock, American	521,000	111,000	625,000	618,000
Afloat for Great Britain, all kinds	57,000	54,000	37,000	.....
Afloat for Great Britain, American	21,000	29,000	5,000	.....

* * *

Dividends of Fall River Cotton Mills for Third Quarter.—Messrs. G. M. Haffards & Co., of Fall River, Mass., have issued their regular quarterly statement of the dividend record of the Fall River cotton mills. This statement, for the third quarter of 1914, is as follows:

Name of Corporation.	Par Value.	Capital.	Rate.	Amount.
American Linen Co	100	$800,000	0	
Ancona Linen Co	100	{ 100,000 Pfd. } { 200,000 Com. }	1½†	$1,500
Arkwright Mills	100	450,000	0	
Barnard Mfg. Co	100	500,000	0	
Bourne Mills	100	1,000,000	1½	15,000
Border City Mfg. Co	100	1,000,000	1	10,000
Barnaby Mfg. Co	100	350,000	0	
Chace Mills	100	1,200,000	1½	18,000
Cornell Mills	100	400,000	2	8,000
Conanicut Mills	100	*300,000	1	2,517
Davis Mills	100	1,250,000	1½	18,750
Davol Mills	100	500,000	1½	7,500
Flint Mills	100	1,160,000	1½	17,400
Granite Mills	100	1,000,000	0	
Hargraves Mills	100	800,000	0	
King Philip Mills	100	1,500,000	1½	22,500
Lincoln Mfg. Co	100	1,250,000	0	
Luther Mfg. Co	100	525,000	1½	7,875
Laurel Lake Mills	100	600,000	1	6,000
Merchants Mfg. Co	100	1,200,000	1	12,000
Mechanics Mills	100	750,000	1	7,500
Narragansett Mills	100	400,000	1	4,000
Osborn Mills	100	750,000	1½	11,250
Parker Mills	100	800,000	0	
Pilgrim Mills	100	{ 350,000 Pfd. } { 700,000 Com. }	1½†	5,250
Pocasset Mfg. Co	100	1,200,000	1	12,000
Richard Borden Mfg. Co	100	1,000,000	1½	15,000
Sagamore Mfg. Co	100	1,200,000	2	24,000
Seaconnet Mills	100	600,000	0	
Shove Mills	100	550,000	1¼	6,875
Stafford Mills	100	1,000,000	0	
Stevens Mfg. Co	100	700,000	1½	10,500
Tecumseh Mills	100	750,000	1½	11,250
Troy C. & W. Manuf'y	500	300,000	2	6,000
Union Cotton Mfg. Co	100	1,200,000	1½	18,000
Wampanoag Mills	100	750,000	1	7,500
Weetamoe Mills	100	500,000	1	5,000
		$29,585,000		$291,167

An average of 1.01 + % on the above capital excluding Ancona Co. and Pilgrim Mills, Common.

*Authorized capital. †On Preferred stock.

* * *

New York Cotton Exchange to Change Its Statistical Year.—At the Convention of American Cotton Exchanges held in Augusta, Ga., in May last, there was a strong preponderance of opinion in favor of changing the beginning of the statistical cotton year from September 1 to August 1, the chief reason being that the extension of cotton cultivation in the extreme Southerly portions of Georgia, Alabama and Texas, where cotton matures to a large extent in July and August in normal years, has made the movement

of new crop cotton in August much heavier than it formerly was. With the statistical year as it now is, this August movement of new crop cotton must be counted at belonging to the commercial crop of the previous season. Hence there exists throughout the crop year a constant disparity between the amount of cotton reported by the United States Census Bureau as ginned up to a given date, and the cotton exchange figures of the amount of new crop cotton that has come into sight. To obviate this difficulty the Augusta Convention adopted a resolution requesting the cotton exchanges of the country to make the statistical year begin with August 1. The Memphis Cotton Exchange has already adopted this suggestion; and now the New York Cotton Exchange has taken the same action,—the new system to go into effect on August 1, 1915. Accordingly the New York Cotton Exchange statistics for the season of 1914-1915 will embrace only eleven months.

* * *

Cotton Outlook in Asiatic Russia.—In a recent consular report, United States Consul-General John H. Snodgrass, stationed at Moscow, discusses the cost and conditions of the production of cotton in Asiatic Russia, and the crop acreage and outlook for the season of 1914. Mr. Snodgrass says, in part:

"Cotton cultivation is very expensive and the land owners can succeed only if credit is extended to them by cotton firms. These firms usually advance money for that purpose in the Spring under security of the future crop. Last season's market, however, brought considerable loss, which with the general economic crisis in Turkestan forced the cotton firms to curtail the Spring loans in 1914.

"Forty to forty-five per cent of the money advanced last year, amounting to $5,000,000 to $6,000,000, has not yet been returned. The cotton firms this year extended the time of payment of the old debts and added only 10 to 20 per cent of new credits, which were conservatively granted late in the season. Cotton planters, however, came out this season better than expected on account of the abundance of cattle and feed and the high cotton prices of last year, which made money more plentiful than usual.

"The following figures for the cotton acreage of Russia, which differ considerably from those of the Central Statistical Committee, were taken from 'Industry and Trade' for June 28. The area planted to cotton in 1914 was given as 1,979,00 acres, an increase of about 5 per cent over 1913. The acreage is distributed as follows: Transcaspia, 114,600 acres; Bokhara Territory and Tchardjuy and Kerkin districts, 158,610 acres; Samarkand Territory and Kattakurgan district, 90,040 acres; Tashkend and Syr-Daria territories, 121,490 acres; Ferghana Territory, 1,048,840 acres; Khiva Territory, 126,210 acres. The latest exact figures for the cotton acreage of Transcaucasia relate to 1912, when there were 303,850 acres; for 1914 the area under cotton is estimated at 319,110 acres."

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3 1/2	3 1/2
Gray goods, 38 in. standard	4 3/4	4 3/4
Brown sheetings, Southern standard	7 3/4	7 3/4
Denims, 9-ounce	14 1/2	14-17
Tickings, 8-ounce	12	12
Standard prints	5 1/4	5 1/4
Standard staple ginghams	6 3/4	6 1/4
Yarns.		
Southern 2-ply skeins, 30s	24	24
Southern 2-ply skeins, 60s	44-45	44-45
Southern single skeins, 20s	21	20-21
Southern single chain warps, 20s	20 1/2-21	20
Southern 2-ply chain warps, 20s	21-21 1/2	20 1/2
Southern frame cones, 20s	21 1/2	21 1/4
Southern frame cones, 30s	24-24 1/2	24-24 1/2
Eastern carded cops, 20s	20	20
Eastern carded cops, 30s	27	27
Eastern carded peeler warps, 30s	29	29
Eastern carded peeler warps, 50s	46	46

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 15	89 5/8	88	95 1/2	93 3/8	1.03 1/4	1.00 5/8
August 17	89 5/8	87 1/2	95 1/4	93 1/8	1.02 1/4	1.00 1/4
August 18	94 1/2	89 1/2	1.00 1/8	94 7/8	1.07	1.02
August 19	96 1/8	94 1/4	1.02	1.00 1/2	1.08 3/4	1.07 1/2
August 20	96 3/4	93 7/8	1.02 3/8	99	1.08	1.05 1/2
August 21	97 1/4	94	1.02	99	1.08 1/8	1.05 5/8

CORN (New Contract).

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 15	77 3/4	75 5/8	67 7/8	66 5/8	69 3/8	68 1/8
August 17	78 1/2	76 1/8	68 7/8	67	70 1/4	68 3/8
August 18	80 1/4	78 3/4	70 7/8	68 7/8	72	70 3/8
August 19	80 1/4	79 1/4	71 1/2	69 3/4	72 3/8	71
August 20	79 3/8	78 1/2	70 1/4	69	71 5/8	70 3/8
August 21	79 7/8	78 3/4	70 3/8	69	71 3/4	70

OATS.

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 15	41 1/4	40 1/2	44 3/8	43 3/8	47 3/8	46 3/8
August 17	42	40 3/4	45 1/8	43 7/8	48 1/8	46 7/8
August 18	43 1/2	42 1/8	46 1/2	45	49 3/4	48
August 19	44 3/8	43 3/8	47 1/8	46 1/4	50	49 3/8
August 20	44	43	46 1/2	45 3/4	49 5/8	48 3/4
August 21	44 3/4	43 1/8	47 1/4	45 7/8	49 7/8	48 7/8

LARD.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 15	9.52	9.40	9.67	9.52	.....	.....
August 17	9.52	9.40	9.70	9.55	.....	.....
August 18	9.62	9.52	9.77	9.65	.....	.....
August 19	10.02	9.75	10.20	9.90	.....	.....
August 20	10.05	9.97	10.17	10.10	.....	.....
August 21	10.05	9.85	10.17	9.97	10.52	10.37

RIBS.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 15	12.65	12.57	12.30	12.17	.....	.....
August 17	12.60	12.47	12.20	12.07	.....	.....
August 18	12.75	12.65	12.27	12.12	.....	.....
August 19	12.8	12.72	12.40	12.25	.....	.....
August 20	12.80	12.17	12.30	12.25	.....	.....
August 21	12.75	12.67	12.22	12.10	11.20	11.17

PORK.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 15	22.20	21.70	.....	.....	.....	.....
August 17	22.10	21.95	.....	.....	.....	.....
August 18	22.30	21.60	.....	.....	21.50	21.35
August 19	22.75	22.02	.....	.....	21.60	21.60
August 20	22.50	22.40	.....	.....	21.50	21.25
August 21	22.40	22.25	.....	.....	.....	.....

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on Friday, July 31, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.*
Spot	6.30	6.40	6.50	6.50	6.58	*6.57
August	6.37	6.40	6.41	6.53	6.60	6.60
September	6.35	6.40	6.49	6.53	6.55	6.53
October	6.27	6.32	6.40	6.44	6.44	6.40
November	6.22	6.24	6.32	6.35	6.34	6.33
December	6.25	6.27	6.34	6.36	6.36	6.32
January	6.26	6.30	6.40	6.40	6.38	6.34
February	6.27	6.31	6.42	6.41	6.39	6.35
March	6.35	6.35	6.47	6.49	6.46	6.43

*First call.

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, on Thursday, July 30, in cents and hundredths of a cent per pound:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
	8 1/4	8 1/4	8 1/4	8 1/8	8-8 1/8	7 7/8

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Last sale.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	79
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O	
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*	
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	99
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	98⅞
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*	
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O	
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	95½
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*	
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-O*	
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	64
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	91
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	92¼
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov	
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	100¾
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	90½
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S	
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	87¼
91¾	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	89½
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	87⅞
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	98
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*	
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	100
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	99¾
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N	
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S	
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*	
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	96
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	116⅜
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J	
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	90½
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N	
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	70
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*	
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	37⅛
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	92½
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	95
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	95
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N	
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	68
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	95
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*	
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J	
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*	
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	81¾
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	19½
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	66
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D	
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*	
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	71
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*	
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	89½
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N	
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A	
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	98
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N	
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	75½
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	52½
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*	
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*	
87	Jan	3	81⅞	Dec	11	Erie prior llen 4s	1996	*J-J	
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	67½
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	63½
90	Jan	20	85⅜	July	23	Erie (Pa) col 4s	1951	*F-A	88¾
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-O	
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*	
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*	
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	105¼
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O	
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O	
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*	
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	91
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	43
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	72½
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	97½
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	100½
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J	
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S	
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D	
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S	
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	71
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O	
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O	
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F	
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J	
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*	
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D	
93½	Sept	8	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	90

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

Range for 1913 High.		Range for 1913 Low.		Bonds.	Ma-turity.	Interest Payable.	Thursday. July 30. Close.	[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]
92⅜	Feb 3	88	Dec 20	Lake Shore deb g 4s	1931	*M-N	.....	
89⅛	Feb 19	84	Aug 9	Long Island unified 4s	1949	*M-S	.....	
94	Jan 4	86	July 17	Long Island gen 4s	1938	*J-D	.....	
96	Apr 23	89½	Aug 22	Long Island ref 4s	1949	*M-S	.....	
99½	Jan 13	91½	June 11	Louis & Nash unified 4s	1940	J-J*	93¼	
95	Jan 14	86½	July 1	Manhattan con 4s	1990	*A-O	.....	
95½	Jan 22	87¾	June 19	Man Ry 4s stpd tax exempt.	....	....	.....	
95¼	Jan 8	86½	Oct 22	M K & T 1st 4s	1990	*J-D	81⅝	
81¾	Jan 8	71	Nov 21	M K & T 2d 4s	June 1990	F-A	57	
99¾	Sept 11	95½	Nov 12	M K & T ext g 5s	1944	M-N*	.....	
77½	Feb 3	67¼	June 23	M K & T ref 4s	2004	M-S*	.....	
87	Jan 2	79½	July 7	M K & T gen 4½s	1936	*J-J	.....	
100¼	Jan 17	97	Aug 26	M K & T of Tex 5s	1942	M-S*	.....	
100	Feb 18	95	Dec 1	Mo Pac col tr 5s	Jan 1917	M-S	.....	
99⅜	Jan 13	91	July 14	Mo Pac col tr 5s	1920	F-A*	85½	
70⅜	Jan 9	62	Dec 29	Mo Pac 4s	1945	*M-S	39½	
85⅞	Jan 14	79⅝	Dec 16	Mobile & Ohio gen 4s	1938	M-S*	.....	
78	Jan 7	73	Dec 9	Nassau Electric 4s	1951	*J-J	.....	
88½	Jan 4	52	Dec 17	Nat Rys of M per lien 4½s	1957	J-J*	.....	
78	Jan 9	76¼	Dec 28	Nat Rys of M con 4s	1977	A-O*	.....	
108½	Feb 11	104½	Nov 8	Nash Chatt & St L con 5s	1928	*A-O	.....	
103	Jan 6	96½	Dec 17	N Y Air Brake con 6s	1928	*M-N	97	
87¼	Jan 30	80	Dec 10	N Y Central ref 3½s	1997	J-J*	79¾	
91½	Jan 9	83	Dec 29	N Y Central deb 4s	1934	*M-N	.....	
83	May 14	76½	Dec 23	N Y Central L S 3½s	1997	J-J*	.....	
80	May 22	71	Dec 5	N Y Central M C col 3½s	1998	*F-A	.....	
99½	Jan 2	93½	July 18	N Y C & St L 1st 4s	1937	A-C*	93½	
86½	Jan 10	80	Nov 5	N Y G E L H & P 4s	1949	*F-A	.....	
102⅝	Sept 29	100⅝	June 14	N Y G E L H & P col tr 5s	1948	J-D*	104	
126	Jan 3	102¾	Dec 17	N Y N H & H con deb 6s	1948	*J-J	99	
87	Jan 23	68	Nov 12	N Y N H & H deb 3½s	1956	*J-J	.....	
92¼	Jan 20	84	Dec 23	N Y Ont & W 1st ref 4s	June 1992	M-S	81	
79	Jan 10	72½	June 10	N Y Rys ref 4s	1942	J-D	72	
61	Dec 30	51⅞	June 10	N Y Rys adj 5s	1942	J-D	45	
99	Jan 31	88	June 11	N & W con 4s	1996	A-O*	.....	
92¾	Jan 10	87	Dec 20	N & W div 1st lien 4s	1944	J-J*	.....	
104⅞	May 26	102¼	Nov 5	N & W conv 4s	1932	*J-D	.....	
92	Jan 13	83	June 23	N & W P C & C joint 4s	1941	J-D*	.....	
98⅝	Jan 10	91½	July 7	North Pac prior 4s	Jan 1997	Q-J	92	
68⅝	Sept 20	63½	June 5	North Pac gen 3s	Jan 2047	Q-F	67¼	
94	Feb 25	86	Nov 6	Oregon Ry & Nav 4s	1946	*J-D	.....	
112⅛	Jan 14	108½	July 17	Oregon Short Line 1st 6s	1922	*F-A	.....	
109	Jan 16	103½	June 19	Oregon Short Line cons 5s	1946	J-J*	.....	
93⅛	Jan 7	86½	June 13	Oregon Short Line ref 4s	1929	J-D*	89½	
101½	Feb 3	98	July 16	Pacific Coast 1st 5s	1946	*J-D	.....	
101	Jan 11	95	June 11	Pacific Tel & Tel 5s	1922	*J-J	.....	
102¾	Feb 5	98	Nov 29	Penn con 4s	1948	M-N*	99	
97½	Jan 7	95⅞	July 18	Penn con 3½s	Oct 1 1915	J-D	98¼	
89	Jan 2	79	June 27	Peoria & E 1st 4s	1940	*A-O	.....	
49¾	Feb 20	35	June 4	Peoria & E income 4s	Apr 1990	Ann.	21	
97½	Jan 25	90⅜	Dec 19	Reading gen 4s	1997	*J-J	93	
96¾	Mar 12	91½	June 16	Reading Jersey Cent col 4s	1951	*A-O	.....	
103	Oct 11	102	Sept 30	Rep Iron & Steel col 5s	1934	A-C*	104	
85¼	Jan 13	78	Oct 15	Rio Grande W 1st 4s	1939	J-J*	.....	
81	Jan 23	67½	Dec 17	Rio Grande W col tr 4s	1949	*A-O	.....	
84	Jan 31	75¼	Dec 10	St J & G I 1st 4s	1947	*J-J	.....	
106	Jan 10	100	June 26	St L & I M gen 5s	1931	*A-O	.....	
82⅝	Jan 31	74	Dec 22	St L & I M ref 4s	1929	J-J*	.....	
83½	Jan 3	76½	Dec 9	St L & I M Riv & G Div 4s	1933	*M-N	.....	
76¾	Jan 8	65	May 29	St L & S F R R ref 4s	1951	J-J*	63⅔	
82¼	Jan 7	50½	July 18	St L & S F R R gen 5s	1927	*M-N	.....	
90	Jan 6	83¼	Dec 22	St L S W 1st 4s	1989	M-N*	81⅓	
80	Jan 3	78	Feb 17	St L S W 2d income 4s	Nov 1989	J-J	.....	
81	Jan 7	75	Nov 26	St L S W consol 4s	1932	*J-D	.....	
104½	Jan 13	100¼	July 16	St P M & M con 4½s	1933	J-J*	.....	
96¼	Apr 4	92	July 21	St P M & M Mont ext 4s	1937	*J-D	95¼	
85¾	Jan 2	75	Nov 19	San Antonio & A P 4s	1943	*J-J	.....	
79	Jan 13	72½	Oct 15	Seaboard A L ref 4s	1950	A-O*	.....	
86	Jan 23	79½	July 7	Seaboard A L stamped 4s	1950	A-O*	85	
77¼	Jan 20	66½	June 12	Seaboard A L adj 5s	1949	F-A*	72	
94⅛	Feb 4	87	June 12	So Pac ref 4s	1955	*J-J	89	
98	Feb 7	87⅞	June 27	So Pac col 4s	Aug 1949	J-D	.....	
93⅝	Feb 1	84	June 10	So Pac conv 4s	June 1929	M-S	80½	
107⅛	Jan 10	101	June 24	So Ry 5s	1944	J-J*	102	
78½	Jan 2	72¼	Dec 1	So Ry col tr 4s	1956	*A-O	67¾	
86½	Jan 21	78½	June 20	So Ry M & O Div 4s	1938	M-S*	.....	
88½	Jan 8	79⅛	Aug 12	So Ry St L Div 4s	1951	*J-J	.....	
103	Jan 11	96	Dec 18	Tenn Coal & Iron gen 5s	1951	*J-J	.....	
89¾	May 10	88	Oct 16	Term Ass'n St L ref 4s	1953	*J-J	.....	
107¼	Jan 3	99	Nov 24	Texas Pac 1st 5s	2000	*J-D	.....	
82⅝	Jan 10	77½	June 10	Third Av ref 4s T R ctfs std	2000	*J-J	.....	
81½	Dec 31	80	Dec 18	Tol St L & W 3½s	1925	J-J*	.....	
69	Aug 29	47½	June 9	Tol St L & W 1st 4s	1950	*A-O	44⅛	
96	Sept 26	92½	May 13	Underground London 4s	1947	J-J*	.....	
99⅜	Jan 14	94	Dec 2	Union Pacific 1st 4s	1933	*J-J	97	
97	Jan 2	86⅜	June 12	Union Pacific conv 4s	1927	J-J*	86	
95½	Jan 7	87⅞	June 19	Union Pacific ref 4s	June 2008	M-S	93½	
67	Jan 3	50½	Nov 24	United Rys San Fran 4s	1927	*A-C	.....	
89	Jan 10	79	Nov 29	U S Realty & Imp 5s	1924	J-J*	.....	
27	May 8	25	Jan 2	U S Reduc & Ref 6s	1931	J-J*	.....	
103¾	Feb 8	100	Mar 13	U S Rubber 6s	1930	*M-N	102	
102	Jan 7	96⅝	June 10	U S Steel 5s	1939	*F-A	101¼	
98	Jan 13	90¼	July 1	Va-Car Chemical 1st 5s	1918	J-D*	96¼	
106½	Jan 9	101	June 5	Wabash 1st 5s	Apr 1936	M-N	.....	
99½	Jan 14	92½	Dec 2	Wabash 2d 5s	1923	J-D*	.....	
64⅞	Jan 2	46½	June 12	Wabash ref & ext 4s	1956	J-J*	41¼	
27½	Jan 2	10	Dec 19	Wab-Pitts T 1st Cen tr c	1954	*J-D	6¾	
3	Aug 18	½	June 13	Wabash-Pitts T 2d tr c	1954	*J-D	.....	
82⅞	Feb 6	75	June 11	West Maryland 4s	1952	A-O*	58	
107¼	Feb 11	103	Sept 8	West N Y & P 1st 5s	1937	*J-J	.....	
102½	Feb 4	95	Nov 22	West Union col tr 5s	1938	*J-J	.....	
96½	Jan 15	87½	Dec 4	West Union R E 4½s	1950	*M-N	.....	
98¼	Jan 13	90	Nov 22	West Shore 4s	2361	*J-J	.....	
94	Jan 7	87	Dec 18	Westinghouse E & M 5s	1931	*J-J	93	
80⅝	Jan 24	70	July 17	Wheeling & L E con 4s	1949	M-S*	.....	
91⅝	Jan 11	84	June 25	Wisconsin Central 4s	1949	J-J*	86	

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Last sale.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	917/8
243/4	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	191/8
9	Dec	26	75/8	Dec	16	Allis-Chalmers	..	.....	6
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	321/2
801/2	Sept	16	615/8	June	10	Amalgamated Copper	6	Q May	491/2
57	Jan	3	411/4	Sept	5	Am Agr Chemical	4	Q Jan	501/8
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	.....
501/2	Jan	2	193/4	June	10	Am Beet Sugar	..	.....	19
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....
961/4	Jan	4	891/2	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....
1365/8	Jan	6	1273/4	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....
467/8	Jan	31	21	June	11	Am Can	..	.....	191/2
1291/2	Jan	30	801/2	June	10	Am Can pfd	7	Q Jan	80
563/8	Jan	2	361/2	June	10	Am Car & Fdry	2	Q Jan	443/4
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	112
483/4	Jan	6	331/4	July	2	American Cities	..	.....	.....
781/2	Jan	2	601/4	June	28	American Cities pfd	6	Jan-July	591/2
573/8	Jan	2	331/2	June	12	Am Cotton Oil	..	.....	32
98	May	6	921/2	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	100
51/8	Jan	3	31/2	July	9	Am Hide & Leather	..	.....	31/4
283/4	Feb	10	153/8	June	10	Am Hide & Leather pfd	..	.....	17
273/4	Apr	4	17	June	10	Am Ice Securities	..	.....	193/8
121/8	Nov	7	67/8	June	10	Am Linseed	..	.....	71/2
333/8	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	25
441/2	Jan	6	27	June	10	Am Locomotive	..	.....	201/
1063/4	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....
13	Jan	3	51/4	Oct	17	Am Malt	..	.....	.....
611/2	Jan	3	417/8	Oct	24	Am Malt pfd	4	May-Nov	32
86	Jan	9	791/2	June	12	Am Smelting pfd B	5	Q Jan	.....
743/4	Jan	30	581/2	June	10	Am Smelting & Refin	4	Q Jan	521/2
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	971/2
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	153
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan	.....
401/2	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	271/2
118	Jan	31	997/8	Dec	9	Am Sugar Ref	7	Q Jan	100
1165/8	Jan	28	1101/8	June	12	Am Sugar Ref pfd	7	Q Jan	108
661/8	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	114
2943/4	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar	215
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	104
231/2	Sept	27	15	Dec	1	Am Woolen	..	.....	12
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....
321/4	Jan	2	117/8	Nov	14	Am Writing Paper pfd	..	.....	.....
411/2	Jan	2	307/8	June	10	Anaconda Copper	3	Q Jan	25
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....
431/8	Feb	19	421/4	Jan	30	Associated Oil	6	Q Jan	.....
1063/4	Jan	6	901/4	Nov	10	Atch Top & Santa Fe	6	Q Mar	895/8
1021/4	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	973/4
1333/4	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	114
521/2	Jan	8	361/2	Dec	13	Baldwin Locomotive Co	2	Jan-July	41
1051/2	June	6	1001/4	June	25	Baldwin Locomotive Co pfd	7	Jan-July	1053/4
1063/8	Jan	22	905/8	June	10	Baltimore & Ohio	6	Mar-Sept	72
88	Jan	10	771/4	June	18	Baltimore & Ohio pfd	4	Mar-Sept	721/2
411/2	Jan	9	25	June	10	Bethlehem Steel	..	.....	30
74	Aug	12	621/4	June	10	Bethlehem Steel pfd	5	Q Jan	81
923/4	May	26	833/4	June	10	Brooklyn Rapid Transit	6	Q Jan	791/2
1377/8	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	.....
116	Jan	30	1001/2	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....
561/2	Feb	3	16	Oct	22	California Petroleum	..	.....	161/4
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	50
63	Feb	13	581/2	May	13	Canada Southern	3	Feb-Aug	.....
2663/4	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	1571/2
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....
301/8	Feb	5	17	June	10	Central Leather	2	Feb	28
971/4	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	961/4
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	.....
80	Jan	2	511/4	July	11	Chesapeake & Ohio	4	Q Mar	411/2
18	Jan	2	71/2	June	12	Chicago & Alton	..	.....	.....
253/4	Feb	25	171/4	Aug	21	Chicago & Alton pfd	..	.....	.....
177/8	Jan	9	101/8	June	4	Chicago Great Western	..	.....	91/4
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	271/8
1161/4	Jan	9	963/4	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	851/4
145	Jan	30	1311/2	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	126
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	1271/2
188	Mar	3	1711/8	Nov	19	Chicago & N W pfd	8	Q Jan	.....
125	Mar	8	1191/2	Aug	25	Chicago St P M & O	7	Feb-Aug	.....
1501/2	Jan	21	1301/2	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....
475/8	Jan	2	303/4	June	10	Chino Con Copper	$3	Q Jan	32
54	Jan	21	347/8	Aug	26	C C C & St L	..	.....	.....
943/4	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....
411/2	Feb	3	241/2	June	10	Colorado Fuel & Iron	..	.....	211/2
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....
33	Jan	3	233/4	June	12	Colorado Southern	..	.....	20
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....
651/8	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....
1021/4	Feb	25	1021/4	Feb	25	Consolidation Coal	6	Q Jan	.....
1423/4	Jan	9	1251/4	June	10	Consolidated Gas	6	Q Mar	1161/2
171/8	Jan	31	73/8	June	10	Corn Products Ref Co	..	.....	71/8
791/4	Jan	31	611/2	June	10	Corn Products Ref Co pfd	5	Q Jan	581/8
1001/8	Jan	16	911/2	Dec	27	Deere & Co pfd	7	Q Mar	921/2
167	Jan	8	1471/2	June	11	Delaware & Hudson	9	Q Mar	140
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	390
231/8	Jan	9	133/8	June	11	Denver & Rio Grande	..	.....	.....
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	87/8
303/8	Feb	4	671/2	June	3	Detroit United Railway	6	Q Mar	.....
213/4	Jan	2	93/4	June	10	Distillers' Securities	..	.....	11

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Close.
8½	Jan	2	4	Dec	19	Duluth S S & Atl.....	..	.....	.....
16¼	Jan	2	10	July	11	Duluth S S & Atl pfd.....	..	.....	.....
32½	Jan	6	20¼	June	10	Erie	..	.....	20½
49½	Jan	30	33½	June	10	Erie 1st pfd	..	.....	32
41	Jan	30	28¼	June	10	Erie 2d pfd.....	..	.....	26¼
18	Jan	22	11	Dec	17	Federal Min & Smelt.....	..	.....	10
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd..	6	Q Mar	29½
185⅛	Apr	23	175	Jan	14	General Chemical	6	Q Mar	.....
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	.....
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	139
40	Aug	18	25	May	15	General Motors	..	.....	58⅞
81¾	Sept	30	70	May	8	General Motors pfd.....	7	May-Nov	79¾
180	Jan	11	150	May	19	Geo W Helme Co.....	..	.....	.....
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co.....	..	.....	20
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd.....	7	Q Jan	88
132⅝	Jan	9	115½	June	10	Great Northern pfd.....	7	Q Feb	114
41¼	Jan	3	25½	June	10	Great Northern Ore ctfs..	..	.....	23
52¾	Jan	7	40¾	July	11	Guggenheim Exploration ..	3½	Q Jan	40½
87	Feb	6	80	Oct	17	Havana Electric Ry.....	5	Q Feb	.....
96	Jan	8	90	Nov	5	Havana Electric Ry pfd....	6	Q Feb	.....
125	June	4	125	June	4	Hocking Valley	8	Q Mar	.....
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly	110
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	106
39	Jan	11	5	June	6	Inter Agricultural Corp....	..	.....	.....
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	20¾
19⅝	Jan	30	12⅜	June	4	Interborough-Met	..	.....	11
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	52
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	84
114¾	Sept	19	111	May	12	International Harv pfd...	7	Q Mar	117
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	.....
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd.	..	.....	.....
12⅝	Jan	30	6½	Oct	9	International Paper	..	.....	6¾
48½	Jan	30	32⅛	Oct	15	International Paper pfd....	2	Q Jan	30½
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	.....
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd....	..	.....	.....
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	.....
23	Jan	2	13	June	6	Iowa Central pfd.....	..	.....	.....
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd..	4	Q Jan	.....
110	Jan	2	106½	Oct	10	Kansas City Southern.....	..	.....	21⅛
78	Jan	7	53½	Sept	9	Kan City Southern pfd....	4	Q Jan	55
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co.....	6	Q Jan	.....
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd..	7	Q Feb	.....
83	Sept	15	58	June	9	Kresge (S S) Co..	6	Jan-July	.....
102	Jan	4	97	June	10	Kresge (S S) Co pfd.....	7	Q Jan	.....
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	..	.....	26½
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	85
11½	Feb	5	7	May	2	Lake Erie & Western.....	..	.....	.....
35	Jan	6	16	Nov	10	Lake Erie & Western pfd..	..	.....	.....
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July	121
235	Mar	6	195	June	6	Liggett & Myers.....	12	Q Mar	.....
116½	Jan	23	106½	July	22	Liggett & Myers pfd.....	7	Q Jan	.....
43⅛	Jan	6	30	June	10	Long Island	..	.....	31
200	Jan	28	150	June	13	Lorillard (P) Co.....	10	Q Jan	160
116½	Jan	22	103	June	10	Lorillard (P) Co pfd.....	7	Q Jan	115
142¼	Jan	10	126¼	June	11	Louisville & Nashville	7	Feb-Aug	127
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	61
69	Apr	7	62	Dec	17	Mackay Companies pfd.....	4	Q Jan	.....
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	128¼
76⅞	Jan	2	65	Oct	14	May Department Stores....	5	Q Mar	.....
105½	Jan	2	97½	June	10	May Dept Stores pfd.....	7	Q Jan	99½
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..	.....	53
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd ...	..	.....	.....
26½	Jan	4	20⅜	June	10	Miami Con Copper	50c	Q Feb	17½
23¼	Jan	2	12	June	11	Minn & St. Louis.....	..	.....	.....
47	Jan	29	30	Dec	4	Minn & St. Louis pfd.....	..	.....	.....
142¼	Jan	9	115¼	June	11	M St P & S S M.....	7	Apr-Oct	102
145	Apr	8	131	Nov	12	M St P & S S M pfd.....	7	Apr-Oct	.....
82½	Mar	5	81½	Dec	10	M St P & S S M l'd line.	4	Apr-Oct	.....
29⅛	Jan	7	18⅞	June	10	Missouri Kan & Tex.....	..	.....	10¼
64½	Apr	11	52	June	10	Missouri Kan & Tex pfd...	..	.....	27⅛
43⅝	Jan	9	21¼	Dec	23	Missouri Pacific	..	.....	8
.....	.....	.....	.....	.....	.....	Montana Power	2	Q Jan	43½
.....	.....	.....	.....	.....	.....	Montana Power pfd.....	7	Q Jan	.....
170	Jan	14	132½	June	9	Nashville Chatt & St L....	7	Feb-Aug	135
130	Sept	13	104	June	11	National Biscuit Co.....	7	Q Jan	120
124⅞	Jan	8	116	June	4	National Biscuit Co pfd..	7	Q Feb	125
19¼	Jan	30	9	June	5	National Enameling	..	.....	.....
92¼	Jan	30	74¼	Oct	21	National Enameling pfd...	7	Q April	.....
56¼	Jan	2	43	Oct	20	National Lead Co.....	3	Q Mar	41⅝
107¾	Oct	4	102	Oct	31	National Lead Co pfd.....	7	Q Mar	.....
59	Mar	3	31	Dec	8	Nat Rys of Mex 1st pfd...	..	.....	.....
27½	Jan	2	8¾	Dec	26	Nat Rys of Mex 2d pfd....	..	.....	7⅛
20	Jan	2	13	June	10	Nevada Con Copper	37½c	Q Mar	10¼
82½	Jan	8	56	July	16	New York Air Brake	6	Q Jan	58
109¾	Jan	30	90⅜	Dec	15	New York Central	5	Q Jan	77
63¼	Jan	15	47	Dec	31	N Y Chicago & St L.....	..	.....	.....
10	Oct	14	8	Nov	10	New York Dock.....	..	.....	.....
129⅞	Jan	10	65⅝	Dec	12	N Y N H & Hartford.....	..	.....	51
33⅞	Jan	11	25⅛	June	11	N Y Ontario & West.....	..	.....	18¼
47½	Apr	5	39	Dec	19	Norfolk & Southern	½	Jan	.....
113½	Jan	3	98	June	10	Norfolk & Western.....	6	Q Mar	97½
87	Feb	13	80¼	Aug	16	Norfolk & Western pfd....	4	Q Feb	.....
81½	Jan	9	60	June	9	North American	5	Q Jan	66
75¾	Jan	15	54	Dec	27	Northern O Tr & Light....	5	Q Mar	.....
122⅝	Jan	6	101¾	June	10	Northern Pacific	7	Q Feb	97
31½	Jan	10	16	June	10	Pacific Mail	..	.....	17½
46	Jan	4	22	Nov	18	Pacific Tel & Tel.....	..	.....	20
96	Feb	19	82	Dec	4	Pacific Tel & Tel pfd.....	6	Q Jan	.....
123¾	Jan	7	106	Dec	13	Pennsylvania Railroad....	6	Q Feb	106

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Close.
129¾	Sept 23	104	June 10	Peoples' Gas & Coke	8	Q Feb	106
99⅞	Jan 29	85	Sept 12	Philadelphia Co	7	Q Feb	
104	June 11	77¼	Dec 11	P C C & St Louis	3	Q Jan	65¼
100	June 25	100	June 25	P C C & St Louis pfd	4	Q Jan	
24⅜	Jan 2	14½	June 11	Pittsburgh Coal			16½
95	Jan 9	73	June 11	Pittsburgh Coal pfd	5	Q Jan	82
100	Jan 6	90	Nov 12	Pittsburgh Steel pfd	7	Q Jan	
36	Jan 7	18½	June 10	Pressed Steel Car	3	Q Mar	34
101⅛	Jan 7	88½	June 10	Pressed Steel Car pfd	7	Q Feb	
118	Jan 21	105	Dec 12	Public Service Corp N J	6	Q Jan	
165	Jan 2	149	Sept 5	Pullman Co	8	Q Feb	153⅞
4⅜	May 16	1	Dec 11	Quicksilver Co			1
8	May 17	2	Dec 11	Quicksilver Co pfd			1½
35	Jan 9	22¼	June 11	Railway Steel Spring			19¾
100	Jan 13	90¼	June 10	Railway Steel Spring pfd	7	Q Mar	
22	Jan 2	15	June 10	Ray Consol Copper	37½c	Q June	16¼
171¾	Dec 26	151⅜	June 10	Reading	8	Q Feb	140
92½	Apr 10	82½	Oct 14	Reading 1st pfd	4	Q Mar	
95	Apr 10	84	June 10	Reading 2d pfd	4	Q Jan	82
28⅜	Jan 31	17	June 10	Republic Iron & Steel			18½
92¼	Sept 13	72	June 11	Republic Iron & Steel pfd	7	Q Jan	78
24⅞	Feb 4	11⅝	Oct 17	Rock Island			⅞
44¾	Jan 2	17½	Oct 17	Rock Island pfd			1⅝
92¼	Jan 7	14	Nov 24	Rumely (M) Co			8
99¾	Jan 4	33	Dec 18	Rumely (M) Co pfd			22
20¾	Apr 1	14½	June 10	Seaboard Air Line			15
49⅜	Sept 23	38	June 12	Seaboard Air Line pfd	4	Q Nov	47⅜
19¾	Jan 11	2¾	June 17	St L & San Fran			2⅛
59	Feb 11	13	June 28	St L & San Fran 1st pfd			
29	Jan 11	5½	June 17	St L & San Fran 2d pfd			
96½	May 15	96½	May 15	St L & S F C & E I pf ctf			
35½	Jan 13	20	Dec 19	St Louis S W			
75	Jan 9	56¼	Dec 20	St Louis S W pfd	2	Q Jan	
213½	Jan 2	154¾	June 12	Sears-Roebuck	7	Q Feb	170¼
124½	Jan 2	116	June 19	Sears-Roebuck pfd	7	Q Jan	122
45½	Jan 28	23	July 8	Sloss-Sheff St & I Co			19½
93¼	Feb 8	88	Apr 30	Sloss-Sheff St & I Co pfd	7	Q Jan	
110	Jan 30	83	Nov 10	Southern Pacific	6	Q Jan	84⅞
28⅝	Jan 2	19⅛	June 12	Southern Railway			17¼
81½	Mar 26	72	June 10	Southern Railway pfd	5	Apr-Oct	67½
40½	Jan 31	31	Dec 9	Standard Milling	3	June	33
66⅞	Feb 4	52½	May 1	Standard Milling pfd	5	Apr-Oct	
36	Feb 6	15¾	Dec 1	Studebaker			27½
93¼	Jan 13	64½	Nov 10	Studebaker pfd	7	Q Mar	82¾
39½	Jan 4	26¾	June 10	Tennessee Copper	75c	Q Mar	24¾
132½	Dec 31	89	June 10	Texas Co	10	Q Mar	113
22⅝	Jan 28	10¼	June 4	Texas Pacific			12
97	Jan 18	93	June 4	Texas Pacific Land Tr			95
43⅜	Sept 23	27⅞	June 10	Third Avenue R R			33
3	Jan 14	2	June 4	Toledo Railways & Light			
13	Jan 9	7⅛	July 9	Toledo St L & W			
29¾	Jan 9	15¼	June 4	Toledo St L & W pfd			
109	Sept 6	101⅛	June 6	Twin City Rap Tran	6	Q Jan	94⅞
7¾	Jan 3	4	Nov 14	Union Bag & Paper Co			4
41¾	Jan 3	18½	Nov 20	Union Bag & Paper Co pfd			18½
99½	Jan 3	78	June 10	Underwood Typewriter	4	Q Jan	
113	Jan 21	104	July 10	Underwood Typewriter pfd	7	Q Jan	
162¾	Jan 6	137¾	June 11	Union Pacific	8	Q Jan	113½
93½	Jan 6	79¾	June 10	Union Pacific pfd	4	Apr-Oct	79
50½	Feb 7	40¼	June 10	United Cigar Mfg Co	4	Q Nov	40¼
103	May 7	96	Sept 3	United Cigar Mfg Co pfd	7	Q Mar	
101	Jan 8	87	July 2	United Dry Goods			
105½	Jan 14	95	Dec 16	United Dry Goods pfd			
35½	Jan 3	16	June 11	United Rys Invest Co			
63½	Jan 3	30	June 11	United Rys Invest Co pfd			22
16¾	Jan 30	9¼	June 10	U S Cast Iron Pipe			9
56¾	Jan 31	40	Dec 31	U S Cast Iron Pipe pfd	4	Jan	
44	Jan 6	25	June 9	U S Industrial Alcohol			
97	Mar 4	85	June 18	U S Industrial Alcohol pfd	7	Q Jan	
77	Jan 9	49¾	Nov 28	U S Realty & Improv	5	Q Feb	
1⅞	Jan 16	½	Sept 25	U S Reduc & Refin			
4	Jan 10	3	Apr 25	U S Reduc & Refin pfd			
69½	Apr 4	51	Nov 10	U S Rubber	6	Q Jan	45⅜
109¾	Apr 9	98	June 10	U S Rubber 1st pfd	8	Q Jan	97
81½	Jan 9	78¾	Feb 13	U S Rubber 2d pfd	6	Q Jan	
69¼	Jan 2	49⅞	June 11	U S Steel	5	Q Mar	51⅞
110¾	Jan 30	102½	June 10	U S Steel pfd	7	Q Feb	106½
60⅝	Jan 2	39⅝	June 10	Utah Copper	75c	Q Mar	46
43⅛	Jan 3	22	July 1	Va-Car Chemical			21
114	Jan 3	93	June 30	Va-Car Chemical pfd	8	Q Jan	96
54	Jan 28	36	Dec 15	Va Iron Coal & Coke			37
58	Feb 13	51	Jan 7	Va Ry & Power	3	Apr-Oct	
90¾	Dec 11	89	July 24	Va Ry & Power pfd	6	Jan-July	
21¾	Jan 24	11¼	Aug 8	Vulcan Detinning			
90	Jan 6	49	Oct 1	Vulcan Detinning pfd			
6	Aug 12	2	June 11	Wabash			
17⅛	Aug 13	6⅛	July 8	Wabash pfd			
123	Jan 6	85¼	Dec 18	Wells-Fargo Express	6	Jan-July	80
46	Jan 2	28⅞	Dec 12	Western Maryland Ry			13¼
65	Jan 27	53½	June 18	Western Maryland Ry pfd			30
75⅛	Jan 9	54¼	Dec 22	Western Union Tel	4	Q Jan	54
79¼	Jan 2	53⅝	June 10	Westinghouse E & M	4	Q Jan	65½
119¾	Jan 7	107⅞	June 13	Westinghouse E & M 1st pfd	7	Q Jan	119
8	Jan 3	3¾	Oct 24	Wheeling & L E			2½
28⅛	Jan 13	13	June 11	Wheeling & L E 1st pfd			
14	Jan 3	5¾	Dec 19	Wheeling & L E 2d pfd			
58½	Apr 23	40⅛	June 11	Wisconsin Central			29¾
112	Jan 2	81½	June 20	Woolworth (F W) Co	6	Q Feb	90
115½	Jan 3	109	June 14	Woolworth (F W) Co pfd	7	Q Jan	116

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

e Ex. dividends e Ex. rights

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Cables	197	198	196-198	502	505	.....
Demand	.....	195	.....	.....	.....	.....
Sixty days sight	.....	.....	188.25	500	502	.....
Ninety days sight	.....	.....	188.25	.....	.....	.....
Francs—						
Sixty days sight	[There was some business transacted in the foreign exchange market this week, but quotations were uncertain and indefinite.]					
Ninety days sight						
Reichsmarks—						
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....

The Capitalization of the World's Railroads.—The Bureau of Railway News and Statistics has recently issued the following bulletin:

"Although United States railways in 1912 comprised more than one-third the total mileage of the earth, their capital represented but little more than one-fourth of the entire investment in the world's railways. Average capital per mile of United States railways, in other words, was only slightly over three quarters the average per mile of the entire world.

"How moderate capitalization of our railways is in comparison with most foreign countries is shown strikingly in the yearly figures of the Royal Prussian Department of Public Works.

"During the year 1912, according to these figures, approximately $1,745,000,000 was added to the world's investment in railways, or an average of $119,455 for every mile added to the total mileage during the year. This brought the aggregate capital of the world's railways at the end of 1912 to the gigantic sum of $58,695,209,664. * * *

"For the United States, however, capital in 1911 is placed at $19,200,000,000, or $78,722 per mile. This is the erroneous gross capital which includes all duplications due to intercorporate ownership, and disregards the Interstate Commerce Commission's figure of $15,000,000,000, or $63,944 per mile, as the correct capital of United States railways. Making this correction, total world capital is $54,502,553,664, or $81,284 per mile, against $63,944 in the United States.

"This places the United States eighteenth in the list of countries in order of capital per mile, though by a margin of more than 200,000 miles first in point of mileage. The countries which exceed the United States in capital per mile are, in order:

England	$269,496	Spain	$83,358
Belgium	189,023	Japan	84,301
France	143,435	Russia	84,301
Brazil	142,080	Holland	82,796
Italy	124,116	Servia	73,373
Austria	120,311	Hungary	69,084
Switzerland	117,953	New South Wales	65,989
Germany	116,661	Algiers	64,019
Roumania	88,937	United States	63,944

"Some of these countries of higher capital have narrow gauge railways, while many others offer service and equipment which would not be tolerated in the United States. Only the following countries, continuing the order, are below our own railways in capital per mile, most of them being countries of very poor railway facilities, while for some the latest figures represent capital from five to ten years ago:

Sumatra	$60,885	East India	$45,080
Denmark	59,683	Norway	43,256
Victoria	58,588	Cuba	42,624
Argentina	56,821	Tasmania	42,230
Uruguay	52,021	South Australia	39,923
Chile	52,480	Siam	38,681
New Zealand	52,206	Finland	36,864
Sweden	51,386	Lagos	33,792
Canada	50,952	Queensland	32,600
South Africa	50,380	West Australia	25,599
Gold Coast	49,152	Sierra Leone	20,582
Bulgaria	45,651		

"Europe retains by a large margin the leadership for the State-owned railways, 113,699 miles being under government ownership against 98,952 under private. North and South America have only 22,237 miles of State-owned roads, against 321,406 of private. Australia has the largest proportion under government ownership, 18,970 miles out of 21,578, while in Asia 43,480 out of 66,534, and in Africa 15,835 out of 26,491 are State-owned. For the world, private companies own 456,416 miles, or 68 per cent of the total; governments, 214,581 miles, or 32 per cent of the total."

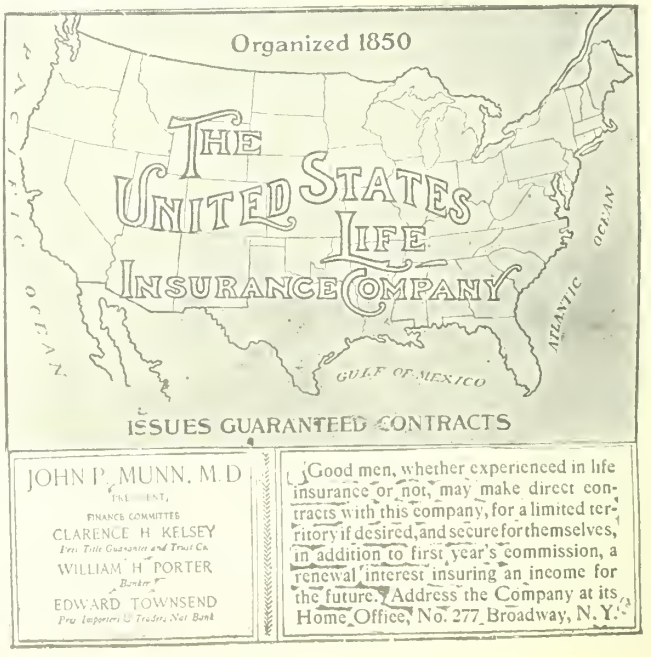
* * *

Census of Domestic Animals in France.—According to "L'Économiste Européen," the French Ministry of Agriculture has just published statistics giving the number of domestic animals in France on December 31, 1913, which, with comparative figures for the four years preceding, are shown in the following table:

Animals.	1909.	1910.	1911.	1912.	1913.
Cattle	14,297,570	14,532,030	14,435,530	14,705,900	14,807,380
Donkeys and mules	555,710	553,450	554,630	555,070	552,960
Goats	1,418,000	1,417,710	1,424,180	1,408,520	1,453,230
Horses	3,236,130	3,197,720	3,236,110	3,222,140	3,230,700
Pigs	7,305,850	6,900,230	6,719,570	6,903,750	7,047,750
Sheep	17,357,640	17,110,760	16,425,330	16,467,700	16,213,030

QUOTED PRICES OF STOCKS OF NEW YORK INSURANCE COMPANIES

American Surety	*170	176	Metropolitan Life	*160	...
Commonwealth	300	...	National Surety	185	193
Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	250
Manhattan Life	*325	...	*Per cent price.		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United States Statement, Jan. 1, 1914

Assets	$2,578,165.43
Surplus in United States	1,053,888.67

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Assets, January 1, 1914	$66,168,702.53
Liabilities	61,182,456.00
Surplus	$4,986,246.53

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During its existence the Company has Insured property to the value of	$27,219,045,826.00	
Received Premiums thereon to the extent of		$282,298,429.80
Paid Losses during that period	$141,567,550.30	
Issued Certificates of Profits to dealers	$89,740,400.00	
Of which there have been redeemed	$82,497,340.00	
Leaving outstanding at present time	$7,243,060.00	
Interest paid on Certificates amounts to	$22,585,640.25	
On December 31, 1913, the Assets of the Company amounted to		$13,259,024.16

The profits of the Company revert to the assured and are divided annually upon the premiums terminated during the year, thereby reducing the cost of insurance.

For such dividends, certificates are issued subject to dividends of interest until ordered to be redeemed. In accordance with the charter.

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NOTICE: By Thursday, September 3, the Lever Cotton Exchange Act, together with the analysis of it by Arthur Richmond Marsh, as printed in this issue of THE MARKET WORLD AND CHRONICLE, will be available in pamphlet form.

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The Market World and Chronicle

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A. R. MARSH, Editor

OUR general readers will perhaps think that we are devoting too much of our space to-day to the subject of cotton. Under ordinary circumstances this would certainly be a just criticism. It happens, however, that at the present moment not a single person in the United States is unconcerned with cotton, whether he knows it or not. It has come about during the past quarter century that cotton has assumed an importance perhaps out of proportion to its relative value as one of the commodities we produce. It has become our one great cash crop, of which far the larger part is exported, and through which the annual settlement of the international balances against us is accomplished. It has always been a favorite saying in the South that "cotton is gold"; and, although there has been a considerable element of delusion in Southern interpretation of this phrase, it is unquestionably true that cotton has come more and more to serve us in place of the gold which we should otherwise have to pay to other countries for their constantly accruing account against us. For this reason an interruption of the flow of our cotton to other countries gravely impedes our good credit and the meeting promptly of our obligations to them; it may compel us either to part with so great an amount of actual gold as to impair the entire structure of our domestic credit, or else to resort to that extreme measure, disgraceful to a country not under the stress of war, a moratorium. Almost the same untoward results spring from a sudden and severe depreciation of the price, and hence of the aggregate value of our cotton crop. If we get in the course of a year, not the usual $600,000,000, but only $300,000,000, for the cotton we export, we are still left with not far from one-half of our balance of annual obligations to foreign countries unpaid; and sooner or later we must remit gold instead of cotton to pay the remainder, thus diminishing *pro tanto* the foundation of all our credit at home. This position of technical importance occupied by cotton in our financial and commercial activities and relations must make it a matter of extreme solicitude to every American business man that there should be no important diminution during a given year of the aggregate amount obtained by us from our exported cotton. It goes without saying that the case of the million and a half cotton producers would be lamentable should such an occurrence afflict us; and the personal and economic distress occasioned throughout the districts devoted to cotton culture must excite the profoundest commiseration. But it is not they alone who will suffer or whose misfortune must be deplored. Everybody in the country will suffer; with a diminished supply of credit all industries must curtail their production, all commercial activities must be restricted; and the infinite action and reaction of strain and depression and failure will start upon their interminable course.

With national interests of so vast a scope involved, the problem of how to deal with this season's cotton crop, just beginning to be picked and moved, is a national problem. A certain machinery for handling smoothly and efficiently each season's cotton production in the United States has been developed and perfected during the past generation; but that machinery now lies out of use and inoperative. The great cotton exchanges at home and abroad, through whose instrumentalities the cotton trade has both insured itself against ruinous losses and has also been able to take care of a present over-supply of cotton by contracting for its delivery in the future, are tight closed, and cannot possibly re-open until their members can find somehow and somewhere dependable ground under their feet. Spinners all over the world outside, and even to some extent within, the war zone in Europe would like to assure themselves for the future some supply of the cotton now so cheaply offered; but, on the one hand, they are fearful lest the American crop be left to take care of itself, on the basis of supply and demand for the surplus months of this disturbed year instead of for the annual or biennial consumptive periods, and, on the other hand, they cannot find cotton merchants in a position to contract with them for the delivery of the cotton. As a result of all this, cotton in the United States has to-day in its favor none of the ordinary tests of value. The cost of producing it is dismissed as of no importance. The average price it has brought for the past fifteen or twenty years is treated as a useless criterion of its intrinsic worth and as a misleading indication of the price it must bring as soon as the normal course of industry and commerce is entered upon again. Nothing is looked at but the sudden bulk of a supply of cotton which must be carried by somebody in the United States for a while, instead of being sold immediately and turned into a means of international credit, as people have become accustomed to see done.

The Administration at Washington has not been unmindful of this situation and of all its unhappy possibilities. Indeed, it could not have avoided giving it attention, if it would; for the predominance of the South in the present Congress and Government has made it certain that vast pressure would be brought to bear on the Administration and on the Congress to do something for the protection of the most vital of the interests of the cotton growing section of the country. So, after several preliminary conferences, Mr. McAdoo, Secretary of the Treasury, summoned to

Washington on Monday and Tuesday of this week a large gathering representative of important classes of persons concerned with cotton. The cotton producers were represented, the bankers of the South and of the reserve cities of the North were there in numbers, and many American cotton manufacturers were present. By no inadvertence, we are obliged to say, and as a mere afterthought, a few representatives of the cotton merchants of the country had also been invited. Mr. McAdoo announced at the start that he thought it desirable to bring together the three interests of chief importance in the matter of the marketing of the American cotton crop,—the producers, the bankers, and the manufacturers,—in order that they might discuss the serious problem of dealing with the sudden and unexpected situation that had arisen. He invited suggestions, first, from the producers; second, from the bankers; and, third, from the manufacturers. Of any desire to hear from the cotton merchants he said nothing.

Most of the discussion at the conference was utterly idle and most of the suggestions were vain. The predominant desire of the producers seemed to be that the Government should find a way for them to hold their cotton for a very high price (12 cents per pound was suggested), and at the same time provide money against it, upon which the producers could live as they have been accustomed to do for the past ten years or so. The manufacturers were generally eager for the farmers' prosperity, but thought that in respect of the price of cotton the law of supply and demand, in its sternest form, should be left to govern it. The Southern country bankers, especially the State bankers, desired access to plenty of money, partly for the wholly laudable purpose of being able to make the advances necessary for picking and ginning the crop, partly from the less praiseworthy desire of recouping themselves for the advances they have already made for the planting and cultivation of the crop. Of the metropolitan bankers, only one, Mr. Eldridge, of the National City Bank of New York, attempted a real contribution to the discussion, in the form of a genuinely constructive paper which we print on other pages to-day. The real word was always with the Secretary of the Treasury, who more than once stated with great decision of manner what the Government, acting under the Aldrich-Vreeland Act and, in the near future, through the National Reserve Bank System, is prepared to do. Perhaps it is well to give here in part a statement of Mr. McAdoo, issued the day after the close of the Conference, but embodying substantially what he said to that body. It is:

"Among the eligible securities to be used as a basis for the issue of currency I have decided to accept from national banks, through their respective national currency associations, notes, secured by warehouse receipts, for cotton or tobacco, and having not more than four months to run, at 75 per cent of their face value. The banks and the assets of all banks belonging to the currency associations will be jointly and severally liable to the United States for the redemption of such additional circulation, and a lien will extend to and cover the assets of all banks belonging to the association and to the securities deposited by the banks with the association, pursuant to the provisions of law, but each bank composing such association will be liable only in the proportion that its capital and surplus will bear to the aggregate capital and surplus of all such banks.

"This plan ought to enable the farmers to pick and market their cotton crop if the bankers, merchants, and cotton manufacturers will co-operate with each other and with the farmers, and will avail of the relief offered by the Treasury within reasonable limits. Such co-operation is earnestly urged upon all these interests. The farmer cannot expect as high a price for cotton this year because of the European war, yet he should not be forced to sacrifice his crop. The banker and the merchant should not exact excessive rates of interest, and the manufacturers should replenish their stocks as much as possible and pay reasonable prices for the product. If this is done—and it can be done if every one displays a helpful spirit—a normal condition can be restored and there ought to be no serious difficulty in taking care of the cotton problem. * * *

In all this there is one most glaring lack. All the talk of Mr. McAdoo,—and the same was true of the speakers at the Conference,—is of finding a way to hold cotton, to keep it off the market and yet to make it possible for the producer to obtain a loan upon it. Nothing whatever is said about finding a market for this accumulated cotton, either now or in the future. In the whole course of the Conference this subject was not once broached. To one familiar with the markets, therefore, the whole scheme took on the guise of a gigantic "bull" operation, the greatest ever undertaken in the world. And the market-wise know that there is but one outcome of such a plan. This outcome is liquidation, with all its accompanying loss. The accumulation in the hands of farmers or local merchants or even local banks, of the four to five million bales of cotton more than usual that are estimated to be unlikely to move into consumption during the coming year, assuredly means that every spinner in the world who has access to our cotton will buy from hand to mouth, assured that some day the great load will prove too heavy, the millions of bales must be liquidated at whatever price they will bring, and he can help himself to a large supply of cotton cheaper than he has bought for years.

Of course, the gross defect of the whole programme talked about in Washington and embodied in the statement of the Secretary of the Treasury is that it gives no part or place to the only class of persons in the country who are in a position to sell cotton; who alone can search out all over the world the consumers of cotton and get them not only to buy as much immediate cotton as possible, but also to contract for future supplies for years ahead, thus making a market, in the shape of future contracts bought as hedges, for great quantities of distress cotton now pressing upon reluctant buyers; who by means of their own credit and that of the multitude of persons connected with them directly or indirectly all over the world, can take care of the over-plus of this crop and more, carrying it along until it is needed for consumption somewhere. It is unnecessary to say that this class of persons is that of the cotton-merchants, the men who have come to know, through years of experience and accumulated wisdom, what the intrinsic value of cotton is, as contrasted with its momentary "cash value," to use a phrase of the National Banking Act.

There is one thing, and only one thing, that the cotton merchants need to know in order that they should undertake the task of carrying and distributing so much of the present cotton crop as the producers or owners do not desire to carry for themselves. This one thing is some assurance from bankers, working in co-operation with the Treasury

Department, that for the next twelve to eighteen months, cotton shall be given the same kind of loaning value, as contrasted with "cash value," which thousands of millions of securities are now having given to them by the bankers themselves, with the acquiescence of the Treasury Department. It is now an economic fact, established by the most expert economic authority, confirmed by the most scientific cotton culture, and conclusively affirmed by the prices which have prevailed for cotton during the last fifteen or more years, that the cost of production of the normal world's requirements of American cotton is well above 10 cents per pound on the farms. Here is a criterion of real value infinitely superior to any criterion that can be applied to any security, however good it may appear. It is not wild-cat banking, but property banking (infinitely sounder than evidence of debt banking), to use such a criterion for determining the loaning value of a necessity of life, such as cotton is. If twenty per cent be taken off this cost of production and a loaning value of 8 cents a pound be agreed upon by bankers and Government alike, the cotton merchants of this and other countries will instantly become on the alert for business, will begin to find outlets for the excess cotton, will induce commitments for it running years into the future, and will in no short time take upon themselves the entire burden, in so far as it is desired to place it there.

Arthur Richmond Marsh

The Full Text of the United States Cotton Futures Act

COMMONLY KNOWN AS THE LEVER ACT

TOGETHER WITH AN ANALYSIS OF THE ACT IN RESPECT OF ITS LEGAL MEANING AND ITS EFFECT UPON THE COTTON TRADE OF THE UNITED STATES

By Arthur Richmond Marsh

TEXT OF THE ACT.

[S. 110.]

AN ACT to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of cotton for future delivery, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known by the short title of the "United States cotton futures Act."

Sec. 2. That, for the purposes of this Act, the term "contract of sale" shall be held to include sales, agreements of sale, and agreements to sell. That the word "person," wherever used in this Act, shall be construed to import the plural or singular, as the case demands, and shall include individuals, associations, partnerships, and corporations. When construing and enforcing the provisions of this Act, the act, omission, or failure of any official, agent, or other person acting for or employed by any association, partnership, or corporation within the scope of his employment or office, shall, in every case, also be deemed the act, omission, or failure of such association, partnership, or corporation as well as that of the person.

Sec. 3. That upon each contract of sale of any cotton for future delivery made at, on, or in any exchange, board of trade, or similar institution or place of business, there is hereby levied a tax in the nature of an excise of 2 cents for each pound of the cotton involved in any such contract.

Sec. 4. That each contract of sale of cotton for future delivery mentioned in section three of this Act shall be in writing plainly stating, or evidenced by written memorandum showing, the terms of such contract, including the quantity of the cotton involved and the names and addresses of the seller and buyer in such contract, and shall be signed by the party to be charged, or by his agent in his behalf. If the contract or memorandum specify in bales the quantity of the cotton involved, without giving the weight, each bale shall, for the purposes of this Act, be deemed to weigh five hundred pounds.

Sec. 5. That no tax shall be levied under this Act on any contract of sale mentioned in section three hereof, if the contract comply with each of the following conditions:

First. Conform to the requirements of section four of, and the rules and regulations made pursuant to, this Act.

Second. Specify the basis grade for the cotton involved in the contract, which shall be one of the grades for which standards are established by the Secretary of Agriculture except grades prohibited from being delivered on a contract made under this section by the fifth subdivision of this section, the price per pound at which the cotton of such basis grade is contracted to be bought or sold, the date when the purchase or sale was made, and the month or months in which the contract is to be fulfilled or settled: *Provided*, That middling shall be deemed the basis grade incorporated into the contract if no other basis grade be specified either in the contract or in the memorandum evidencing the same.

Third. Provide that the cotton dealt with therein or delivered thereunder shall be of or within the grades for which standards are established by the Secretary of Agriculture except grades prohibited from being delivered on a contract made under this section by the fifth subdivision of this section and no other grade or grades.

Fourth. Provide that in case cotton of grade other than the basis grade be tendered or delivered in settlement of such contract, the differences above or below the contract price which the receiver shall pay for such grades other than the basis grade shall be the actual commercial differences, determined as hereinafter provided.

Fifth. Provide that cotton that, because of the presence of extraneous matter of any character or irregularities or defects, is reduced in value below that of Good Ordinary, or cotton that is below the grade of Good Ordinary, or, if tinged, cotton that is below the grade of Low Middling, or, if stained, cotton that is below the grade of Middling, the grades mentioned being of the official cotton standards of the United States, or cotton that is less than seven-eighths of an inch in length of staple, or cotton of perished staple or of immature staple, or cotton that is "gin cut" or reginned, or cotton that is "repacked" or "false packed" or "mixed packed" or "water packed," shall not be delivered on, under, or in settlement of such contract.

Sixth. Provide that all tenders of cotton under such contract shall be the full number of bales involved therein, except that such variations of the number of bales may be permitted as is necessary

to bring the total weight of the cotton tendered within the provisions of the contract as to weight; that, on the fifth business day prior to delivery, the person making the tender shall give to the person receiving the same written notice of the date of delivery, and that, on or prior to the date so fixed for delivery, and in advance of final settlement of the contract, the person making the tender shall furnish to the person receiving the same a written notice or certificate stating the grade of each individual bale to be delivered and, and by means of marks or numbers, identifying each bale with its grade.

Seventh. Provide that, in case a dispute arises between the person making the tender and the person receiving the same, as to the quality, or the grade, or the length of staple, of any cotton tendered under the contract, either party may refer the question to the Secretary of Agriculture for determination, and that such dispute shall be referred and determined, and the costs thereof, fixed, assessed, collected and paid, in such manner and in accordance with such rules and regulations as may be prescribed by the Secretary of Agriculture.

The provisions of the third, fourth, fifth, sixth, and seventh subdivisions of this section shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the memorandum evidencing the same, at or prior to the time the same is signed, the phrase, "Subject to United States cotton futures Act, section five."

The Secretary of Agriculture is authorized to prescribe rules and regulations for carrying out the purposes of the seventh subdivision of this section, and his findings, upon any dispute referred to him under said seventh subdivision, made after the parties in interest have had an opportunity to be heard by him or such officer, officers, agent, or agents of the Department of Agriculture as he may designate, shall be accepted in the courts of the United States in all suits between such parties, or their privies, as prima facie evidence of the true quality, or grade, or length of staple of the cotton involved.

Sec. 6. That for the purposes of section five of this Act the differences above or below the contract price which the receiver shall pay for cotton of grades above or below the basis grade in the settlement of a contract of sale for the future delivery of cotton shall be determined by the actual commercial differences in value thereof upon the sixth business day prior to the day fixed, in accordance with the sixth subdivision of section five, for the delivery of cotton on the contract, established by the sale of spot cotton in the market where the future transaction involved occurs and is consummated if such market be a bona fide spot market; and in the event there be no bona fide spot market at or in the place in which such future transaction occurs, then, and in that case, the said differences above or below the contract price which the receiver shall pay for cotton above or below the basis grade shall be determined by the average actual commercial differences in value thereof, upon the sixth business day prior to the day fixed, in accordance with the sixth subdivision of section five, for the delivery of cotton on the contract, in the spot markets of not less than five places designated for the purpose from time to time by the Secretary of Agriculture, as such values were established by the sales of spot cotton, in such designated five or more markets: *Provided*, That for the purposes of this section such values in the said spot markets be based upon the standards for grades of cotton established by the Secretary of Agriculture; *And provided further*, That whenever the value of one grade is to be determined from the sale or sales of spot cotton of another grade or grades, such value shall be fixed in accordance with rules and regulations which shall be prescribed for the purpose by the Secretary of Agriculture.

Sec. 7. That for the purposes of this Act the only markets which shall be considered bona fide spot markets shall be those which the Secretary of Agriculture shall, from time to time, after investigation, determine and designate to be such, and of which he shall give public notice.

Sec. 8. That in determining, pursuant to the provisions of this Act, what markets are bona fide spot markets, the Secretary of Agriculture is directed to consider only markets in which spot cotton is sold in such volume and under such conditions as customarily to reflect accurately the value of middling cotton and the differences between the prices or values of middling cotton and of other grades of cotton for which standards shall have been established by the Secretary of Agriculture: *Provided*, That if there be not sufficient places, in the markets of which are made bona fide sales of spot cotton of grades for which standards are established by the Secretary of Agriculture, to enable him to designate at least five spot markets in accordance with section six of this Act, he shall, from data as to spot sales collected by him, make rules and regulations for determining the actual commercial differences in the value of spot cotton of the grades established by him as reflected by bona fide sales of spot cotton, of the same or different grades, in the markets selected and designated by him, from time to time, for that purpose, and in that event, differences in value of cotton of various grades involved in contracts made pursuant to section five of this Act shall be determined in compliance with such rules and regulations.

Sec. 9. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards of cotton by which its quality or value may be judged or determined, including its grade, length of staple, strength of staple, color, and such other qualities, properties, and conditions as may be standardized in practical form, which, for the purposes of this Act, shall be known as the "Official cotton standards of the United States," and to adopt, change, or replace the standard for any grade of cotton established under the Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and nine (Thirty-fifth Statutes at Large, page two hundred and fifty-one), and Acts supplementary thereto: *Provided*, That any standard of any cotton established and promulgated under this Act by the Secretary of Agriculture shall not be changed or replaced within a period less than one year from and after the date of the promulgation thereof by the Secretary of Agriculture: *Provided further*, That, subsequent to six months after the date section three of this Act becomes effective, no change or replacement of any standard of any cotton established and promulgated under this Act by the Secretary of Agriculture shall become effective until after one year's public notice thereof which notice shall specify the date when the same is to become effective. The Secretary of Agriculture is authorized and directed to prepare practical forms of the official cotton standards which shall be established by him, and to furnish such practical forms from time to time, upon request, to any person, the cost thereof, as determined by the Secretary of Agriculture, to be paid by the person requesting the same, and to certify such practical forms under the seal of the Department of Agriculture and under the signature of the said Secretary, thereto affixed by himself or by some official or employe of the Department of Agriculture thereunto duly authorized by the said Secretary.

Sec. 10. That no tax shall be levied under this Act on any contract of sale mentioned in section three hereof, if the contract comply with each of the following conditions:

First. Conform to the rules and regulations made pursuant to this Act.

Second. Specify the grade, type, sample, or description of the cotton involved in the contract, the price per pound at which such cotton is contracted to be bought or sold, the date of the purchase or sale, and the time when shipment or delivery of such cotton is to be made.

Third. Provide that cotton of or within the grade or of the type, or according to the sample or description, specified in the contract shall be delivered thereunder, and that no cotton which does not conform to the type, sample, or description, or which is not of or within the grade, specified in the contract shall be tendered or delivered thereunder.

Fourth. Provide that the delivery of cotton under the contract shall not be effected by means of "set-off" or "ring" settlement, but only by the actual transfer of the specified cotton mentioned in the contract.

The provisions of the first, third, and fourth subdivisions of this section shall be deemed fully incorporated into any such contract if there be written or printed thereon, or on the document or memorandum evidencing the same, at or prior to the time the same is entered into, the words "Subject to United States cotton futures Act, section ten."

This Act shall not be construed to impose a tax on any sale of spot cotton.

This section shall not be construed to apply to any contract of sale made in compliance with section five of this Act.

Sec. 11. That upon each order transmitted, or directed or authorized to be transmitted, by any person within the United States for the making of any contract of sale of cotton grown in the United States for future delivery in cases in which the contract of sale is or is to be made at, on, or in any exchange, board of trade or similar institution or place of business in any foreign country, there is hereby levied an excise tax at the rate of 2 cents for each pound of the cotton so ordered to be bought or sold under such contract: *Provided,* That no tax shall be levied under this Act on any such order if the contract made in pursuance thereof comply either with the conditions specified in the first, second, third, fourth, fifth, and sixth subdivisions of section five, or with all the conditions specified in section ten of this Act, except that the quantity of the cotton involved in the contract may be expressed therein in terms of kilograms instead of pounds.

Sec. 12. That the tax imposed by section three of this Act shall be paid by the seller of the cotton involved in the contract of sale, by means of stamps which shall be affixed to such contracts, or to the memoranda evidencing the same, and canceled in compliance with rules and regulations which shall be prescribed by the Secretary of the Treasury. The tax imposed by section eleven of this Act shall be paid by the sender of the order and collected in accordance with rules and regulations which shall be prescribed by the Secretary of the Treasury.

Sec. 13. That no contract of sale of cotton for future delivery mentioned in section three of this Act which does not conform to the requirements of section four hereof and has not the necessary stamps affixed thereto as required by section twelve hereof shall be enforceable in any court of the United States by, or on behalf of, any party to such contract or his privies. That no contract of sale of cotton for future delivery, made in pursuance of any order mentioned in section eleven of this Act shall be enforceable in any court of the United States by or on behalf of any party to such contract or his privies unless it conforms to the requirements of section four hereof and the tax imposed by section eleven upon the order for such contract shall have been paid in compliance with section twelve of this Act.

Sec. 14. That the Secretary of the Treasury is authorized to make and promulgate such rules and regulations as he may deem necessary to collect the tax imposed by this Act and otherwise to enforce its provisions. Further to effect this purpose, he shall require all persons coming within its provisions to keep such records and statements of account as will fully and correctly disclose all transactions mentioned in sections three and eleven of this Act; and he may appoint agents to conduct the inspection necessary to collect said tax and otherwise to enforce this Act and all rules and regulations made by him in pursuance hereof, and may fix the compensation of such agents.

Sec. 15. That any person liable to the payment of any tax imposed by this Act who fails to pay, or evades or attempts to evade the payment of such tax, and any person who otherwise violates any provision of this Act, or any rule or regulation made in pursuance hereof, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than $100 nor more than $20,000, in the discretion of the court; and, in case of natural persons, may, in addition, be punished by imprisonment for not less than sixty days nor more than three years, in the discretion of the court.

Sec. 16. That in addition to the foregoing punishment there is hereby imposed, on account of each violation of this Act, a penalty of $2,000, to be recovered in an action founded on this Act in the name of the United States as plaintiff, and when so recovered one-half of said amount shall be paid over to the person giving the information upon which such recovery was based. It shall be the duty of United States attorneys, to whom satisfactory evidence of violations of this Act is furnished, to institute and prosecute actions for the recovery of the penalties prescribed by this section.

Sec. 17. That no person whose evidence is deemed material by the officer prosecuting on behalf of the United States in any case brought under any provision of this Act shall withhold his testimony because of complicity by him in any violation of this Act or of any regulation made pursuant to this Act, but any such person called by such officer who testifies in such case shall be exempt from prosecution for any offense to which his testimony relates.

Sec. 18. That the payment of any tax levied by this Act shall not exempt any person from any penalty or punishment now or hereafter provided by the laws of any State for entering into contracts of sale of cotton for future delivery, nor shall the payment of any tax imposed by this Act be held to prohibit any State or municipality from imposing a tax on the same transaction.

Sec. 19. That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June thirtieth, nineteen hundred and fifteen, the sum of $50,000 or so much thereof as may be necessary to enable the Secretary of the Treasury to carry out the provisions of this Act.

Sec. 20. That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, available until expended, the sum of $150,000 or so much thereof as may be necessary to enable the Secretary of Agriculture to make such investigations, to collect such data, and to use such methods and means as he may deem necessary to determine and designate what are bona fide spot markets within the meaning of this Act, to prescribed rules and regulations pursuant to sections five, six, and eight hereof, to establish and promulgate standards for cotton and to furnish practical forms thereof as authorized by section nine hereof, to publish the results of his investigations, to pay rent and to employ such persons as he may deem necessary, in the city of Washington and elsewhere. The Secretary of Agriculture is hereby directed to publish from time to time the results of investigations made in pursuance of this Act. All sums collected by the Secretary of Agriculture as

costs under section five, or for furnishing practical forms under section nine of this Act, shall be deposited and covered into the Treasury as miscellaneous receipts.

Sec. 21. That sections nine, nineteen, and twenty of this Act and all provisions of this Act authorizing rules and regulations to be prescribed shall be effective immediately. All other sections of this Act shall become and be effective on and after six months from the date of the passage of this Act: *Provided*, That nothing in this Act shall be construed to apply to any contract of sale of any cotton for future delivery mentioned in section three of this Act which shall have been made prior to the date when section three becomes effective.

Approved, August 18, 1914.

ANALYSIS.

Title and Enacting Clause.—In form, the Act is to tax certain business transactions made by citizens of the United States or by foreigners who are within the United States at the time they enter into the specified transactions. In reality, as was repeatedly stated by the proponents of the measure, both in the Senate and in the House of Representatives, the purpose of the Act is not to raise revenue by taxation, but to regulate the business and commerce in cotton, in so far as this is conducted in connection with cotton exchanges. The tax fixed by the law on the transactions deemed undesirable is therefore prohibitive in amount; and this too was openly stated by the proponents of the measure and was acquiesced in by both Houses of Congress without demur from any member of either body.

Sec. 2. The tax established by the Act is only upon contracts of sale, and not upon contracts of purchase. The seller of a contract declared by the law to be taxable must therefore always pay the tax; but the purchaser of the same contract will have no tax to pay, unless he resells the contract. If he takes delivery of the cotton, his contract of purchase is tax-free.

As the tax is imposed not upon persons, but on the contracts of sale (Sec. 3) made by persons, the penalties provided by the Act are imposable or, in the case of fines, collectible, in respect only of the principals to the contracts or in respect of certain specified agents of such principals. Thus in the last sentence of the present section it would appear to be provided that, while agents or other persons acting for any association, partnership or corporation are liable to the penalties provided in case of their failure to pay to tax or to fulfil any other requirements of the Act in connection with future contracts, the agents of individuals are not so liable. This will certainly raise the complex and difficult question of the legal character of the relation between the brokers or commission houses making contracts upon cotton exchanges and individuals for whom they may make the contracts. If the brokers are commission houses are in a legal sense purely agents of these individual customers, it would seem that they are not subject to the penalties of the law, whatever may be the liability of the individuals for whom they act, whether as to the tax or as to the penalties provided. Another important question, which is the corrollary to the previous one, is whether the true principals,—i. e. the customers whose orders are executed by brokers or commission houses,—are liable to any tax or subject to any penalties, no matter what the brokers and commission houses may do or omit to do in meeting the provisions of the Act.

Sec. 3. As this is on its face taxing legislation, the amount of the general and uniform tax to be levied must be specified, as is done in this section. The cases of remission of the tax, when the contracts are of a form approved by Congress, are enumerated for cotton futures contracts proper in Section 5, and for contracts for the future delivery of specific lots of cotton in Section 10. In the present section the critical phrase is really found in the words: "at, on, or in any exchange, board of trade of similar institution or place of business." It has been generally assumed that the words "at, on, or in any exchange, board of trade or similar institution or change. These words, however, have frequently been used in statutes dealing with other matters, such as unlawful assemblies, and the like. It is a rule of both administrative and judicial interpretation of a statute that where a phrase has been frequently used in statutes and construed by the courts, the thus established interpretation will be followed in the case of new statutes. Now the phrase "at, on, or in" has frequently been construed (in strike injunction cases, for example) to mean not the distinctly mentioned building, piece of land, room or place of assemblage, but these with all adjacent places and property or with all places and property having a definite connection with the places and property mentioned. It is then virtually certain that the phrase "at, on, or in any exchange, etc.," will not be construed either administratively or judicially to mean the trading floor or ring of any given exchange, but rather to include the entire vicinage, in so far as trading in cotton may be conducted there in accordance with the rules of the exchange. It would obviously be absurd for a member of an exchange to be able to make contracts without tax on the sidewalk outside the exchange or even in his own office close by the exchange, when the tax would be imposed on the same contracts, if they were made a few feet away, on the "floor" or at the trading "ring" or "post" of the exchange. Where members of an exchange have offices in the exchange building itself as is largely the case in New York, New Orleans, Memphis, Liverpool, Bremen, Havre and elsewhere, it may be regarded as indubitable that future contracts made by such members between themselves or with outsiders in their offices will be completely covered by the terms of the Act. This is true both of future contracts such as are made on the New York and New Orleans exchanges, but also of the "f. o. b." contracts and "to arrive" contracts covering specific lots of cotton, such as are dealt in by members of the interior exchanges, like Memphis, Houston, Augusta, etc., or by certain classes of members of the exchanges at Southern ports, like New Orleans. Galveston, Savannah, Norfolk, etc.,—these latter contracts being those provided for in Section 10 of the Act. It is even not impossible that under this interpretation associations of cotton spinners, like the Arkwright Club in Boston and the Southern cotton manufacturers' associations, which have fixed headquarters, and operate under agreed-upon rules as to the future delivery of actual cotton to their members may be held to be "exchanges, boards of trade, or similar institutions or places of business," within the terms of the Act.

Sec. 4. The portion of this section of greatest consequence to the cotton trade is that requiring future contracts made "at, on, or in exchanges, etc.," to be in writing and to show among other things the names and addresses of the seller and buyer in such contract, and to be signed by the party to be charged or by his agent in his behalf. These requirements bring up in inescapable fashion the still unadjudicated legal question of the status of the broker or commission house in relation to the customer. Is the broker or commission house the agent of the customer, making the contract in his behalf and for his account and risk? The courts have never answered this question, so far as the writer knows. If the relation of pure agency is the legally true one, then the broker or commission house may sign the contract in behalf of the customer, giving his name and address. If the relation is not that of pure agency,

then in some fashion it must be decided whether or not the broker or commission house is a principal both ways, i. e. on the one side to the customer and on the other to the person who takes the other side of the contract. It is to be observed that this section of the Act applies just as much to "f. o. b." brokers, who are members of exchanges and conduct their business "at, on, or in exchanges" of any kind (i. e. Memphis and Augusta, as well as New York and New Orleans), as to brokers and commission houses doing business on the futures exchanges proper (i. e. New York or New Orleans).

Sec. 5. This section deals exclusively with the provisions that must be embodied in the future contract forms of the futures exchanges proper, if there is to be remission of the prohibitive tax of $10 per bale on all sales of contracts. The exempted form of contract must be a "basis" contract, and the "basis" grade must be one of the grades known as the Government standard grades, with Middling presumed, if there be no specification of the "basis" grade. The cotton covered by the contract must be "of or within" the grades for which standards are established by the Secretary of Agriculture, except certain prohibited grades. The language "of or within" may safely be taken to authorize a finer sub-division of the grades deliverable than the bare nine standard grades as yet promulgated by the Secretary of Agriculture. As grades only, and not color ,are determining, there is no prohibition of the delivery of tinged and stained cottons, except to the extent provided in subdivision Fifth of this Section. Further, the contract must provide that the different grades of cotton, whether white, tinged or stained, shall be valued at the time of delivery at differences above and below the "basis" grade determined in a specified manner, described in detail in Sections 6 to 8 of the Act, in accordance with the going, or "commercial," valuations of such grades at the time of delivery. Only differences of value for grade are permissible, as the price at which the receiver is entitled to receive his cotton is the price of the "basis" grade, plus or minus the "commercial" difference or differences for the grade or grades actually delivered to him. Allowances for quality or staple are impossible under the system provided, and this is one of the chief reasons why the foreign markets, like Liverpool, where great quantities of staple cotton are dealt in, can never adopt the form of contract specified in this Act. In only one respect does staple come into question in the Act, and that is in the prohibition of the delivery of cotton of less than seven-eighths of an inch in length of staple. This provision was procured by a group of Southern cotton spinners, desirous of compelling farmers in their States to raise cotton of a longer staple than they are now doing. The practical result will be that either these farmers must substitute a less profitable for a more profitable cotton in their planting, or else every drought year will see several million bales of Upland Cotton outlawed from the contract markets. This will, of course, occasion a violent rise in prices in the futures markets; and Southern spinners who have bought large quantities of the cotton of their districts "on call" from merchants, will be called upon to pay exorbitant prices for inferior cotton.

Sub-divisions six and seven of this Section form a curious illustration of legislation which will produce exactly the opposite effect from that intended. It was one of the expressed purposes of the proponents of this Act to do away with the use of *pro forma* bills in connection with deliveries of cotton on the exchanges. These two sub-divisions, taken together, not only legalize but virtually compel the use of the *pro forma* bill. They make it necessary to bring the receiver and the deliverer of cotton on a contract directly together, and make impossible the continuation of the system of having the grade of cotton certified by a disinterested committee or board of classification, who determine, independently of the buyer and the seller, the grade of cotton delivered on future contracts. Provision is made for the delivery by the deliverer to the receiver "of a written notice or certificate" of the grade or grades of the cotton which the former will deliver to the latter under his contract. But provision is also made for the determination of disputes between the deliverer and the receiver; and no mention is made of any outside party, like a Classification Committee, as having any interest or rights in the dispute. Under these conditions the maintenance of a Classification Committee, entrusted with the authoritative and final certification of cotton, would not only be idle, but would certainly prejudice the interests of the parties to the dispute. Nothing remains, then, except that the deliverer must give to the receiver a "notice" of the grades of cotton he intends to deliver, and that the receiver, if dissatisfied, to refer the question to the Secretary of Agriculture. Naturally, the deliverer will bill the cotton to the receiver in accordance with the former's notice, but with the provision that differences arising under the decision of the Secretary of Agriculture shall later be adjusted. This is the *pro forma* bill in its most pronounced fashion.

A peculiarity of Sub-division 7 of this Section of the Act is that it is the only instance in American legislation, so far as the writer knows, in which an administrative officer of the Government has been given power to determine disputes arising between citizens.

Sections 6, 7, 8. The only comment necessary upon these sections is that in a cumbersome and circuitous way they reach the simple result that the Secretary of Agriculture must himself determine and promulgate the "commercial differences" for the different grades of cotton deliverable upon future contracts proper. The entire matter about "bona fide spot markets" is idle verbiage, because there are not in the United States five markets "in which spot cotton is sold in such volume and under such conditions as customarily to reflect accurately the value of middling cotton and the differences between the prices or values of middling cotton and of other grades of cotton for which standards shall have been established by the Secretary of Agriculture." There is not one such market. During the past six months, for instance, there has not been a single market in the United States in which the value of good middling cotton, as compared with middling, was reflected at all, to say nothing of "customarily." The fact is that the Secretary of Agriculture will be forced to employ the last of the alternatives provided, and to arrive at the "commercial differences" for the different grades by extensive investigations of actual sales of cotton all over the South. It is well that Section 20 of the Act requires him "to publish from time to time the results of investigations made in pursuance of this Act." It is obvious that, in spite of all the circumlocutions in which the grant of power is enwrapped, these Sections authorize the Secretary of Agriculture to fix the price, relatively if not absolutely, for far the greater part of one of our chief commodities.

Sec. 10. The purpose of this Section of the Act is to bring under the provisions of the law what the report on the amended bill to the House of Representative designated as transactions in actual cotton of a "semi-future character," such as f. o. b. sales, sales of cotton "to arrive," and the like. In actual effects it is, however, likely to prove one of the most far-reaching and disturbing of all the provisions of the Act. It extends the prohibitive tax of $10 per bale to a multitude of transactions in actual cotton, with which the futures exchanges proper have no concern. The brokers and dealers in "f. o. b." cotton, for example, are chiefly located at places where there are exchanges, boards of trade or similar institutions, such as Memphis, Houston, Galveston, Savannah, not

to speak of the great centre of these transactions, New Orleans. These brokers and dealers are almost universally members of these exchanges or boards of trade, and deal under their rules. Hence transactions with them are made "at, on, or in" exchanges, etc., in the sense of Section 3, as explained above. Consequently, every country merchant, cotton dealer or farmer who sells to these brokers or dealers some "f. o. b." cotton or cotton "to arrive" is brought within the Act, and must pay a tax of $10 per bale, unless he conforms, both in form of contract and in performance thereof, with the requirements of the present Section. Every American shipper who sells cotton to a merchant in Liverpool or Bremen, subject to the arbitration rules of those exchanges, is almost unquestionably liable to the tax. It is even possible that the shipper who sells cotton for forward delivery to a member of the Arkwright Club or other similar association in New England or to a member of the Southern Cotton Manufacturers' Association, unless those bodies completely change their rules, is similarly liable. The most common practices in the trade in actual cotton must be abandoned in these cases, or the prohibitive tax attaches. There must be no departure whatever from the grades sold; substitutions, even by mutual consent, cannot be made without payment of the tax. Reselling of contracts and settlement of differences on such resales automatically brings the payment of the tax. Nor does relief from the tax come from the provision that: "This Act shall not be construed to impose a tax on any sale of spot cotton"; for "spot cotton," according to commercial usage, which will be followed by the courts, is cotton actually "on the spot," i. e. in the very place where the sale and purchase are made. A sale of a specific lot of cotton in Little Rock for delivery in Memphis is not in the eye of the law a sale of "spot cotton." Hence it is easy to see what surprises and what bitter recriminations will be occasioned by the discovery all over the Cotton Belt of the full significance of this Section of the Act.

Sec. 11. It was the intention of the proponents of the Act to prevent, through the provisions of this Section, the resort of American cotton speculators to the foreign exchanges, in order to continue their operations free from the restrictions imposed upon those making future contracts on the American exchanges. What the Section actually does, however, is to cut off Americans and persons resident in the United States, other than mere buying agents of foreign firms, from participation in the greater part of the export business in cotton from this to foreign countries. The Section also introduces a vast, new hazard into all operations on the American exchanges. Both kinds of business, that in future contracts proper and that in contracts of sale for the delivery of specific lots of cotton in the chief foreign markets, are affected. It is impossible for the foreign exchanges to make their forms of contract conform to the provisions of the Act; the nature of their business absolutely precludes this. Consequently, every person within the United States who buys some cotton and sends an order to Liverpool, or Bremen or Havre must pay the tax of $10 per bale,—unless as has been said, he is a mere buying agent of a foreign firm, which cables him orders and prices for the purchase of cotton and receives in return from him mere reports of his purchases. Orders for the sale of hedges in Liverpool, Bremen or Havre are obviously under the terms of this Section and call for the payment of the tax. But orders for the sale and future delivery of specific lots of American cotton in these markets,—the most important in Europe,—likewise involve the payment of the tax. The merchants of Bremen virtually all have their offices in the Baumwollbörse, or Cotton Exchange, and buy only in accordance with the rules of that exchange. The great majority of the merchants in Liverpool are similarly situated, and the same is true of Havre. Moreover, sales of cotton to spinners made through these merchants are for the most part consummated in the exchange buildings and in accordance with the exchange rules. They are certainly of precisely the character to require the payment of the tax imposed upon transactions of a future or semi-future kind described in this Act. Another consequence of this Section, doubtless little dreamed of by its framers, is that prices on the American exchanges will be subject to sudden plunges of a very severe kind. The whole theory of the cotton business is the distribution of the burden over the entire world; but particular markets from time to time become somewhat overloaded, and some of the superfluous contracts must be sold out, in order to relieve the situation there. Hitherto, it has been the habit of arbitrageurs, when these selling movements occurred on the American exchanges, to buy the cotton offered for sale and to resell it on the foreign markets. Under this Act, however, it will be impossible for American cotton dealers to do this until the decline on this side has gone far enough not only to give them their profit but also the $10 per bale which they must pay as a tax on their foreign sales. This will mean that several times a year prices on the American exchanges will drop perpendicularly over $10 per bale, or else that prices on the American exchanges will rule normally some $10 per bale, relatively to prices on the foreign exchanges, than they have hitherto done. Of course, all holders of hedge contracts on the American exchanges will be painfully shocked in the former case; and, in the latter, the great aim of the advocates of regulatory legislation for the American cotton exchanges,—i. e. to keep the prices quoted on these exchanges as high as possible, in order that the price of middling cotton in the South correspondingly high,—will be nullified.

Sections 12, 13, 14. No particular comment upon these Sections is called for, beyond calling attention to the fact that the provision in Section 14, with reference to the authority of the Secretary of the Treasury to compel the keeping of books of record, is so drawn that in all probability the Secretary of the Treasury has no authority at all in respect of the keeping of records by persons making contracts of sale in conformity with the requirements of Section 5 and Section 10 of the Act. If the American exchanges adopt forms of contract embodying the provisions of these Sections, it is probable that no person trading on those exchanges can be compelled to keep any records at all or to disclose them to the Secretary of the Treasury, if he does keep them. The language of the first paragraph of Section 5 and of the first paragraph of Section 10 is ambiguous in relation to the language of Section 3; but it is probable that the non-taxable contracts of Sections 5 and 10 are by the language employed completely segregated from the taxable contracts of Section 3, except for the mere description of the place "at, on, or in" which the contracts are made.

Sections 15, 16, 17, 18, 19, 20. These penalty and appropriation Sections of the Act require no comment.

Section 21. The only matter of remark in connection with the time appointed for the going into effect of the Act, as respects those who deal in cotton, is that the totally abnormal and deeply perturbed conditions of the present time will be made much more serious for the entire American cotton trade by reason of the fact that February, 1915, will undoubtedly mark the most acute stage of the accumulated and unsold surplus of this season's cotton crop. Much that American cotton merchants might do to mitigate the pressure and ameliorate the situation, they will be precluded from doing by the restrictions and uncertainties imposed upon them by this Act, and by the necessity of learning its true significance for them, when they should be devoting their undistracted efforts to finding a market for the burden of cotton which the country will have on its hands.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

ACCORDING to present appearances the managers of our fire insurance companies are going to have some pretty tough nuts to crack during the next five or six months, and perhaps for longer still. At first sight it would not seem probable that the European War would raise important questions about the insurance against fire of property in the United States. Yet one such question is already beginning to emerge. As readers of this paper know, the problem of dealing with the American cotton crop of this season, so as to avoid ruinous losses to the producers who made it, the bankers who have loaned on it and the merchants who must deal in it, is engaging the attention of the Administration, in Washington and of a multitude of persons nearly concerned. We consume only about 40 per cent of it at home and export about 60 per cent. Upon this 60 per cent we depend to settle our accrued international indebtedness once a year, instead of remitting gold. Not to be able to sell it means not only all kinds of embarrassments in our international financial relations, but much disturbance of our domestic credit situation; for when we do not pay our debts with cotton, we must pay them in a medium which, if kept at home, means some six times its own value in credits possible for our business men, manufacturers, farmers, and so forth. It looks now, however, as if for at least six months to come we shall be able to export less than one-half of what we customarily export in the corresponding period of normal years. It has been estimated by expert students of the cotton situation that out of the cotton crop just beginning to be picked we shall have to retain in the United States fully 4,500,000 bales, and possibly 5,000,000 bales or more, which we had expected to send abroad, thus getting it off our hands and receiving the money or the foreign credits representing its value. It is easy to see the financial disturbances that will result from such an unexpected and unprepared-for state of things. The Secretary of the Treasury, Mr. McAdoo, has been holding conferences of cotton producers, bankers and cotton manufacturers this very week to discuss the subject, and no definitive conclusions have as yet been come to with regard to that side of the matter.

One point, however, has come out very clearly in the discussions, and that is that the proposal receiving predominant favor is to have the Government and the bankers make it possible for the producers and the country merchants to hold this surplusage of cotton over until normal commercial and financial conditions are restored, whether through a cessation of the European war, or through England's getting complete mastery of the seas and making it possible to ship cotton to all the European countries except Germany and Austria-Hungary. And necessarily incident to this proposal is the warehousing of cotton in the Southern States, and perhaps in places like New York City, on a scale never before witnessed in this country. All the available warehouses and compresses will be filled with cotton; and at the meeting of Secretary McAdoo's Conference in Washington on Monday last numerous schemes for extemporized warehouses were propounded, such as light sheds roofed with tin or galvanized iron; mere enclosures surrounded by barbed wire fencing in which the cotton could be placed on skids and covered with tarpaulins; empty freight-houses and even unused freight cars; and the like. Secretary McAdoo has announced that he is ready to treat notes secured by warehouse receipts for cotton as securities for currency under the Aldrich-Vreeland Emergency Currency Act. Of the warehouses and the warehouse receipts he has spoken as follows in a statement published on Thursday:

"It is not my purpose to prescribe the character of the warehouses in which cotton and tobacco may be stored. The banks will be relied upon to see that warehouse receipts issued by responsible warehousemen or warehouse companies alone are accepted and that the cotton and tobacco stored in such warehouses are covered by adequate fire insurance and are protected against injury by the elements."

It is at this point that fire insurance comes into the matter. In all the discussions it has been assumed that fire insurance on cotton is as easily and naturally obtainable as are air and water. So far as we know, not a single fire insurance company has been asked whether it proposes to insure without limit and at the same rates as before this added mass of cotton which is to be held in these warehouses,—let us say, 5,000,000 bales more than ever before, worth, even at the decreased prices, some $150,000,000 to $200,000,000.

It goes without saying that both the actual fire risk and the moral hazard are going to be greatly increased by the crowding of this vast quantity of cotton into the totally inadequate warehouses of the South and of the Eastern seaboard. The fire risk will be increased by the congestion, by the fact that the cotton is not being continually handled in and out, as under normal conditions, and the inevitable use of unsuitable and unprotected portions of warehouses, whether regular or improved, for the storage of much of the cotton. The moral hazard will be increased by reason of the strong temptation to unscrupulous persons, who are tired of carrying cotton at a steady expense for interest and warehousing, to sell it to the insurance companies, as the saying is, and thus get their money out of it.

We may be wrong in assuming that the managers of our fire insurance companies are going to restrict their lines of insurance upon cotton under such conditions and are ready to go ahead and assume the entire burden. If, however, there is any doubt about this, or any probability that the plans now being formulated for carrying this great surplus of cotton may be upset, after they go into operation, by the discovery that the fire insurance companies do not deem it wise to assume so great a risk, we think it is the part of patriotism to inform Secretary McAdoo of this at once, so that the necessary readjustments of the general scheme may be made, before it is announced to the public as complete.

SUGGESTED EVOLUTION OF INDUSTRIAL BRANCH INSURANCE

"No one ought to be satisfied with his opinions on any subject of importance, much less ought he to inculcate them on others, unless he can trace their connection with self-evident principles."

TO-DAY it is evident we are living in wonderful times, the the truth of which is manifest on every hand, as witness the triumphs of wireless telegraphy, wireless telephony, and in a hundred other ways; which recalls to my mind a personal incident of many years ago, when, by a four-figure proposal, I was brought into contact with an electrical engineer who gave it as his opinion that the time would surely come when by the aid of a waistcoat pocket telephone apparatus we should be able, when walking along the street, to summon to one's conversation any friend desired within a radius of several miles. And, although by reason of eccentric circumstances, it was concluded that he was a bit of a crank (which necessitated the decline of the proposal) yet, after all, perhaps, he was not so far removed from true genius as then imagined. And it might be held that his ideas were but in embryonic form of the evolutionary progress that might yet be seen.

In the realm of National insurance, too, and in the more general region of life and endowment assurance also, the fact appears well established that farther and farther still we are to travel upon the highway of evolutionary progress; as on every hand there is the deep-seated determination that the triumphs of the past are but to serve as so many incentives, to greater success still, in the volume of new business that is to be written in the immediate and distant future.

With the kindly consent of the editor of the "Commercial World," however, my purpose on this occasion is not to dwell so much upon that aspect of our work, as to propound what, to the vast majority of insurance workers will, I am fain to believe, be regarded as a welcome theory in regard to the conservation and solidification of the business at present in force; as it is a self-evident fact that if the life of the existing business can be prolonged to the period of maturity by endowment or death, more than one-half of the troubles and anxieties of the great army of insurance workers will have ceased to be: and a more than ever brilliant era of financial health and prosperity will have been ushered in. And although reference will necessarily be occasionally made to the ordinary branch assurance, the primary object has special relation to the very much more vulnerable industrial branch of the business, and the setting up of new conditions; or, at least, the variation of some of the least beneficial conditions now prevailing.

The aim in view, therefore, is the practical inviolability of industrial branch policies of several years' duration, with which the interests of so many millions of the population are so intimately interwoven; and, without doubt, I think it will be conceded that if such a desirable evolution can be brought about, incalculable good must be the inevitable and pleasing result.

It may, perhaps, be truthfully said that the primary question in regard to industrial branch assurance has ever been the prevention of lapses; and every one will agree that every practical principle which may conduce to that end is to be heartily welcomed as an inestimable boon; and I am persuaded that by the adoption of the system I have in mind such a boon is realizable. Two or three considerations are, however, first necessary.

Point has ever been made of the alleged profits annually accruing to the companies from lapsed policies; but the fact appears to have been overlooked that if such a statement can be applied to life assurance companies, it must also be held to be equally applicable to friendly societies, concerning whom it was stated at the time of introduction of the National Health Insurance Bill, that no less than 5,000,000 members had lapsed from the several orders; and, as most of them were, assumably, healthy members, the amount of capital gain in one form or other, must, therefore, have been enormous; or, to put it another way, the loss to those members was enormous, for if one party loses it would seem to follow the other party must gain proportionately. And the vast majority would, most probably, have received but very infinitesimal benefits in the past, whilst the future consideration would have been nil, as (so far as I am aware) no monetary consideration was ever guaranteed to any lapsed member of a friendly society.

The question, therefore, that looms most prominently in this connection is: Do lapsed policies mean a profit to the respective companies? Readers of the "Commercial World," however, are fully aware that this question, in one form or another, has been thrashed out over and over again *ad nauseam*. Consequently, without again traversing well-trodden ground, I may, perhaps, here recount a little incident which occurred in my early canvassing days.

A certain client in my agency had resolved to discontinue paying upon five members of his family, in respect of whom infantile policies had been in force for something like ten or twelve years; and to none of which, in those days, was any free policy value attached. But having paid a considerable sum in premiums, for which he, of course, could not see that he had had any return (as he had never experienced the benefit of a claim), he was very wroth at the "loss of his money." Knowing him, however, to have been a good payer, and, for other considerations, it was obviously my duty and interest to make the most strenuous endeavors to save the business, and to try and convince him that lapses were no source of profit—but rather a loss—to the company. In due course I therefore pointed out to him, *inter alia*, that by an eminent actuary's report, that fact had been definitely established; for if every one lapsed, all future income would be lost to the companies, etc., etc., and must consequently see that upon that and other grounds, the company, as well as every insurance worker, was most desirous that he, and others like him, should continue to keep their policies in force. Specifically, however, in his own best interest, it would be most unwise to let the policies drop, as the day would surely come when he would realize the benefit of assurance, etc.

Although somewhat mollified by the conversation, his opinions were unchanged, and with only one idea did he seem to be obsessed. Accordingly, he replied somewhat thus: "Eh, maister, you may hold forth as long as ye like, and talk a dunkey's hind leg off, and go on with yer fotherall; but ye can't make me believe that the cump'ny 'az 'ad my money all these years, and that I shall never seed it agen."

And thus the whole question of lapses might be debated time after time. Paradoxical, therefore, as it may appear, to me it seems that both of the opinions expressed, and hitherto held, in regard to this matter, may be considered correct; and that it is an undoubted fact that both the companies and the policyholders are losers by lapsed policies. Two other facts may also be held to be equally true, viz., that the companies are very earnest and desirous of reducing lapsing to the veriest minimum; and the policyholders are likewise profoundly moved if, through unforeseen circumstances, their policies have to be forfeited after several years' payments have been made, and they would be only too thankful if means

"A paper contributed to the "Commercial World," of London, by a correspondent signing himself "A. A."

could be devised whereby the companies' and their own interests could be mutually served, and catastrophes of this nature could be obviated.

The scheme that I shall presently put forward will, according to my conception, harmonize these combined aims, and tend very largely to render all policies of several years' duration practically non-forfeitable; and, whilst securing a handsome profit to the companies, will also tend to produce such a feeling of pleasure and security to the policyholders as has never hitherto been known, and such as is bound to have the most far-reaching effect upon the status of industrial assurance generally.

The present position for dealing with existing assurances at the lapsing point, as far as I am aware, permits only very limited opportunities of treatment by way of loans, cash surrenders, or free policies, in the event of revival being out of the question. And by one authority we are told "that the main sources of profit to assurance companies are (1) from the rate of interest actually earned being higher than anticipated, (2) from the death-rate among the insured being lower than that provided for by the mortality tables, (3) from the expenses and contingent outlaying being less than the loading provided to meet them, and (4) miscellaneous sources, etc.,"—the latter of which embraces surrenders as well as lapses.

Now, when a person enters upon assurance, there is not the smallest doubt but that the serious purpose and intention are to carry the contract through to maturity, either by endowment or death, as the case may be; and this fact is so evident daily by the thousands of claims paid that the point need not be elaborated here.

The fact, however, remains, that every year there is an altogether formidable total of cash surrenders which, unfortunately, examplifies the truth that man proposes but circumstances disposes, etc. And whilst a good cash surrender may, at times, be looked upon as a god-send, its after-effects are bound to be other than beneficial, and may indeed work an insidiously baneful influence upon the individual who, by surrendering, has experienced a loss, in so far as the actual turnover of money may be calculated. Relatively, also, such a transaction has a demoralizing effect as well.

I am happy to state that from my earliest connection with the great work and inestimable blessings of life assurance, I have, by example and precept, been taught to reprobate the cancellation of policies by cash surrenders, because of the inimical influences thereby generated, and the injury inflicted upon the best interests of all concerned.

In some instances it may have been otherwise, and where the cash surrenders may have meant no pecuniary loss to the insurance representative, but a possible gain in new business fees, the frailty of human nature has possibly triumphed over wider and more altruistic considerations, and the life assurance representative, whose great concern it should have been to have used his moral influence to have warded off the cancellation of the policies by cash surrenders, may have rather aided and abetted them. Be that as it may. Every one will, however, agree that an old policy is of more value than a new assurance (which must necessarily be at an advanced age) can be—view it from whatever standpoint we may. And a worse aspect of the matter is that often and often surrenders have been effected with the possible intention of an early re-assurance, when, alas, that has become an impossibility owing to impaired health, if not sudden death. Consequently the loss has been irreparable and deplorable, alike to the aforetime assured, or in the event of death, to his or her dependents.

Bearing this in mind it has ever seemed to me that the opportunities for cash surrenders—although, from the exigencies of the business, hitherto seemingly necessary owing to the limited manner in which bonuses and policies have been able to be dealt with in cases of emergency—have not made for the permanent good of the companies, the assured, nor the companies' representatives. It would therefore seem that the facilities for the cash surrender of any and all policies should be in the direction of being restricted, rather than being extended.

Most of the above may, however, be held to apply largely to ordinary branch assurances, as cash surrenders in that branch have, perhaps, taken place in greater proportion than in the industrial branch connections of the business, in which free policies have been more frequently resorted to in dealing with policies that, for want of means, could not be revived.

In the industrial branch of the business, however, even where cash surrenders may have been possible, the effects would have been less beneficial still, as the smaller the income the greater the comparative loss; for whilst an ordinary branch policyholder might be willing to look upon the difference between the premiums paid and the amount of cash surrender very much in the same light as a dealer in shares might regard the difference between the purchase price and an enforced sale, the industrial branch policyholder, by reason of his lesser opportunities for rightly appraising such matters and looking at them in their proper perspective, would necessarily view the seeming loss of a sovereign very differently, and such a coin would, to him, represent a very large sum indeed.

The special point of consideration here, however, is that by the cash surrenders, the policies became null and void, and the provision held to be of such paramount importance at the commencement of the contract, has turned out to be a broken reed instead of the strong arm of support so confidently reckoned upon against the day of adversity. Who then can wonder if the feelings of satisfaction and confidence which were employed at the commencement of the contract, should now give place to those of disappointment and profound regret? And notwithstanding the great strides made by life assurance in the past, can any reasonable doubt exist that but for this aspect of the matter, the pace would have been materially enhanced, and the sense of security imparted by the beneficent aid of this form of thrift would have been wider, larger, and infinitely more beneficent still?

What, therefore, might seem to be the crowning mercy of all would be the possibility of rendering assurances of several years' duration practically non-forfeitable. Before, however, coming to particulars in this respect, it may be observed that the surrenders above-mentioned dealt with two phases of the matter only, viz., (1) cash surrenders of the bonuses of ordinary branch policies, and (2) surrenders of the policies, either by way of cash, or a paid-up policy. The main consideration, however, is that wherever a cash surrender has been possible, this has, in the vast majority of instances, been the accepted alternative. The cause of surrenders or free policies have—again in the vast majority of cases—been brought about through inability to pay the recurrent premiums, and the only alternative has been as stated. Often and often, however, the difficulty has been temporary, and had that period been safely passed without the creation of additional burdens, the probabilities are that the future premiums would have been paid with the same regularity as hitherto, so that when the time of stress had been safely bridged over, renewed confidence, satisfaction and regular payments would once again prevail.

Sometimes, it is true, that loans have been used as a temporary expedient to tide over the difficulty, with in some cases, great advantage; but, as a rule, these only add to the burden, from the

fact that they create a further liability by way of interest; and sooner or later it is realized that, so far from the adopted expedient being a permanent advantage, the difficulty has really been distended without co-relative benefit, and that whilst there has arisen an additional payment, the capital sum assured has been reduced and not enhanced. More often than not, too, a portion of the loan has been utilized in the payment of arrears, and the probabilities are that in most cases a loan would not have been sought, apart from the necessity of paying the overdue premium.

Instead, therefore, of enforcing a loan, with its accompanying interest charge, is it not possible to meet almost every temporary difficulty by a system of credit surrenders of the accrued bonuses, or of the capital sum assured? as this system could be adapted to all classes of assurance, and would have the initial double advantage of wiping off all arrears, and create no new burden by way of interest.

To examine it, however, in regard to industrial branch policies. It is recognized that after a few years—in many instances, five and upwards—nearly all policies now acquire either a small cash surrender value, or free policy value; but to adopt either of those expedients would (as previously noticed) render the policies null and void except to the extent of the free policy value, should that method of surrender, be chosen. To apply the principle of credit surrenders, however, would enable the policyholder to get a credit advance for the payment of all arrears, and with the slight reduction in the amount of the capital sum assured, ensure the policy being kept intact, and guarantee all benefits accordingly. From the fact, however, that substantial free policy values are granted after five years' duration, it would seem to follow that all policies, if not after three years' duration, certainly after five years, would become eligible for credit surrenders. Even now, however, in certain instances, some industrial branch policies acquire surrender value after three years' duration.

Such surrenders, however, should be for the sole purpose of assisting the policyholder to keep the assurance in force, although, obviously, the credit advance could not, in any instance, exceed the cash value of the free policy value which the original assurance had acquired. And a very specific condition of the whole matter should be that under no circumstances whatever should any cash be paid over, but that the advance in every instance should be in the form of receipt for premiums due, and equal only to the amount required for the payment of the entire arrears at any one time. Let me illustrate:

(1) Mrs. Goodwoman, now aged thirty, has a "whole-life" policy at 3d. per week, which has been ten years in force. Hitherto she has been a good payer, but through unforeseen adversity, she has unfortunately fallen into arrears to such an extent that according to the conditions of the policy it must be lapsed forthwith; and unless the agent commits a dereliction of duty, the policy has to be returned for lapsing. Mrs. G., however, has no immediate prospect of paying, and the recent hard times are likely to be prolonged beyond the days of grace; or, even in the most favorable event, it will be impossible for her to revive the assurance. With the policy she, perhaps, has also been paying upon the other members of her family of five, and altogether the premiums are 1s. per week. Her policy, however, has acquired a free policy value approaching £5, which, for the present purpose, might be considered as equal to a present cash value of nearly 30s. But, as she requires only some 10s. to make her book clear, she would not want to trench upon the free policy value to a greater extent than, say, 33s.—the cash value of which would be the required 10s. To save the whole of her assurances, however, she would, doubtless, be most willing and ready to do this, provided she could be given credit for the whole of her arrears, and have her book marked up to date. She is therefore very pleased if this can be done by the reduction of the capital sum assured under her policy to the extent of the afore-mentioned 33s.; and, to safeguard the company as to this, the policy would be endorsed accordingly, so that when a claim occurred, no difficulty whatever in regard thereto would be experienced, as the total sum assured would be carefully worked out, and the deduction made of whatever portion had hitherto been commuted in consideration of the credit surrender.

(2) If the policy had, instead of having been only ten years in force, been, say, fifteen or twenty years in force, and had consequently become entitled to a very substantial bonus, then credit surrender could be obtained in the same way therefrom, and the policy endorsed accordingly; or, for purposes of simple calculation, both the free policy value and the bonus could be conjointly reckoned.

(3) Mrs. Indigent, who is always in needy circumstances, has, as the result of close personal application, tact, and diplomacy, on the part of the agent, been indifferently paying 1s. per week (or the average of 1s. per week) for several years, in respect of her family's assurances. Upon two or three occasions her policies have lapsed, and she has only been able to revive one or two by paying up the arrears. On the last occasion, however, she was unable to do this in respect of either policy, and consequently free policies were obtained in lieu of so much of the business as was eligible therefor. Being imbued, however, with the idea of the necessity of assurance, the whole of her business was re-entered eighteen months since; but by indifferent payments, she has yet once again fallen into arrears, and is now up to the lapsing point. Nothing, therefore, can be done in her case by way of credit surrenders in so far as the existing assurances are concerned, but having several free policies, some portion of one of those may be utilized for the purpose; and, consequently, she is able to obtain the necessary credit surrender up to the desired amount to make her book once again clear; and, to her intense delight, the whole of her present assurances are again placed upon a solid foundation.

And thus the same principle could be applied over and over again, should necessitous circumstances compel, and be indefinitely extended in connection with all policies which have acquired a free policy value. Of course, under endowment assurances, the cash value of the free policy value being greater, smaller amounts would be written off the capital sums assured.

All the time, however, there would be absolutely no incentive for getting into arrear, and every one would have the most lively interest in keeping up to date, as any lack by the policyholders would entail penalities upon themselves.

It will readily be seen that the companies would suffer no loss by the transaction, as, independently of the reduction of the capital sums assured by an equivalent of five per cent compound interest, an enormous saving would be the inevitable result by practically doing away with the unlimited expenses entailed by lapsing, cost of postage, lapse notices, statistical and other most costly work; whilst the duration of the policies would be very greatly increased. And another very important feature would be that nearly, or quite, one-half of the huge sums of outstanding premiums would automatically become available for investment,—a further source of considerable revenue to the companies. Further still, all or nearly all of the contingent expenses of re-entered business would be wiped out, and a vast number of assurers, who having become disheart-

ened by (alleged) losses, lapses, and withdrawals, would be retained in the ranks of the assured, and consequently these would constitute so many more potent influences for the extension and consolidation of the business.

For the complete adaptation of the system, it might very well be that all policies to which an indisputable title could be adduced, should be eligible for credit surrenders by the policyholder, which would include infantile policies under certain ages—unless specifically precluded by the conditions of assurance—and which should be surrenderable for the specific purpose by the parent who had paid the premiums, when such policies had acquired a free policy value.

To me it seems that the setting up of such a system would establish a new era of relationship between the assured and the companies, as at one stroke the companies would—in addition to all previous much-appreciated concessions—give the most powerful manifestation possible of their goodwill towards all assurers and demonstrate—as perhaps nothing else could do—that the all-consuming desire on their part was for the maintenance of all existing assurances until the period of maturity had arrived. Again, the adoption of such a system would forge the greatest instrument of destruction possible against the enemies of industrial assurance, and forever do away with everything in the nature of destructive criticism as to the alleged profits annually totaled by the respective companies from lapsing policies—unfounded and untruthful as these may appear to others better and more fully informed, and who are ever willing to interpret in a liberal spirit the many generous acts of the several companies. And what might be found to prove a greater factor still for the general welfare of the business and induce even more rapid extension of industrial branch assurance would be the incalculable moral effect that the adoption of the system would have in forever doing away with the haunting fear of lapsing, for then every one entering assurance could safely rely upon the fact that after a few years their policies would be practically non-forfeitable.

Any one who has canvassed for new business must know that of obstacles that ever existed to the writing of new proposals, this has ever been the greatest, and that after every other argument had been fully met, answered, and overcome, this one has many and many a time been found to prove the insuperable barrier that neither logic, goodwill, nor common sense could surmount.

Although it has been suggested that only such policies as have acquired a free policy value might be considered in this connection, and the period of qualification in this respect is, in the majority of instances, five years, yet it is felt that by experience, after a few years, the period for credit surrenders might easily be reduced to three years, which the increased prosperity of the companies would make possible. As, however, the main idea is to keep all policies in force the condition must be repeated that under no circumstances whatever should the commutation of the free policy value for cash be permitted in this connection, and the concession should, in every case, be by way of credit note to the respective agent, who would enter the respective amount in the receipt book, and be so certified also by the superintendent, who would also obtain the necessary receipt to forward to the chief office of his company.

With such a system in full operation the necessary machinery would at once be at hand for readily and effectually dealing with such exceptional conditions as, unfortunately, are experienced in the large industrial and commercial centres during periods of strikes, lock-outs, etc. And who could rightly appraise the enormous advantage accruing from being able to effectually prevent at least 80 to 85 per cent of the lapses entailed by the loss of wages at such times, and thus prevent the abnormal waste in energy and the heavy expenses now experienced in those connections.

Of course, the whole scheme would need special instructions and conditions; but as to the probability of a thoroughly sound and workable scheme being devised, I have no doubt whatever, after the respective actuaries had drafted the requisite tables. And, to my mind, the early tangible and continuous results would be (1) an automatic reduction in the capital liabilities of the companies, (2) free policies would be practically unknown in regard to future business, and all the attendant worry, loss, and anxiety in respect of them in the future would be unknown, and consequently the energy expended in that direction in the past could henceforth be devoted to better purpose, and (3) there would be an ever-satisfied clientele, for the simple but sufficient reason that all would ever be in possession of the utmost values obtainable in respect of past and present payments, and, *inter alia*, (4) general stability and contentment would inevitably and permanently prevail, after the same manner as now obtains where payments can be regularly kept up.

I do not claim to have discovered a new heaven and new earth, nor do I say that a contingent consideration has never entered into the heart of man; but, at any rate, here, I firmly believe, is the nucleus or a practical solution of a question which has disturbed the equilibrium of insurance workers for half a century or more.

It is hoped the scheme will commend itself to the favorable consideration of the respective companies, notwithstanding the fact that it has not emanated from the usual seat of authority. And, although some may still prefer to still adhere to the old cast-iron rules and conditions which force the lapsing of policies, with all the attendant drawbacks, yet it is sincerely hoped this will not be the universal attitude adopted; for if there is anything in the usually accepted dictum that lapses mean incalculable loss to the companies, then here are the outlines of a scheme that will speedily obviate that loss, and should therefore be hailed with avidity by the companies, and with the same unanimity as I believe it would be hailed and rejoiced in by all practical insurance men in the country, who daily and hourly come into contact with the millions of industrial branch policyholders.

The fact may also be recognized that in certain circles some of the best inventions have come from other sources than the office, the management and the directorate, and whilst it is ever known that such inventions are at the first perhaps viewed with some coldness, suspicion or scepticism, yet after a while they gradually win their way to favor, are seriously entertained, and are eventually adopted. In this particular instance, however, sound data exists for the conclusions reached, and it is therefore sincerely hoped that no great lapse of time may be suffered to pass before the suggested evolution in industrial branch assurance may become a realized fact.

If, however, I may be permitted to make a request, it is that the columns of the "Commercial World" may be thrown open to as large an extent as possible for further expressions of opinion on the matter.

Thus, for the moment, Mr. Editor, it only remains for me to thank you for the space so generously granted, and to fervently hope that in this instance, as in so many others in the past, it will be found that the "Commercial World" has proved a most valuable ally in the promulgation of a scheme which (as before observed) will, I am persuaded, if adopted, ultimately prove to be one of the most far-reaching and beneficial ever contemplated in the realm of industrial assurance.

To add permanence to its foundations, and to usher in this glorious dawn are the only interests I desire to subserve by this article.

OFFICIAL STATISTICS SHOW THAT FRENCH INDUSTRIAL ACCIDENTS REACHED A NEW HIGH RECORD IN 1912

THE governmental statistics showing the number and character of industrial accidents covered by workmen's compensation laws are slow to make their appearance in all European countries, and, in fact, are generally from one to three years behind date None the less, they are, where they appear, of the greatest importance to students of the subject,—whether they be legislators, commissions or liability insurance men,—in the United States, where we are impulsively passing workmen's compensation laws in State after State, with little exact knowledge to guide those who frame the laws.

More than a year ago [THE MARKET WORLD AND CHRONICLE, January 18, 1913], this paper published a translation of the summary and comment of the French insurance journal, "L'Argus," upon the report of the French Minister of Labor and Social Providence, containing the statistics of industrial accidents in France during 1911. The same journal has now issued a similar summary of the report of the same Minister on French industrial accidents in 1912. The striking fact brought out by the report is that there is virtually no cessation of the disproportionate increase in the number of such accidents from year to year, despite the fact that the growth of the French industrial population, like that of the French population as a whole, is almost negligible. Since 1903, the number of industrial accidents per 1,000 workers in France had in 1912 almost doubled; and in 1912 for the first time the ratio rose above 100 accidents per 1,000 workers,—to be exact, to 108.5 per 1,000, as compared with 99.1 per 1,000 in the previous year. The proportion of accidents causing death and of those causing permanent disability undergoes little change; but the minor accidents calling for compensation and medical expense rise beyond all belief. As the matter is excellently summarized by "L'Argus," it is well to give in translation what that journal has to say about it. The summary is as follows:

* * *

We have before us the latest statistics published by the Minister of Labor and Social Providence, in his report upon the administration during 1912 of the law of June 12, 1893-July 11, 1903, regarding the hygienic conditions and the safeguarding against accidents of industrial workers in France. Once again there is shown in all districts of the country and in almost every branch of industry an increase in the number of accidents, which must be singularly perplexing to the insurance carriers who cover these risks. In fact, the total number of accidents reported in 1912 reached no less a figure than 589,314, as compared with 534,650 in 1910. The increase from 1910 to 1912 was therefore 54,664 accidents, or 10.22 per cent.

Presented boldly thus these figures are insufficient to afford definitive conclusions; for if the number of workers and salaried employes had increased, it might naturally follow that the increase of the number of accidents was simply proportionate to that of the persons exposed. This is clear enough and the striking fact does not lie here. What is particularly serious is the proportion per 1,000 workers of the number of accidents, which grows largely from year to year, as may be seen by the following table:

Number of Accidents Per 1,000 Workers in the Different Branches of Industry.

Year.	Accidents Per 1,000 Workers.	Year.	Accidents Per 1,000 Workers.
1903	54.9	1908	77.9
1904	52.8	1909	82.9
1905	61.3	1910	87.2
1906	70.7	1911	99.1
1907	80.1	1912	108.5

The distribution of the industrial accidents reported, as between the various occupational groups, is given in Table A, appended to this article.

The question now arises as to what may be the cause of this increase in the absolute and in the relative number of accidents which goes from bad to worse with every succeeding year. The answer is that the increase is found solely in the accidents causing temporary disability. The Minister of Labor has something to say upon this point, and this is what it is:

"As regards the fatal accidents and those resulting in a permanent disability, the figures of the successive years show only fluctuations, without any continuous tendency towards an increase; on the contrary, the category of accidents that have given rise to a temporary disability accounts, so to speak, for the entire increase found in the total number of reported accidents.

"Now, it is above all as regards this category of accidents that the increase in the relative number of accidents reported is affected by the more or less widespread knowledge of the advantages that may be derived from the law. From the beginning, the serious

TABLE A.—NUMBER OF REPORTED ACCIDENTS CAUSING DISABILITY OF OVER FOUR DAYS PER 1,000 WORKERS AND SALARIED EMPLOYES.

Industrial Group.	1903.	1904.	1905.	1906.	1907.	1908.	1909.	1910.	1911.	1912.
Foodstuffs manufacturers	45.1	42.8	47.3	52.3	51.2	58.2	65.5	67.3	77.7	78.0
Chemical industries	93.1	96.9	122.4	144.7	150.9	146.9	143.4	149.6	162.9	173.0
Rubber, paper, cardboard	47.5	50.8	59.7	73.7	78.3	73.8	79.0	78.2	81.9	87.3
Publishers	23.7	25.7	29.5	31.8	35.1	33.5	38.2	38.9	41.6	42.7
Textile industries proper	23.0	22.7	25.9	31.8	35.9	33.6	39.6	42.0	42.6	44.3
Clothing manufacturers	4.8	4.6	5.8	6.6	8.2	8.1	9.5	10.6	12.0	13.3
Straw, feather and hair work	13.9	9.7	11.2	15.5	20.1	25.4	26.2	28.4	28.9	27.3
Leather and hides	24.6	24.8	24.4	32.3	36.2	33.5	38.9	41.9	43.8	49.7
Wood-working industries	54.6	54.1	63.6	68.8	76.7	73.2	77.2	81.5	94.0	100.1
Metallurgical industries	190.7	213.0	257.4	292.3	298.5	267.3	277.6	303.1	310.9	363.5
Ordinary metal workers	95.2	97.8	114.5	136.2	152.9	143.9	149.2	155.6	182.7	200.6
Precious metal workers	17.0	16.3	18.3	21.8	29.7	22.3	21.9	27.1	27.6	31.5
Precious stone cutting	35.1	18.9	15.5	21.5	16.5	15.8	13.9	8.8	13.8	15.7
Stone cutting and mill work	49.9	50.1	53.4	59.1	57.6	61.3	67.5	71.0	78.9	95.6
Earthwork and stone construction	116.3	108.7	123.7	140.3	149.4	153.9	156.8	165.5	190.6	207.8
Pottery and porcelain	54.8	55.9	64.6	79.6	87.2	82.5	82.2	83.7	88.9	102.1
Trade	..	35.9	34.1	44.8	62.4	65.4	71.4	77.1	88.7	93.0
Foreign commerce, theatre employes and business	....	....	....	....	12.3	14.1	21.0	26.3	29.2	39.3
Banking, insurance, etc.	....	....	....	....	0.7	2.3	4.3	2.8	4.4	4.0
Summary for all industries subject to the inspection of the Department of Labor	54.9	52.8	61.3	70.7	80.1	77.9	82.9	87.2	99.1	108.5

Corrected figures.

accidents have been reported with a decided regularity of occurrence. On the other hand, in the earlier period of the operation of the law, when it was a question of slight accidents likely to occasion merely inability to work for a short space of time, those concerned often neglected to make any report at all about them. This inattention tends naturally to disappear in proportion as those concerned become familiar with the operation of the law and grow to know better the benefits for themselves which they may derive from it.

"Accordingly, it is more than probable that the figures cited above disclose rather an increase of the reports of accidents than a growth of the accident risk itself."

The second table which we give (Table B) indicates the proportion of accidents per 1,000 workers in the several occupational groups and the consequences resulting from the accidents, whether death, permanent disability or temporary disability. It is easy to see from the figures that, while the severe accidents maintain fairly constant in number, just the reverse is the case for the accidents causing temporary disability.

And now we would particularly call to the attention of the insurers of industrial accident risks the following words of the Minister of Labor, already quoted above:

"This inattention (to making reports of slight accidents) tends naturally to disappear in proportion as those concerned become familiar with the operation of the law and grow to know better the benefits for themselves which they may derive from it."

In this very statement, in fact, is to be found the weak side of a law, for which it is hard indeed to apply a remedy. There is nothing more natural or more legitimate than for a workingman to assert his rights in proportion as he becomes better acquainted with a law which is so favorable to him. But how great is the number of those workers who take advantage of the slightest accident in order to exaggerate its severity! How many there are who are almost pushed in this direction by culpable shutting of the eyes to abuses! This is the kind of thing that fails to be apparent in the statistics; but there is no one familiar with the matter who does not know that cases of this kind unhappily are very abundant.

It is impossible for the insurers to prevent altogether fraud and simulation in industrial accident cases. Nevertheless, every time they discover the one or the other, it is their bounden duty to make it public and to have it punished. Otherwise the contagion of example would be such that one cannot avoid asking oneself the question whether it would long be possible for the insurers to cover at all the risks which they are now underwriting in this field.

THE PROGRESS OF LIVE STOCK INSURANCE IN BELGIUM*

IN West Flanders live stock insurance has been compulsory since 1837, and entitles to compensation for losses due to slaughter of live stock ordered by the public authorities and the rejection of the meat as unsuited for consumption.

In 1911 the business done by the West Flanders Compulsory Live Stock Insurance Fund was as follows (franc = 19.5 cents):

NUMBER OF HEAD OF LIVE STOCK INSURED.

Horned cattle, three months or more old	290,017
Horses, one year or more old	40,753
Sheep, three months or more old	16,077
Mules, one year or more old	2,083
Asses, one year or more old	413
Total	349,343

AMOUNT OF PREMIUM.

Horned cattle	72,926.50	at the rate of 0.25 fr. per head, three months old or over.
Horses	20,777.50	at the rate of 0.50 fr. per head, one year old or over.
Sheep	637.95	at the rate of 0.03 fr. per head, three months old or over.
Mules	621.60	at the rate of 0.30 fr. per head, one year old or over.
Asses	61.65	at the rate of 0.15 fr. per head, one year old or over.
Total	95,025.20	

AMOUNT OF CLAIMS PAID.

	Francs.
For 488 horses (maximum 60 fr)	28,996.50
For 1,753 head of horned cattle (ordinary cases)	135,307.58
For 1 head of horned cattle (tuberculosis, supplementary compensation)	9.35
For 63 head of horned cattle (anthrax, supplementary compensation)	1,789.12
For 170 head of horned cattle (aphthous fever, supplementary compensation)	2,749.88
For 28 mules (maximum 20 fr.)	395.00
For 7 asses (maximum 20 fr.)	140.00
For 155 sheep	1,396.25
For 2,657 head of live stock in all	170,783.68

On January 1, 1912, the fund amounted to 1,554,575.94 francs.

In the Province of Antwerp there is a Voluntary Live Stock Insurance Fund, to which 4,252 farmers belonged in 1911, who had insured 12,208 head of horned cattle for 5,206,225 francs. The amount paid in claims was 143,448 francs.

In the other Provinces live stock are insured by local mutual

*Adapted from the "Bulletin of Economic and Social Intelligence," Rome.

TABLE B.—NUMBER OF ACCIDENTS CAUSING DEATH, PERMANENT DISABILITY AND TEMPORARY DISABILITY PER 1,000 WORKERS AND SALARIED EMPLOYES.

Industrial Group.	Deaths						Permanent Incapacity						Temporary Incapacity					
	1907.	1908.	1909.	1910.	1911.	1912.	1907.	1908.	1909.	1910.	1911.	1912.	1907.	1908.	1909.	1910.	1911.	1912.
Foodstuffs manufacturers	0.3	0.3	0.3	0.2	0.3	0.3	0.7	0.6	0.7	0.7	0.7	0.8	55.3	56.2	63.5	65.4	75.8	76.1
Chemical industries	0.4	0.5	0.4	0.5	0.6	0.5	1.2	1.2	0.9	1.2	1.2	1.0	146.7	143.5	140.3	145.8	159.2	170.0
Rubber, paper, cardboard	0.3	0.3	0.2	0.2	0.3	0.2	1.5	1.4	1.3	1.7	1.7	1.7	75.2	71.1	76.6	75.3	79.2	84.5
Publishers	0.03	0.06	0.07	0.01	0.04	0.04	0.8	0.6	0.7	0.8	0.8	0.6	33.8	32.1	36.8	37.5	39.9	41.0
Textile industries proper	0.06	0.07	0.06	0.05	0.07	0.06	0.8	0.7	0.8	0.7	0.7	0.6	34.9	32.7	38.5	41.0	41.7	43.4
Clothing manufacturers	0.02	0.01	0.01	0.04	0.01	0.02	0.1	0.1	0.1	0.1	0.1	0.1	8.0	7.8	9.1	10.2	11.7	12.9
Straw, feather and hair work	0.06	....	0.06	0.1	....	....	0.06	0.4	0.3	0.5	0.1	0.3	19.6	24.5	24.8	27.4	28.4	26.5
Leather and hides	0.1	0.07	0.09	0.1	0.1	0.04	0.57	0.4	0.6	0.7	0.5	0.8	35.0	32.6	37.7	40.6	42.7	48.3
Wood-working industries	0.2	0.3	0.2	0.2	0.3	0.3	2.4	2.2	2.3	2.4	2.3	2.5	72.6	69.4	73.3	77.5	89.7	95.8
Metallurgical industries	0.78	0.5	0.6	0.6	0.8	1.0	2.4	2.4	2.7	2.7	2.4	3.0	294.3	263.3	273.5	299.2	307.3	359.0
Ordinary metal workers	0.3	0.2	0.2	0.2	0.2	0.3	2.1	2.0	1.9	2.0	2.0	2.0	149.1	140.0	145.5	151.7	178.7	196.5
Precious metal workers	0.1	0.2	...	...	0.04	0.05	0.2	0.5	0.3	0.4	0.2	0.5	28.8	21.0	21.0	26.0	26.6	30.0
Precious stone cutting	...	...	...	..	...	0.2	...	0.8	...	0.6	0.2	...	16.5	15.0	13.9	7.6	13.6	15.4
Stone cutting and mill work	0.4	0.3	0.2	0.4	0.2	0.3	0.9	1.1	1.0	0.7	0.9	0.9	54.7	58.8	65.0	68.9	76.9	92.9
Earthwork and stone construction	1.4	1.4	1.3	1.3	1.5	1.4	2.2	2.3	2.0	2.1	2.1	2.0	142.4	146.5	149.9	157.1	184.6	201.1
Pottery and porcelain	0.4	0.2	0.3	0.2	0.2	0.2	0.98	1.0	0.9	1.0	0.9	0.8	84.7	80.2	80.1	81.8	87.3	100.5
Trade	0.3	0.3	0.2	0.2	0.3	0.4	0.06	0.7	0.7	0.7	0.6	0.7	60.6	63.0	69.3	74.6	86.1	90.2
Foreign commerce, theatre employes and business	0.07	0.1	0.2	0.2	0.09	0.4	0.14	0.06	0.7	0.8	0.9	1.1	11.7	13.3	19.3	24.6	27.0	36.2
Banking, insurance, etc	...	...	0.03	0.03	0.07	0.1	0.03	...	...	0.1	0.05	0.2	0.7	2.2	3.6	2.3	3.9	3.6
Summary for all industries subject to the Inspection of the Department of Labor																		

societies, generally paying compensation to the amount of two-thirds of the value of the animals lost.

In West Flanders and the Province of Antwerp such societies form a useful supplement to the above funds.

We shall now give some information in regard to the insurance of the various kinds of animals.

(a) Insurance of Horned Cattle.

Voluntary horned cattle insurance made considerable progress in 1911. On December 31 of that year there were in Belgium 1,339 mutual societies (1,266 of them recognized societies), with altogether 115,246 members. They insured 320,605 head of horned cattle for an amount of 119,604,026 francs.

The losses in the year were 9,444. In 1,486 cases Government gave compensation to a total amount of 160,541 francs. In addition to the Government assistance and the proceeds from the sale of live stock, the total claims paid by the societies amounted to 1,555,441 francs. The amounts received from members (premiums, entrance fees, etc.) in 1911 came to 1,028,269 francs. The assets of the societies on December 31 of that year amounted to 1,192,745 francs.

The 1,339 societies were distributed as follows in the various Provinces: East Flanders, 278; Brabant, 237; Limbourg, 173; Antwerp, 143; Liège, 131; Luxembourg, 120; Namur, 109; Hainaut, 92; West Flanders, 56. Most of the local mutual societies are united in Federations or Provincial reinsurance societies. There were sixteen of such federations doing business in 1911. The following table gives a summary of their transactions for that year:

	Totals.
Number of local societies affiliated to the federations	927
Number of cattle insured by local societies	247,280
Amount of compensation granted by federations (francs)	429,195
Working expenses of federations (francs)	15,067
Amount of premiums paid by societies to reinsurance societies (francs)	252,155
Subsidies from the Provinces (francs)	52,204
Subsidies from the Government (francs)	162,707
Surplus of federations on December 31, 1911 (francs)	365,305

Of 1,266 legally recognized mutual societies as shown above, 9.27 or 73.22 per cent were reinsured.

(b) Farm Horse and Stallion Insurance.

Farm horses were insured in Belgium in 1911 by 250 recognized mutual societies, with 33,344 members, distributed as follows according to Province; East Flanders, 51; Brabant, 44; Limbourg, 43; West Flanders, 40; Antwerp, 31; Luxembourg, 19; Liège, 13; Hainaut, 7; Namur, 2. They insured 68,855 horses of a total value of 64,035,820 francs.

The number of losses in the year was 1,920 and the amount paid in claims was 982,006 francs. Premiums had been collected to the amount of 995,138 francs. On December 31 the assets of these societies amounted to 792,589 francs.

Like the mutual horned cattle insurance societies these we are now considering also reinsure to a large extent. And in fact of the 250 mutual societies existing 242 were reinsured, distributed in 11 federations. These 242 societies had altogether reinsured 51,958 horses, for an amount of 254,303 francs, to which must be added 23,176 francs, in provincial subventions, and 157,260 francs, Government subvention. In the same year these federations paid claims to their members to the amount of 435,864 francs.

It must, finally, be mentioned that at the same date there were in Belgium 7 mutual stallion insurance societies with 743 members, insuring 1,007 stallions for an amount of 3,820,600 francs. In the year there were 27 losses, for which the societies had to pay 98,475 francs in claims to members from whom they had collected premiums to the amount of 59,499 francs. On December 31, 1911, the total assets of these societies amounted to 133,004 francs.

(c) Goat Insurance Societies.

In 1911 there were 494 goat insurance societies, most of them in East Flanders (216) and West Flanders (195). They had 47,560 members and had insured 63,785 head for an amount of 1,240,383 francs.

In the year there were 4,934 losses, for which the societies had to pay 47,810 francs in compensation to members from whom they had collected in premiums 39,794 francs.

These risks also are reinsured by 479 societies, united in 5 federations.

(d) Pig Insurance Societies.

This branch of insurance is less common. From the statistical report we see that there were only 149 mutual societies of the kind, insuring 23,695 pigs, belonging to 11,994 members. There are also pig reinsurance societies. In 1911 there were six, to which 128 societies were affiliated.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Strike Insurance in Germany.—So-called strike insurance, writes Vice-Consul General D. C. Poole, Jr., of Berlin, has been developed in Germany by employers' protective associations. It is not written by companies organized for profit and doing business under the insurance laws of the Empire.

In some cases it is not insurance, properly conceived, at all, but consists only in the possible receipt by those who suffer damage through labor disturbances of indemnities from the treasury of the association to which they belong The amount of the indemnity is fixed in accordance with the merits and exigencies of each case. Of the 198 employers' organizations engaged with strike insurance at the end of 1911, fifty offered it in this form: Seventy-seven paid cash indemnities in accordance with definite rules set down in their by-laws, fifty-four belonged to central unions offering insurance facilities, and seventeen maintained insurance societies of their own.

These societies, which are voluntary organizations subsidiary to the associations which maintain them, do a real insurance business. They are organized on the mutual system. The following statement of their usual conditions and premiums is taken from Manes' "Versicherungslexicon, Ergänzungsband für die Jahre 1908 bis 1912 (Tübingen, 1913)":

The premium amounts as a rule to at least one-half per mille, most often to 1 per mille of the sum of the wages paid. In nearly all cases the right to increase the premium up to 3 per mille is provided for. As indemnity in the case of justified strikes 25 per cent of the average sum of the wages paid daily to the laborers, or 1 per mille of the year's wages, or 1 mark (23.8 cents) per day and laborer, or 10 per cent of the week's wages, is paid, generally for an unlimited time, but in some instances only for a limited period—for example, 100 days. In all cases the per cent of the indemnity payments diminishes with the number of the striking and locked-out laborers. For example, 20 per cent per laborer and strike day of the average daily wages is paid if not more than twenty laborers are striking; 17½ per cent if from twenty-one to fifty; and 15 per cent if more than fifty.

The determination of the question whether or not a strike is justified, that is, whether or not the employer is justified in the position he has taken with reference to the point or points at issue, is universally left to the decision of a committee of his fellow-employers in the same branch. The organization of these committees is variously regulated. The insurance extends to damage to movable and immovable property, general expenses continuing

during a strike, loss of profits in consequence of a strike, similar losses so far as they may be brought about by the reaction of strikes abroad, and to diminution in the worth of stock on hand or of output, as the case may be.

An attempt was made in 1910 to secure statistics as to the incomes and expenditures of the seventeen insurance societies referred to. Only four made returns. The aggregate receipts of these four were $62,600 and their expenditures $39,500. The capital assets of six societies which made returns as to this feature of their business totaled $135,700 at the end of 1910.

The development of strike insurance runs parallel with the history of the employers' associations which have created it. Begun in Hamburg following labor troubles in the early 70's it spread elsewhere, always in the wake of serious strikes, attaining its present stage of development in the first decade of this century. In 1904 two central unions of employers' associations were formed, the Hauptstelle deutscher Arbeitgeberverbände and the Verein deutscher Arbeitgeberverbände (Headquarters and Union, respectively, of German Employers' Associations). The Union made the creation of strike insurance societies one of its special aims and soon organized a central reinsurance office. The Headquarters adopted a contrary policy at the outset, leaving the matter of strike insurance to its constituent associations. As a demand for reinsurance facilities grew, however, a reversal occurred, and in 1906 the Schutzverband für Streikschäden (Protective Union for Strike Damages) was formed. Some fifty-three organizations interested in strike insurance now adhere to it, among which the textile industry is most largely represented.

The 198 organizations maintaining strike insurance arrangements of one kind or another at the end of 1911 embraced 47,000 employers giving work to 2,300,000 laborers. The largest percentage (37.6) of the employers was in the building trades. In the metal trades, however, the highest percentage of laborers was employed by insured employers, namely, 26.7 per cent of all the laborers in this branch.

* * *

Tendency to Revert to Voluntary Social Insurance in England.—On July 9 Sir Richard Cooper, M. P. for Walsall, introduced into the House of Commons a bill of eighty clauses, entitled the Voluntary National Insurance Bill, says the "Insurance Record," of London, which has for its object the repeal of the compulsory insurance act and the substitution of a State-aided voluntary scheme. The bill is intended to secure common freedom for the workers, to re-establish the Truck Acts, and to restore self-government and the spirti of voluntary co-operation to the friendly societies and trade unions of the country. Its chief features are:

1. It makes insurance on the part of the workers entirely voluntary.
2. It restores self-government and responsibility to the friendly societies and trade unions.
3. It holds out inducements to the workers to become insured by offering subsidies derived from taxation.
4. It provides special relief for the low-paid workers.
5. It abolishes the Post Office depositors by providing a special "Associate" section in the approved societies.
6. It abolishes the stamps, cards, and deductions from wages.

Under the new bill any person over sixteen and earning less than £160 a year, whether an employer, wage-earner, or independent worker may be insured by paying a weekly contribution of 3d. or 4d. to an approved society, in return for which he will receive benefits similar to those of the present act, but the administration of those benefits will be left to the friendly societies and trade unions. These approved societies will be invited to form separate sections for the uninsurable lives now in the Post Office, who will be known as "associate members," and receive slightly reduced benefits which will be guaranteed by the State.

Any adult member of an approved society earning less than 14s. a week will be entitled to free insurance, while those earning less than a guinea a week and having dependents can obtain the benefits for one penny a week. Consumptives will be dealt with in a further bill to be introduced later.

The administration of unemployment benefit is removed from the control of the labor exchanges and entrusted to associations of workmen to be formed for the purpose, and to bodies already in existence, such as trade unions.

Provision is made to reduce the number of officials and to replace the four commissions by one responsible body. The largest possible amount of self-government as regards rules, valuation, benefit, etc., is restored to the friendly societies and trade unions, State interference being strictly limited.

Persons wishing to be insured will make their own payments to their own societies. Employers will be relieved of the task of collecting taxes from their workers, and will no longer be entitled to deduct from wages or insist on the production of a card.

The subsidy will be raised in part through the ordinary channels of taxation and in part by a system of licenses to be taken out by employers in respect of each person employed. The duty will be less than the amount of the present employers' tax and will be payable direct to the State on similar lines to the man-servant tax.

Every effort has been made to simplify the change from the compulsory to the voluntary system and those at present insured will have the choice of continuing their insurance or of receiving suitable compensation should they wish to withdraw from the scheme.

* * *

Fire Reinsurance in the United States, 1903 and 1913.—Figures compiled and published by the "Western Underwriter," of Chicago, show that agency fire insurance companies reporting to the New York Insurance Department had reinsured in admitted companies, both reinsurance and agency companies, 17.25 per cent of the business in force at the end of 1913, making present net retentions 82.75 per cent. Ten years ago, in 1903, agency companies reporting to the same department had reinsured 11.16 per cent of the business in force.

The total premiums in force of agency companies in 1913 were $608,034,801 and in 1903 $310,940,401. In 1903 $34,688,101 in premiums was reinsured, while in 1913 reinsured premiums amounted to $104,862,205, an increase of $70,174,104. Not all of the business was in reinsurance companies, of course. Some was peddled over the counter to other agency companies, some of it went to other agency companies via reinsurance bureaus and some went to other agency companies by treaties. The increase in reinsurance, proportionate to the increase in business, has thus been 54 per cent in ten years. The actual increase in business reinsured, however, has been 202 per cent, while the actual increase in total business written by agency companies has been 96 per cent. Put in a different way the amount of premiums on reinsured business has just about tripled in ten years while the total business of agency companies has not quite doubled.

As might, perhaps, be expected, foreign agency companies show a larger percentage of business reinsured than American agency companies. American companies, in 1913, reinsured $76,322,175, or 16.28 per cent, out of total premiums in force of $468,936,722, against $23,897,340, or 10.56 per cent, out of total premiums in force of $226,365,587 in 1903. Foreign companies in 1913 ceded $28,540,030, or 20.51 per cent, out of premiums in force of $139,-

098,079, and in 1903 ceded $10,790,761, or 12.76 per cent, out of $84,574,814.

* * *

Final Figures of the New York Insurance Deaprtment on "Miscellaneous" Companies.—Part III of the annual report of the State Insurance Department was issued on August 24 by Superintendent of Insurance Hasbrouck. This volume covers the financial statements of the general Casualty, Credit, Fidelity and Surety and Real Estate Title and Mortgage Guarantee Companies operating in New York State, for the year ended December 31, 1913. In several instances the results of regular departmental examinations made as of December 31 have been substituted in place of companies' returns; this, for the reason, that such examinations are in the nature of things much more thorough than any mere office audit could be and therefore more nearly reflect the actual financial condition of a company from a departmental standpoint.

A comparison of the figures contained in this volume with those of the pamphlet of preliminary tables published by the department early in April last and prior to the audit of the statements shows that a number of material changes have resulted from such audit.

The appended comparative tabulation gives the results of the business for 1912 and 1913:

CASUALTY, CREDIT, FIDELITY AND SURETY COMPANIES.

	1912.	1913.
Assets	$162,406,391	$169,773,657
Reserves for unpaid losses	$26,499,309	$28,487,667
Unearned premium reserve	50,105,192	52,941,394
Other liabilities	12,132,371	11,939,810
Total liabilities except capital	$88,736,872	$93,368,871
Capital stock	38,342,525	43,100,275
Surplus	35,326,994	33,304,511
Premiums	$110,951,393	$122,430,764
Other income	11,174,181	13,966,770
Total income	$122,125,574	$136,397,534
Claims paid policyholders	$43,197,657	$53,984,837
Shareholders dividends	5,864,307	5,877,806
Expenses	60,023,009	68,657,791
Total disbursements	$109,090,973	$128,520,434

TITLE AND MORTGAGE GUARANTEE COMPANIES.

Assets	$52,410,263	$99,684,805
Liabilities except capital	15,906,861	46,723,447
Capital stock	19,759,271	24,834,400
Surplus	16,744,131	28,126,958
Income	6,865,593	10,291,035
Disbursements	5,859,445	10,146,375

* * *

Insurance in Finland in 1912.—From the recently published Official Year Book of Insurance in Finland, it is possible to compile the following summary of the total premiums paid in Finland in 1912 in respect to the various branches of insurance (1 mark equals 19½ cents):

Class of Business.	Finnish Companies (m).	Foreign Companies (m).
Life and annuity	21,120,319	1,628,768
Accident	1,980,546	82,177
Fire	7,955,000	1,141,316
Marine	1,580,478	254,248
Glass	32,724	2,448
Live stock	367,872	.....
Burglary	27,353	.....
Strike	203,350	.....
Fidelity guarantee	944	.....
Totals	33,268,586	3,108,957

* Figures for four large mutual companies. There are also 105 small local mutuals for which figures are not available.

In reviewing the statistics it must be borne in mind that, except where otherwise stated, the figures are gross, and that, as the Russian companies are exempt from rendering returns to the Finish Government, the actual figures of these latter cannot in the generality of cases be included.

* * *

What the World's Insurance Congress May Well Discuss.—President Forrest F. Dryden, President of the Prudential Insurance Company of America, at the request of Commissioner Hathaway, who is to be in charge of the World's Insurance Congress to be held next year in connection with the Panama-Pacific International Exposition in San Francisco, has prepared a brief article, upon the matters which should be made the main topics of discussion at the meetings of the Congress. The suggestions of President Dryden are chiefly in the direction of having the Congress give its attention preponderantly to the economic, social, political and educational side of insurance, rather than to the technical matters concerning primarily the several branches of insurance themselves or to the business of insurance in its several forms. President Dryden says, in part:

* * *

The present occasion suggests a few subjects which can properly receive special consideration on the part of the World's Insurance Congress, and in connection with the discussion of which the foremost authorities might express judgment for the betterment of conditions under which the business can be developed to a still higher degree of usefulness in the years to come.

First: The subject of taxation of insurance, as a social and economic problem, should receive the unqualified attention not only of men familiar with the practice of insurance, but also of economists and those versed in the intricacies of public finance. The amount paid in taxes, licenses and fees by life insurance companies alone in 1912 was $15,000,000, equivalent to 2.24 per cent of the premium receipts.

Second: The commercial aspects of insurance should be brought out, in a thorough study of every phase of insurance activity, along new lines, so as to establish beyond a question of reasonable doubt that, as a matter of fact and historical experience, insurance is, and always has been, an integral element of commerce in the commercial relations of all mankind.

Third: The more effective and comprehensive supervision of new forms of insurance, based, possibly, on erroneous principles—actuarial, financial or other—so that the prestige of the business may be enhanced and that the chances of unintentional error or deliberate fraud may be reduced to a minimum. Also, the question of Federal supervision of insurance.

Fourth: The most effective co-ordination of life and other forms of insurance to public health activities, including all forms of social betterment aiming directly or indirectly towards an increase in longevity and a reduction in the death rate from preventable diseases.

Fifth: The problem of social insurance should be frankly discussed from the point of view of private enterprise, as related to the nation-wide interest in questions which are receiving an increasing amount of attention, best illustrated in the forthcoming International Congress on Social Insurance, to be held in this country in 1915. It is important that the institutions serving social insurance purposes in this country at the present time shall have the facts of their experience properly presented for public consideration, and that the enormous benefit resulting therefrom shall not be obscured by purely theoretical conditions of compulsory insurance methods abroad.

Sixth: The more effective and practical teaching of insurance as a science in universities, commercial high schools, etc., and the most suitable methods of including the elementary facts and prin-

ciples of insurance in all its branches in the study of business methods, commercial arithmetic, commercial law, etc.

Seventh: Finally, the Congress could consider the practicability of establishing a national institute for insurance science, in which all branches of insurance should be presented for the information and instruction of the public, as an aid towards a better understanding of the elementary facts of insurance experience and a guide in the framing of wise legislation for the supervision and control of a business which, in recent years, has assumed very large proportions. Such an institute, as implied in the foregoing suggestion, should also include an insurance museum for the collection and preservation of insurance literature, insurance experience, and the documentary methods and means by which the business has been carried on in the past, and is being carried on at the present time. This plan would tend measurably to advance the dignity of insurance as a social institution, and make manifest in the most convenient form the services rendered by sound insurance in all its branches to governmental, associated or individual efforts to make the world a better place to live in by eliminating the risks of the individual life. Such an institute would also serve as a means of welding together all of the numerous and at present widely separated insurance interests into one vast national and even international organization for the development and conservation of insurance as a science and an art making effectively and progressively for human betterment.

Along the line of the foregoing suggestions, the World's Congress on Insurance can, I believe, be made the most memorable event in the modern history of insurance; and the results of the vast gathering to be held can be made to promote the good of the business and the good of the people.

INSURANCE NEWS IN THE WEST

The Annual Meeting of the National Association of Insurance Agents.—The National Association of Insurance Agents continues to move forward. Last week's annual meeting at Minneapolis was eminently satisfactory to the members present. The attendance was not as large as at some meetings held in more central locations, but it was representative of a large area. Nearly all the Southern States had one or more delegates present.

With the possible exception of loss of business to large city brokers the question in which the members showed the deepest interest was that of underwriters' agencies. It came to the front in the president's address, in committee reports, in discussions and was the subject of the paper that probably attracted most attention. This paper was by C. H. Shamel, special counsel of the Illinois department, who took the place of Superintendent Rufus M. Potts, who was unable to be present. It was probably the strongest attack on underwriters' agencies on the grounds of common and statute law and public policy which has yet been presented. The association is going to print it for general distribution. It will censor it to some extent, so 'tis said, as the very bitterness of it detracted from its effectiveness, in the opinion of some who thought it a great paper. Hopeful ones among the members believe the Illinois department will win its fight on these institutions and thus open the way for similar victories for their cause elsewhere.

Progress was made towards getting an agents' qualifications law by securing the promise of Commissioner Preus, of Minnesota, to draft a bill for that purpose. Mr. Preus discussed this subject in one of the best speeches before the meeting. He approached it from the standpoint of the benefit to the public rather than to the agent and his position was the stronger for that reason. James F. Joseph, vice-president of the Sterling Fire, read a fine paper on "Jumbo Lines and Reinsurance Treaties." He charged to the agents the growth of this system and also the accompanying growth of underwriters' agencies and the spreading of small companies to smaller towns. Most of the agents agreed with him, but it is a question how far they will go in practice in trying to influence their companies in favor of net lines. W. S. Diggs, president of the Insurance Federation of Ohio, disseminated the federation idea in an address delivered by him. This is a comparatively new topic to agents of most States, but some have already shown an interest in it, foreseeing dangers to the insurance business generally unless the agents combine to protect their interests. The association will support the fight to get a court decision overruling the contention of the receivers of the Guardian Fire and of the American Union that agents must pay return commissions on unearned premiums of defunct companies.

* * *

Activity of Phoenix of London in the West.—One of the first outward evidences of the change which has come over the Western department of the Phoenix of London was the maintenance of "headquarters" by that good old company in the Hotel Radisson during the meeting of the National Association of Insurance Agents at Minneapolis last week. State Agent J. R. Hall, of Minnesota, was in charge. The room was on the same floor as the convention hall and so located that delegates had to pass it several times a day. Mr. Hall made everybody welcome and dispensed hospitality. The Phoenix was the only company that had headquarters in connection with the meeting.

* * *

Opposition to Constitutional Amendment in Wisconsin.—Considerable hard work is being done in Wisconsin in the effort to defeat the constitutional amendments which will be voted upon in November, under which the State could engage in the insurance business and issue real policies with the credit of the State behind them. It is not at all certain, however, that they will be defeated. In the past it has been customary for only a small percentage of the electors to vote upon constitutional amendments. The Socialists in the State number about 40,000, and their party has declared in favor of the insurance amendments. Of course, some besides Socialists will vote for them. The question is whether enough can be mustered against them to offset this vote. Insurance men are not alone in fighting these amendments. Some of the bankers are taking a hand also, as they see that theirs might easily be the next line the State would want to take over, once it gets well launched on its commercial career.

* * *

Missouri and Workmen's Compensation.—The Missouri workmen's compensation commission called a hearing at Kansas City for Thursday of this week to give those interested an opportunity to discuss the four bills which the commission has prepared. One is the workmen's compensation measure and another is a bill to provide for organization of mutual liability companies, a measure that frequently accompanies a workmen's compensation bill. Another provides for creation of an industrial commission to administer the workmen's compensation law and also to perform several other functions, now performed by various State officers, whose offices will be abolished if this bill becomes law. The remaining one in the series provides for the support of the industrial commission by taxing employers' liability and workmen's compensation premiums 5 per cent. This measure, which caused considerable criticism, was drawn because it was recognized that some of the other bills in the group could not pass without it. It was regarded

essential that the industrial commission have charge of factory inspection and certain other activities if a workmen's compensation law was to be administered in a way to produce most satisfaction. The commission which drafted the bills having decided that it was best to provide for insurance in companies and not in a State fund, it was believed that strong objections would be made to taxing the public generally for the supervision of the operation of insurance companies, as many taxpayers would regard the administration of the compensation law. Hence it was held advisable to tax this cost upon the companies, just as is done for the support of insurance departments and, in most Western States, for fire marshal departments.

* * *

Shortly after the Towner Rating Bureau promulgated the new contract rate of 1 per cent where the surety is directly liable to those who furnish labor or material to contractors, certain surety men in Cleveland began negotiations with the proper public officials and boards to get the form of bonds in use there changed. They were so drawn as to require the new rate. Last week county, city and board of education officials agreed to forms under which the surety is not directly liable to laborers and material men, thus making the old 50-cent rate obtain.

LA SALLE

Chicago, August 28, 1914.

ITEMS OF INSURANCE NEWS.

The United States League of Building Loan Associations was held recently in Washington, D. C. The reports show assets in thirty-one States $1,248,478,139, an increase of $110,878,491. Total number of associations 6,429, with membership of 2,836,433.

The Tennessee vital statistics for June has been issued and shows the total deaths were 2,921; total births, 4,344; death rate per 1,000 population, 15.5 per cent; birth rate, 23.1 per cent.

The total premium collections for fire insurance in San Francisco, during the first half of 1914 amounted to $1,989,509, a small gain over the first half of last year.

The annual report of the life insurance business in Hawaii has been received. Eleven American companies have 6,858 policies in force there for $19,449,500 of insurance, of which 1,271 policies for $2,855,347 of insurance were issued in 1913. The policies ceasing to be in force during the year were 522, representing $1,129,941 of insurance. Losses incurred during the year are reported as $193,133.42 and the losses paid as $224,390.16. The total premiums collected were $700,460 55. The total fire premiums written in the islands for 1913 were $567,821 and losses $87,630.

At the second annual meeting of the Mutual Life Underwriters, held last week at Macknac Island, Mich., the following officers were elected for the coming year: President, Nelson O. Tiffany; vice-president, Dr. G. W. Hopkins; secretary, Nelson O. Tiffany, Jr.; executive committee, F. J. Kuhlemeier, chairman; S. S. Hallam, J. C. Peasley; law committee, Hon. J. P. Hewitt, Edward M. Martin, John J. Seerley, Harry D. Williams, S. S. Hallam.

The suit to test the constitutionality of the Kentucky workmen's compensation law has been filed in the Circuit Court at Frankfort, Ky., by Robert Caldwell, acting counsel for the Workmen's Compensation Board. The defendant is the State Journal Company of Frankfort, which has refused to fill out blanks showing the number of men it employs, etc. The suit is a friendly one, as the defendant has no objections to complying with the act.

Commissioner Keating, of Montana, has ruled that while, under an opinion of the Attorney General, fire companies cannot under the Montana law write live stock insurance, live stock in buildings may be insured against fire as part of the contents of the building.

The California State Workmen's Compensation Fund has offered 5 per cent commission to postmasters of the third and fourth class as an inducement to procure workmen's compensation insurance for the Fund.

It is believed that a law will be introduced at the coming session of the California Legislature to provide health and sickness insurance for industrial workers.

An examination of injured employes during the past seven months shows that a large proportion of accidents under workmen's compensation have occurred to workmen who are physically imperfect. Some who are making a study of the question believe that the time is not far distant when workmen physically imperfect will receive a graded scale of wages according to physical condition. This will necessarily bring the law in conflict with the labor unions.

No shingles are to be permitted on the buildings which may be erected on the burned district of Salem, Mass. The new building code which was passed this week by the Salem rebuilding commission specifies that all roofs must be of slate, tile, terra cotta, metal or some other equally incombustible material.

The New York Workmen's Compensation Commission announced on Monday that it had instructed its counsel to appear in court for an employe who is a policyholder in the State fund. Its action grew out of the case of an employe who was injured in a small market where some meat products were manufactured. He claimed that the occupation was not included under the compensation act, although the commission ruled to the contrary, and instituted suit for damages at common law. The action taken by the commission shows that the State fund will protect its policyholders by furnishing counsel to defend suits of this character.

The stockholders of the Royal Life, of Chicago, last week voted to increase the company's capital from $100,000 to $200,000, and to add health and accident insurance to the life insurance which has heretofore been its only line.

R. R. Tuttle, formerly associated with the First National Fire of Washington, D. C., has commenced suit against that company for alleged violation of contract and for commissions, which he alleges are due him.

The plate glass insurance situation in New York is in a critical condition due to the disaffection of some companies from the local association. The Prudental Casualty, of Indianapolis, resigned on August 20 from the Plate Glass Underwriters' Association because of dissatisfaction with he present commission and immediately offered to write business at cuts of 10 to 50 per cent under the manual rates.

The European war may also inject another element of uncertainty into the situation. It will probably have some effect on the manufacture of plate glass inasmuch as one of the principal ingredients is mined almost entirely in Germany and with the importation cut off the plate glass manufacturers will be to a certain extent restricted in their operations. In such event there will be every probability of an increased cost of the commodity, which of course reflects itself in the plate glass insurance field in the additional cost of loss adjustment.

The fire insurance premiums collected in the City of New York during the first half of 1914 aggregated $12,560,591.01, as compared with $13,751,690.29 for the first six months of 1913, a decrease of $1,191,099.28. These figures are the combined returns of the individual companies reporting to the New York Board of Fire Underwriters on their business in Manhattan and the Bronx and to the Fire Insurance Salvage Corps on their Brooklyn business.

The Victor Talking Machine Company, of Camden, N. J., requires a strict and thorough physical examination of applicants for employment in the industrial departments and preference is given to men without families. About ninety per cent of the mechanical and laboring force are foreigners.

According to the "Policy-holder," of Manchester, England, the following are the figures for motor car and motorcycle accidents in the United Kingdom in 1912 and 1913:

	1912.	1913.
Motor omnibuses	199	226
Tramcars mechanically propelled	135	178
Other mechanically propelled vehicles	751	971
Totals	1,085	1,375

On Monday of this week, reorganization of the LaSalle Street Trust and Savings Bank, the payment of depositors in full and the resumption of business under new and acceptable management was announced by Colonel Milton J. Foreman as the purpose of the bank's stockholders. Colonel Foreman is head of the reorganization committee and has been working with W. C. Niblack, receiver, in adjusting the bank's affairs. William Lorimer, president, and C. B. Munday, vice-president, will be eliminated from the bank, officials acceptable to the Clearing House will be put in, and the bank's bad paper redeemed, according to the programme.

Comparative records of complaints, arrests and convictions in New York City, covering the periods from January 1, 1913, to June 30, 1913, and from January 1, 1914, to June 30, 1914, were published this week by Police Commissioner Woods. As regards residence, store and loft burglaries the following figures appear, the first figures given being for 1913 and the second for 1914:

Residence Burglaries—Complaints, 2,432 and 2,614; arrests, 518 and 632; convicted, 260 and 321; discharged, 128 and 144; pending, 180 and 167; Fines, $1,050 and $1,603.

Store and Loft Burglaries—Complaints, 2,420 and 2,532; arrests, 574 and 678; convicted, 291 and 339; discharged, 157 and 151; pending, 128 and 188; fines, $1,050 and $6,527.

Total property loss from burglaries, pick-pockets, highway robberies, etc., is figured as follows:

Property Lost—$1,821,208 and $1,362,417; property recovered, $765,212 and $882,159.

FINANCE AND COMMERCE

Financial and Commercial Review.
Banking Situation at Home and Abroad.
Statistics of Cotton and Coffee.
Market Prices of Securities and Commodities.

THE now famous "White Paper" of the British Foreign Office contains a letter by Sir Edward Grey to one of the English ambassadors written a week before the European conflagration broke out, in which he ventured the opinion that if several European powers became engaged in war it would involve the expenditure of so vast a sum of money and such an interference with trade that the war would be accompanied or followed by a complete collapse of European credit and industry. "In these days, in great industrial States," he adds, "this would mean a state of things worse than that in 1848." The scope of the European conflict has turned out to be greater probably than Sir Edward Grey at that time would have cared to predict. Certainly the effects upon international trade and commerce must be more pronounced and widespread than he had any idea of. The prophecy of the great English statesman of an utter collapse of European credit has come true and with it—something that had not been generally realized—has come a complete breakdown of the whole international financial system. As far as communication by means of the usual credit facilities is concerned, the principal countries of the world are now isolated. The world has to all intents and purposes gone back to the era before the international credit processes came into general use. The result is that the modern system of international business and finance is receiving such a test as it has never before experienced.

The outbreak of the European war occurred about a month ago. The beginning of hostilities was preceded by an avalanche of selling of securities of all kinds that closed all the stock markets of the world, including New York. It was followed by the declaration of moratoriums in all the principal European countries and many South American countries. The world went on a paper basis, practically speaking. Foreign trade was immediately dislocated. Now, after four weeks' time, it must be admitted that no material progress has been made toward a condition of affairs in any direction where business and finance may be resumed in a normal way. It is true that too much emphasis should not be laid upon this lack of progress. The task of doing business under the present conditions is enormous. The complexities of the situation are innumerable. The action of Great Britain in clearing the North Atlantic has led to the resumption of overseas trade in a halting and restricted way. This is a step in advance. But unfortunately it is not by this means alone that the raising of the blockade depends.

The real source of the paralysis of international trade and finance does not yet seem to be generally appreciated in this country. The heart of the whole matter is the fact that London, which has acted as the financial clearing house and discount market for practically the whole world, has ceased its functions. As a result paralysis has extended through all the multitudinous arteries of the world's commerce and finance. Perhaps the most striking example of the dependence of this country upon the London discount market is the situation as regards our cotton crop. For years the cotton crop has been financed by recourse to London. This year finds us making desperate emergency measures to take care of it ourselves. This experience is being duplicated by scores of other instances in this country and all over the globe. London is still the financial centre of the world and will remain so despite all the absurd talk to the contrary. The difficulties in which this country, geographically far removed from the scene of conflict, finds itself are eloquent testimony to that effect. The task of setting the machinery of the world's clearing house in motion again, even in a limited way, is one of immense difficulty, but on it must depend all real improvement in our own position. The various steps taken by the British Government and the Bank of England have been admirably conceived and carried out and have resulted in material relief. But it must be remembered that immense sums of money are necessarily locked up for an indefinite period. Our own indebtedness to England, which we find so much difficulty in settling is really insignificant as compared with the total liabilities of the rest of the world. It has been estimated that London is owed no less than $500,000,000 direct by Germany. This money is absolutely dead until the war is over. Similarly, the rest of the Continent of Europe is indebted to the London market to the extent of hundreds of millions of dollars, and in almost every country of the globe liabilities on an enormous scale are outstanding. Until this great mass of frozen credits can be brought into at least a partially liquid state it is obvious that there can be no material relaxation of the world-wide banking position.

In considering our indebtedness to Europe it is well to point out that the balance of trade was already swinging heavily against this country even before the war broke out. For the first seven months of the current calendar year the state of our foreign trade showed that the excess of exports over imports was only $59,000,000, as compared with $307,000,000 at the same time a year ago. This means an enormous additional handicap to be overcome besides those growing out of the war. This country has to depend upon a large excess of exports to offset the invisible trade balance which is always against us. This year our means of paying our debts without recourse to gold have been cut down. The great outpouring of securities from European investors since the first of the year inceased the aggregate of our indebtedness. The greater part of these were paid for, but in the last few days of trading on the Exchange here a huge quantity of foreign-owned securities was thrown over which probably has not yet been settled for. Maturing obligations of municipalities and corporations within the next few months alone constitute a great problem. New York City has maturities amounting to some $80,000,000 to be met before the end of the year. Payment for these has to be provided for in gold. Obviously there can be no question of repudiation of debts of this sort. The alternative to payment in gold is that we shall pay for them in wheat and other commodities. The problem of liquidating our immediate indebtedness to Europe without reducing our gold supply is receiving the first attention of our leading bankers in conjunction with the Government authorities. A free movement of our wheat and other grains to European ports obviously provides the best means of offsetting our foreign obligations. The methods proposed here for dealing with this question must be in the nature of things experimental and it may be too early to look for great improvement. Nevertheless, the results so far do not afford much ground for consolation. But here again attempts to overcome the blockade on overseas trade have been frustrated by the dislocation of the usual credit facilities in London. Europe is eagerly taking all the wheat she can get and the demand is apparently inexhaustible. Heavy shipments have been made, but most of these transactions have usually been covered by special arrangements made for payment by foreign governments of foreign firms. The ordinary exporter has been restricted from going ahead and making shipments by the fact that grain bills are no longer discounted in the London market as heretofore and

he has no assurances that he will be paid. That is the real difficulty in the resumption of a free export trade movement. Even with a good market abroad and with the trade routes open, the solution of this particular problem must wait on others. It is possible, however, that as time goes on the very urgency of the European demand for our foodstuffs will ensure the making of arrangements for a big trade movement. The food problem abroad is becoming daily a more important one. Broomhall's, the foreign trade authority, speaks with extraordinary pessimism on the outlook for the European crops. If the war is to be continued so as to interfere with the planting of next season's crops, a wholesale famine is predicted in European countries, and it is asserted frankly that this may produce a world demand for wheat which will make the present extraordinary high prices seem moderate, if not even low.

But how the immediate situation is to be met so far as this country is concerned it is a little difficult to foresee. New problems are arising daily and all that can be done is to deal with each as it arises in the most businesslike way possible. The New York City debt abroad is now the particular problem which is being struggled with. Conferences are being held daily to devise means of taking care of this matter. Many suggestions have been offered, amongst them the flotation of a short term serial loan by the City bearing a high rate of interest. But as the first maturities amounting to about $3,000,000 come due within a week or so time presses and it is considered not unlikely that these will be taken care of by a moderate shipment of gold to Canada. This will give a desired respite affording an opportunity for a return to more normal conditions in other directions which may make the finding of measures to take care of the remainder easier.

In the midst of the present crisis beset as it is with all sorts of dilemmas it is not inspiring to see the Administration busying itself with the formation of an American mercantile marine, but buying up foreign-owned ships of belligerent powers. This step is not criticised on the ground that an American mercantile marine is not an admirable thing in itself, but because neither the time nor the circumstances justify it. The Administration is taking the move either without the slightest understanding of the situation or with the deliberate endeavor of creating a solution of the present difficulties. As a matter of fact aside from the possibility of grave international complications an American mercantile marine will not help the present crisis in the slightest.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	—Week Aug. 1, 1914—			—Week Aug. 8, 1914—		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,425.7	630.4	2,056.1	1,464.5	620.6	2,085.1
Deposits (net)	1,451.5	481.2	1,935.8	1,433.6	475.3	1,908.9
Cash reserves	374.0	70.3	444.4	324.2	62.3	386.5
Reserve ratio (%)	25.7	16.6	22.9	22.6	13.3	20.2

Actual Status.

	Week July 25, 1914—			—Week Aug. 1, 1914—		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1431.2	627.7	2,057.5	1,422.4	635.3	2,057.7
Deposits (net)	1,449.5	478.7	1,928.3	1,422.7	488.7	1,911.5
Cash reserves	393.6	74.2	467.8	344.3	67.1	411.5
Reserve ratio (%)	26.6	15.5	23.8	24.2	13.9	21.5

Actual Status Non-Member Institutions.

	1914—			
	July 18.	July 25.	Aug. 1.	Aug. 8.
Loans	578.9	572.0	570.8	569.4
Deposits (net)	568.8	567.1	567.6	563.1
Cash reserves	59.1	57.3	58.9	54.3
Other reserves	87.0	83.5	83.8	68.7
Reserve ratio (%)	26.5	26.0	26.4	21.1

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914—			
	July 11.	July 18.	July 25.	Aug. 2.
Loans	2,665...	2,[illegible]	2,643...	2,672.5
Deposits (net)	2,542.3	2,522.7	2,532.9	2,479.1
Cash reserves	503.7	512.9	520.3	491.7

PHILADELPHIA BANKS STATEMENT.

	1914—			
	July 13.	July 20.	July 27.	Aug. 3.
Loans	397.1	398.4	396.4	396.8
Deposits	452.8	454.7	446.4	444.4
Cash reserves	100.3	100.6	99.7	95.9

BOSTON BANKS STATEMENT.

	1914—			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913—			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913—		1914—	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.63

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
August 22	1,483	1,266	2,749	....	....	2,211
August 15	1,198	1,592	2,790	820	1,378	2,199
August 8	1,493	1,302	2,795	1,248	1,351	2,599

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
August 27	2½	3¾	5½	8	10 nom.	7
August 22	2¼	3¾	5½	8	8	8
August 15	2½	3½	6	8	8	7

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914—			
	Aug. 7.	Aug. 13.	Aug. 20.	Aug. 27.
Deposits	68,249	91,215	121,767	147,777
Circulation	36,165	35,934	37,186	35,571
Gold	27,622	33,014	37,959	43,473
Securities	75,392	93,827	120,766	139,682
Reserve ratio (%)	14.62	17.00	15¾	17 83
Discount rate (%)	6	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914—			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,019.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914—			
	July 2.	July 9.	July 17.	July 25.
Gold and silver	1,586.8	1,596.4	1,681.6	1,722.7
Loans and discounts	1,284.3	1,026.0	867.3	801.0
Circulation	2,407.1	2,192.0	1,994.5	1,890.8
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914—			
	March.	April.	May.	June.
Loans on call	214.3	208.4	197.1	204.5
Loans, other	912.3	924.1	927.5	925.5
Deposits, demand	345.5	350.5	340.7	355.0
Deposits, other	760.6	767.0	759.3	767.7
Circulation	96.8	92.0	97.7	99.1
Cash reserves	112.7	113.2	113.3	113.3

THE COUNTRY'S COMMERCE

	May		June	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$133,723,713	$163,637,386	$131,245,877	$157,772,973
Exports	191,607,422	161,650,203	163,404,916	157,119,451
Specie.				
Gold—Imports	4,561,260	1,972,411	3,386,974	3,817,112
Exports	12,467,492	16,835,902	569,315	48,107,064
Silver—Imports	3,093,063	1,755,062	2,365,170	1,822,365
Exports	5,329,354	4,844,244	4,731,557	4,639,077

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	56	56	53⅝	54⅛	54⅜	53¼
London	25⅞	25 9-16	24⅞	25	25	23 15-16

COTTON

August 29, 1914.

IT is needless to speak of the cotton futures markets, as all of them on both sides of the ocean remain closed. No one can foresee when they will re-open; inasmuch as it is the almost unanimous judgment of experienced persons in the cotton trade that some substantial price basis for buying and selling must be found, before it will be consistent with the welfare either of the members of the exchanges or of the producers and consumers of cotton, to have continuous price-making trading renewed. There is, of course, some buying and selling of cotton in the South, but at the most disparate prices. In Liverpool, the stock of cotton is being gradually worked off to spinners who are obliged to run at least half-time to take care of old contracts for goods. Liverpool to-day reported that spinners had taken during the week 31,000 bales, as compared with about half that amount last week. This is a distinct gain and shows that the English mills are beginning to get their affairs and their working forces reorganized. It is to be expected that from now on, unless Germany should gain a decisive victory over the Allies, the cotton industry in Great Britain will gradually improve and require more cotton with every succeeding week. It must be remembered that the great outlets for British cotton manufactures are untouched by the war, and that the temporary cessation of shipments to them has been done, not to lack of demand, but to the impossibility of procuring exchange and to the prohibitive cost of marine insurance. The cotton merchants of Liverpool have undertaken not to import any more cotton until the existing supply in that market has been disposed of; hence it is impossible to make any sales of actual cotton there from this side of the water, while of course the closing of the exchange makes the selling of future contracts impossible. In the United States, then, there are no buyers of cotton except American spinners, who from time to time and here and there through the South purchase such small quantities as will meet their immediate needs. The prices reported from various localities in the South show not the slightest uniformity, sales at 8½ cents and at 6 cents per pound being reported on the same day from places not widely apart. The only great market in the world in which the price of cotton is advancing, instead of declining, if faith may be put in reports that come in by devious sources. Yesterday it was reported that American middling cotton in Bremen is bringing over 8d., or 16 cents per pound. The explanation is obvious; but there is none the less something dramatic in this price of 16 cents in Bremen, compared with the 6 cents for which cotton was reported yesterday to be selling in parts of Texas. It is, of course, probable that the disparity will become much greater, for Germany cannot get a single bale of cotton, so long as England commands the seas; while the mere demands of the German army in the way of cotton goods must be forcing German spinners to a high consumption. These, however, are really matters of quite minor importance, at least from the point of view of the United States. Here we have the hard fact to face that during the four months when the bulk of our cotton crop is picked and ginned, there is almost certainly going to be an immense reduction in our exports, and that many millions of bales will be left on our hands which we have hitherto sold and got paid for. It has been roughly calculated that out of this crop as a whole we shall have to assume the burden of approximately 14,500,000 bales more than from any previous crop. If this should prove correct, we should find ourselves on August 31, 1915, with nearly three months' consumption on our hands, to which must be added the production of the season of 1915-1916. We do not ourselves believe in these figures, as we are confident that, even if the European War should endure for a full year or more, the world's demand for cotton goods, not only in all the great consuming countries but even within the war zone itself, will have compelled the spinning up of far more than 11,000,000 to 12,000,000 bales of American cotton. To our minds the perilous time for us lies in the early months ahead, in which new channels of commerce and finance between the great industrial nations (except Germany and Austria) and the outlying consuming countries have not yet been discovered and opened. The world's trade is now paralyzed by the breakdown of its customary machinery; but a thousand brilliant and experienced minds are, at this very moment, despite the war, engaged in readjusting that machinery to the new conditions. They will succeed in no long time, and the world's commerce will go on as before, save that Germany and Austria will be blanketed and isolated. The real problem, then, is to get past the next four to six months. And it must frankly be said that this problem cannot possibly be solved by the cotton trade alone. Its resources are what were needed in time of peace, and it cannot suddenly add to them sufficiently to meet the needs of war. There is no way in which the cotton trade can find an opportunity for the full exercise of its powers, unless powers greater than its own come temporarily to its assistance. Should the Secretary of the Treasury and the Federal Reserve Board be willing to take the step of giving some assurance as to the price at which banks may loan money on cotton, the entire problem would be solved, and we should have no sacrifice of our season's cotton crop. The cotton trade would see to that.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	.....	.....	9.90	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	32 points below January		
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.20	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	11 points above January		
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May—						
High	.....	.....	.....	.....	.....	..
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
Opening 12:30 p. m. Close	25 points over J-F					
Aug.-Sept.—						
Opening 12:30 p. m. Close	15 points over J-F					
Sept.-Oct.—						
Opening 12:30 p. m. Close	6 points over J-F					
Oct.-Nov.—						
Opening 12:30 p. m. Close	4 points over J-F					
Nov.-Dec.—						
Opening 12:30 p. m. Close	1 point under J-F					
Dec.-Jan.—						
Opening 12:30 p. m. Close	1 point under J-F					
Jan.-Feb.—						
Opening 12:30 p. m. Close	5.90	5.90	5.90	5.90	5.90	5.90
Feb.-Mar.—						
Opening 12:30 p. m. Close	1 point over J-F					
Mar.-Apr.—						
Opening 12:30 p. m. Close	3 points over J-F					
April-May—						
Opening 12:30 p. m. Close	3½ points over J-F					
May-June—						
Opening 12:30 p. m. Close	4 points over J-F					
June-July—						
Opening 12:30 p. m. Close	2½ points over J-F					

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	....	....	....	....	....	....
Galveston	....	....	....	....	....	....
Mobile	....	....	....	....	....	....
Savannah	....	....	....	....	....	....
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	....	....	....	....	....	....
Baltimore	....	....	....	....	....	....
Augusta	10½ old 9 new	10½ old 9 new	8¾ new	8½	8¼	8¼
Memphis	....	....	....	....	....	....
St. Louis	....	....	....	....	....	....
Houston	....	....	....	....	....	....
Little Rock	....	....	....	....	....	....

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	....	....	....	....
Good middling	....	....	....	....	....	....
Middling	6.20	6.20	6.20	6.20	6.20	6.20
Low middling	....	....	....	....	....	....
Good ordinary	....	....	....	....	....	....
Estimated spot sales	.....	2,900	1,600	3,300	2,000	3,100

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	160,898	119,067	136,442	14,620
Overland to mills and Canada	2,313	2,260	3,826	1,253
So. mill takings, est., exclusive of takings from Southern ports.	12,032	5,000	15,000	.....
Loss of stocks at interior towns	. 148	*5,393	4,531	3,960
Brought into sight for week	175,095	131,720	150,737	19,813
Total Movement—				
Port receipts	8,852.235	12,101,303	10,094,751	10,467,461
Overland to mills and Canada	970,671	1,277,023	1,109,020	1,190,205
Southern mill takings	2,252,032	2,705,000	2,835,000	2,860,000
Stocks at interior towns in excess of Sept. 1	45,908	†2,525	14,371	2,134
Brought into sight thus far this season	12,074,938	16,080,801	14,053,142	14,519,800

The total crop movement is respectively for 366 days, 365 days, 363 days and 362 days. *Gain. †Decrease.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	107,402	3,996,181	97,205	8,600	3,353,259	40,285
New Orleans	1,744	1,436,275	17,321	376	1,890,195	51,702
Mobile	1,043	229,580	4,282	162	432,026	2,416
Savannah	13,691	1,303,451	23,704	2,114	1,817,732	7,769
Charleston	555	310,247	3,033	257	423,684	1,396
Wilmington	200	342,953	4,744	272	399,113	7,763
Norfolk	579	602,842	5,568	5	586,008	12,955
Baltimore	182	80,004	1,987	79	97,670	2,000
New York	.....	15,326	24,995	.....	6,732	90,306
Boston	96	46,222	4,207	366	21,509	3,561
Philadelphia	.....	8,326	675	100	4,139	2,483
Newport News	.....	114,506	.....	1,732	142,321	.....
Brunswick	.....	234,334	 123	.....	291,450	.....
Pensacola	.....	124,899	.....	.....	164,055	.....
Port Arthur	.....	138,642	.....	.....	46,238	.....
Pacific ports	.....	370,970	.....	.....	257,748	.....
Texas City, etc	10,862	723,933	18,108	547	503,524	2,325
Jacksonville, etc	85	15,950	380	275	29,520	.....
Georgetown	.....	110	.....	.....	.....	.....
Totals	136,442	10,094,751	206,332	14,885	10,467,451	225,006

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	4,222	26,550	3,825	1,162	315	18,176	26	755
Dallas	1,138	14,469	125	2,738	1	100,520	98	329
Shreveport	182	141,427	48	1,647	.....	195,018	.....	3,534
Little Rock	20	181,807	836	5,262	92	190,054	212	5,467
Helena	.....	41,643	.....	102	5	65,817	53	1,008
Vicksburg	.....	29,391	.....	745	12	34,364	50	598
Columbus, Miss.	138	27,790	89	162	.....	38,231	.....	176
Natchez	.....	18,131	.....	491	39	19,745	297	1,013
Memphis	823	821,047	1,749	11,104	441	1,129,339	971	14,764
Nashville	.....	7,853	4	53	.....	10,988	.....	.....
Selma	1,720	121,416	957	1,501	507	130,199	50	1,141
Montgomery	1,934	160,740	1,807	3,820	960	157,778	189	3,801
Eufaula	292	21,704	137	1,007	258	22,776	.....	1,037
Columbus, Ga.	125	75,501	850	4,041	100	81,400	225	1,557
Macon	22	36,851	442	740	44	44,747	.....	85
Albany	1,478	26,117	1,341	961	700	28,408	20	1,919
Atlanta	19	165,493	400	289	3	232,606	155	772
Rome	83	52,212	1,825	1,759	61	54,580	250	2,680
Augusta	1,689	340,994	1,958	5,861	1,101	376,799	1,185	9,572
Columbia	1,284	110,196	1,284	.....	594	89,820	594	.....
Newberry	234	19,891	234	.....	65	23,488	65	.....
Charlotte	74	15,173	74	.....	5	14,840	5	.....
Raleigh	17	11,721	35	19	.....	14,973	.....	2
St. Louis	2,099	596,256	2,446	6,252	754	578,154	926	14,178
Houston	99,174	3,306,540	98,014	33,032	21,278	2,800,105	17,402	32,064
Meridian	146	59,207	353	1,574	18	34,001	256	1,402
Cincinnati	1,454	240,003	3,656	21,758	1,000	256,829	1,006	12,662
Yazoo City	39	22,515	17	1,908	.....	40,937	.....	1,111
Totals	118,406	6,812,833	122,506	107,988	28,353	6,788,547	23,335	111,626

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	22,256	20,558	3,243
France	34,261	6,945	.....
Continent	18,977	29,690	500
Mexico	.....	1,230	.....
Japan	.....	400	.....
Totals	75,494	58,823	3,743
Since September 1.			
Great Britain	4,239,853	3,595,778	3,418,823
France	1,196,497	986,889	1,058,705
Continent	4,518,969	3,601,525	4,013,717
Mexico	15,147	24,144	28,007
Japan	514,770	387,420	346,840
Totals	10,485,236	8,595,756	8,866,092

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	8,000	10,000	.....
Since September 1	7,268,994	7,468,860	.....

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	.....	206,341	.....	208,441	.....	.....
To Manchester	.....	232,235	3,750	208,414	.....	.....
To Continent	1,000	397,885	1,250	422,725	200	.....
To America	.....	121,773	.....	125,125	.....	.....
Total exports	1,000	958,234	5,000	964,705	200	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	6,000	2,729,000	.....	.....
Exports to Great Britain	.....	21,000	.....	.....
Exports to Continent	10,000	524,000	.....	.....
Exp. to Japan and China	1,000	998,000	.....	.....
Afloat in harbor	16,000	.....	.....	.....

Exchange, 1s. 4¼.

Receipts exclusive of —— American this week and —— this season; ——— this week last year, 27,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	573,000	376,000	890,000	602,000
London	6,000	.....	.....	.....
Manchester, in wareh'ses	26,000	15,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	4,000	.....	.....
Bremen	105,000	103,000	.....	.....
Havre	82,000	72,000	.....	.....
Other ports—Continent	18,000	12,000	.....	.....
Alexandria	65,000	.....	.....	.....
Bombay	397,000	.....	.....	.....
U. S. interior towns	107,988	107,988	111,626	111,626
U. S. ports	206,332	206,332	225,006	225,006
Afloat for—				
Liverpool	69,000	34,000	37,000	12,000
London	.....	.....	.....	.....
Continent	157,000	71,000	.....	.....
Afloat in Bombay harbor	16,000	.....	.....	.....
Coastwise to New York	15,000	15,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	1,860,320	1,016,320	.....	.....

Decrease in general visible supply for the week, ———, against decrease last year, 145,632. Decrease in American visible supply for the week, ——— against increase last year, 18,437.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, August 31	1,358,970	.....
Crop in sight to date	14,053,142	.....
Total supply	15,412,112	.....
Less visible supply, American, to-day	1,016,328	.....
World's takings, American, to-day	14,395,784	.....
American Takings.		
Stocks at United States ports August 31	296,353	231,106
Returned from foreign countries	469	3,363
Receipts at United States ports to date	10,094,754	10,467,451
Total supply at ports	10,391,573	10,701,920
Deduct.		
Stocks at ports to-day	206,332	225,006
*Exports to date	8,610,756	8,869,592
Southern mill takings from ports	89,776	157,303
Burnt at ports	8	11,465
Totals	8,906,872	9,263,366
To Northern mills from ports	1,484,701	1,438,554
Overland to Northern mills	1,109,020	1,190,205
Total Northern mill takings	2,593,721	2,628,759
Southern mill takings	2,924,776	3,017,303
Total American mill takings, including Canada	5,518,497	5,646,062

*Includes 4,000 in transit between Southern ports and New York, against 15,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	30,477	5,518,497	.....	.....
Great Britain	49,558	3,511,612	.....	.....
Continent	50,635	4,954,111	.....	.....
Mexico	1,230	24,144	.....	.....
Japan and China	400	387,420	.....	.....
Totals	132,300	14,395,784	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	27,000	43,000	3,000	12,000
Sales, American	21,000	27,000	2,000	10,000
Sales, speculation	1,000	2,000	.....	.....
Sales, exports	1,000	.....	.....	2,000
Forwarded	54,000	57,000	17,000	31,000
Imports, all kinds	21,000	21,000	53,000	19,000
Imports, American	3,000	16,000	28,000	6,000
Actual exports, all kinds	11,000	4,000	2,000	8,000
Stock, all kinds	600,000	573,000	908,000	890,000
Stock, American	472,000	376,000	625,000	602,000
Afloat for Great Britain, all kinds	82,000	69,000	33,000	37,000
Afloat for Great Britain, American	42,000	34,000	2,000	12,000

* * *

Japanese Cotton Goods Exports.—According to recently published official figures, the cotton mills of Japan have sold to foreign customers this year a much greater quantity of yarns and fabrics than ever before. The export figures for the first four months of 1912 and 1914 are as follows:

Classification.	Quantity, 1912.	Value, 1912.
Yarn ....kin*	25,483,000	$6,476,000
Cloth	.....	3,639,000
Towels ....dozen	685,000	318,000
Underwear ....dozen	1,078,000	803,000
	1913.	1913.
Yarn ....kin*	47,831,000	$12,213,000
Cloth	.....	5,303,000
Towels ....dozen	1,081,000	449,000
Underwear ....dozen	1,249,000	969,000
	1914.	1914.
Yarn ....kin*	60,267,000	$15,920,000
Cloth	.....	6,150,000
Towels ....dozen	1,325,000	546,000
Underwear ....dozen	1,536,000	1,143,000

Totals—1912, $11,236,000; 1913, $18,924,000; 1914, $23,768,000.

*1 kin equals 1 1-3 pounds.

* * *

The Textile Industry in Russian Poland.—United States Consul Thomas E. Heenan, stationed at Warsaw, Russia, reviews the textile industry of Russian Poland as follows:

"The cotton goods industry during 1913 was in a very poor position through the rise in prices of raw materials, strong competition from the Moscow textile region and numerous insolvencies. The Warsaw textile market suffered especially. The situation, however, improved considerably toward the end of the year. Orders increased and in some instances mills began to operate with two shifts of workmen.

"According to official statistics Poland produces 31.7 per cent of the textile output of the Empire. There are 1,412 mills and factories with 168,629 workmen, of which 269 are spinning and cotton mills with 68,339 workmen, 856 yarn and woolen goods factories with 66,402 workmen, 31 ribbon and silk factories with 2,845 workmen, and 108 linen, hemp, and jute factories employing 15,918 workers. The city of Lodz alone contained last year over 600 textile mills and factories with 89,000 employes.

"Some Polish textile products begin to find a market abroad. Last year the Lodz region exported, chiefly to Persia and Mongolia,

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first one ton of cotton goods as a trial shipment and later 11½ tons of woolen goods, 76 tons of bleached and blue cotton goods, 426 tons of dyed and printed cotton goods, and 14 tons of high grade woolen goods. Some textile were also exported to the Balkans, and larger orders for finished articles have been secured from Servia and Bulgaria. Most of the output of Polish textile mills, however, is exported into the Empire. During 1910, 1911 and 1912 the textile goods exported into Russia proper amounted to 67,100 tons, against 12,870 tons imported, chiefly from the Moscow textile region and 600 tons imported from various foreign countries, including Finland. But exports of Polish textiles to the Empire during the decade 1903 to 1912 increased by 8 per cent, while imports from the Empire increased by 29.4 per cent."

* * *

Cotton Production in Peru.—The production of cotton in Peru for the last five years, says the "West Coast Leader," is given in quintals (quintal equals 101.4 pounds), as follows: 1909, 380,-176.49; 1910, 330,291.06; 1911, 383,895.34; 1912, 375,651.32; 1913, 523,446.39.

This increase of more than 143,000 quintals for the five-year period 1909-1914 is largely accounted for by the low price of sugar and the bull cotton market. A great many sugar estates in Peru have been planting a fair quantity of cotton, and in addition large areas hitherto devoted to other products or merely waste land are being converted into cotton fields, because of the profits paid by this crop under present conditions. Not only is the quantity of cotton increasing, but its quality is improving as well, owing to the increased use of modern machinery in handling the product. The prices quoted on the Liverpool market determine the market price of Peruvian cotton, as there is practically no market in Lima.

* * *

Cotton Growing on Waste Land in Egypt.—At the International Congress of Tropical Agriculture recently held in London, a speaker told of the successful outcome of the experimental treatment of 800 acres of waste land in Egypt, which was so impregnated with salt that it had grown nothing for years. In 1912 it was drained and irrigated on a scientific system at a cost of $50 per acre and handed over to the fellaheen (peasants) for cultivation in five-acre plots. Last year the land was washed and a crop of rice grown, and this year (1914) a fair proportion of the area is growing a cotton crop that, it is hoped, will bring $75 to $100 an acre. As an indication of the value of this experiment it was mentioned that there are 1,500,000 acres of similar waste land awaiting development in the Nile delta.

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3½	3½
Gray goods, 38 in., standard	4½	4½
Brown sheetings, Southern standard	7¾	7¾
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	24	22½
Southern 2-ply skeins, 60s	44-45	44-45
Southern single skeins, 20s	20-21	19
Southern single chain warps, 20s	20	19
Southern 2-ply chain warps, 20s	20½	19½
Southern frame cones, 20s	21¼	21
Southern frame cones, 30s	24-24½	24
Eastern carded cops, 20s	21¼	22¾
Eastern carded cops, 30s	24-24½	26¾
Eastern carded peeler warps, 30s	29	29
Eastern carded peeler warps, 50s	46	46

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 22	99½	97¼	1.04	1.02¾	1.11	1.08¼
August 24	1.01	99	1.05	1.03	1.12	1.10
August 25	1.03¼	99¼	1.07⅜	1.03⅜	1.13¾	1.10
August 26	1.04¼	1.04	1.15	1.08	1.21⅜	1.14½
August 27	1.12	1.07	1.17⅜	1.12	1.25	1.16¾
August 28	1.07	1.04	1.12	1.09	1.18½	1.15

CORN (New Contract).

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 22	79⅞	79⅜	71	70⅜	72⅞	71¾
August 24	80⅞	79⅜	70⅝	69⅝	72½	71⅝
August 25	80	79⅛	71	69¼	73⅛	71⅜
August 26	82¼	80¾	73¼	71¼	75⅛	73⅜
August 27	83	81½	74	72⅛	76¼	74⅛
August 28	80¾	79½	72⅛	70⅞	74¼	73⅛

OATS.

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 22	45¾	44¾	49½	49	50⅜	49⅞
August 24	47	45¼	48¼	47⅜	50⅝	49¾
August 25	46⅞	45¾	48¾	47⅜	51	49⅞
August 26	48¾	47	51¼	49	53⅝	51⅛
August 27	49½	47½	52	50⅛	54⅞	53⅛
August 28	48⅞	46¾	50⅜	49½	53	51⅞

LARD.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 22	10.17	10.07	10.32	10.20	10.72	10.55
August 24	10.17	10.05	10.35	10.20	10.72	10.50
August 25	10.65	9.97	10.22	10.15	10.55	10.42
August 26	10.10	9.95	10.27	10.10	10.75	10.50
August 27	10.10	9.97	10.22	10.15	10.72	10.60
August 28	10.00	9.90	10.17	10.10	10.70	10.57

RIBS.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 22	22.50	22.40	.....	.....	21.60	21.50
August 24	.....	.....	.....	.....	21.50	21.32
August 25	22.00	21.00	.....	.....	21.60	21.25
August 26	21.52	21.45	.....	.....	22.12	21.55
August 27	20.70	20.45	.....	.....	22.40	22.22
August 28	20.45	20.00	.....	.....	22.27	22.10

PORK.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 22	12.75	12.20	12.27	12.25	11.32	11.25
August 24	.....	.....	12.15	12.10	11.32	11.20
August 25	12.67	12.57	12.07	11.95	11.22	11.12
August 26	12.62	12.60	12.20	11.95	11.37	11.15
August 27	12.50	12.47	12.10	12.02	11.40	11.32
August 28	12.45	12.35	12.05	11.87	11.37	11.30

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on Friday, July 31, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	6.74	6.80	6.80	7.20	7.10	*7.00
August	6.75	6.80	6.80	7.05	7.10	....
September	6.59	6.69	6.68	6.83	6.90	6.82
October	6.50	6.65	6.65	6.78	6.80	6.80
November	6.38	6.53	6.51	6.57	6.60	6.58
December	6.42	6.54	6.53	6.59	6.60	6.59
January	6.45	6.57	6.55	6.61	6.62	6.60
February	6.45	6.59	6.56	6.60	6.63	6.63
March	6.50	6.63	6.60	6.67	6.64	6.65

*Third call.

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery, on Thursday, July 30, in cents and hundredths of a cent per pound:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot	7⅞	7⅞	7⅞	7⅞	7⅞	7⅞

THE PROBLEM OF MARKETING THIS YEAR'S AMERICAN COTTON CROP FROM THE POINT OF VIEW OF A BANKER

By H. R. Eldridge
Vice-President, The National City Bank of New York*

THE problem of how to dispose of the cotton crop of the United States to the best advantage, during the crop season just opening, is a difficult one to solve. Its proper solution became a burning question immediately upon the sudden outbreak of hostilities in Europe. In the earlier period of the vast upheaval in the world's finance and commerce, however, particularly in the transportation of foodstuffs, occasioned by the European War, the matter of providing adequate means for marketing the cotton crop and for getting an adequate return for it, was perhaps prevented from receiving the thought which its importance deserves. But now, with the picking of the new crop well under way, with the cotton exchanges of the world closed, and with spinners unable or reluctant to buy the new cotton as rapidly as it is offered for sale, even at swiftly declining prices, it is apparent to everybody that some effective plan of handling the crop must be at once worked out, unless the cotton producers and the country as a whole are to see one of their most valuable annual assets virtually dissipated, leaving embarrassments in every direction.

The problem itself, as it presents itself, is reasonably plain; but a sound and beneficial solution of it is far more difficult and must be approached, not from the standpoint of desires and exaggerated notions of an ideal to be reached, but from that of common sense and with a frank abandonment at the start of unreasonable demands. We have reason to expect, in view of the present favorable outlook of production in the Cotton Belt, that a crop of from fourteen to fifteen million bales of cotton is before us; and we know that approximately two million bales of the past year's American crop remain in the visible supply of American cotton, not yet taken, much less consumed by the world's spinners. The belief of well-posted men in the cotton trade is that the world's consumption of the American crop this season, under prevailing conditions, will be a minimum of 11,000,000 bales and a maximum of 13,000,000 bales. Averaging these figures, an actual surplus of 4,500,000 bales is in prospect; and so long as no provision is made for eliminating it from the supply and demand situation, for the time being at least, that surplus will be a menace to the market and must prove a serious handicap to the hope that even a living price can be realized by the producer for his cotton. We known that Europe is already supplied with a stock of raw cotton to permit the available mills situated therein to operate at one-half capacity for at least twenty weeks; and that there is no real occasion for and little probability of their entering our markets as active purchasers for two or three months to come,—and especially will this be the case, if no provision is made in the United States to remove the weight of the probable surplus of cotton from the immediate supply and demand situation. American mills are already fairly well supplied and spinners are in a position to let the surplus production bear down with its full weight upon the scale of prices.

It therefore seems evident that, if the almost unprecedented situation in which American cotton is now found, by reason of causes beyond our control, is to be saved from great demoralization and heavy losses to the country and the cotton producers, some 30 per cent of this season's production must be removed from the present market and carried over to the next season; and that it must be accomplished in such a convincing way as to cause spinners to realize that the undoubtedly heavy surplus will no longer be a menace to the market, while the abnormal conditions in the cotton manufacturing industry of the world continue.

Under conditions prevailing in former years such a problem could not hope for solution, but the ability of our people to cope with such a situation is vastly improved at this time, as compared with the past; and, with a few sensible amendments to our existing financial laws, this new power can be made most effective. Were buyers of cotton once given sound reason to believe that the number of bales available to the mills from this year's crop is certainly limited to actual spinning needs, buying would undoubtedly be given an impetus and mills would prefer to stock up earlier than they would otherwise do, inasmuch as the good grades and the cleaner, more desirable cotton are always easier to obtain in the early months than when the season is more advanced. If this reasoning is sound, it behooves us to give our earnest consideration to the subject of how the elimination for the time being of the threatened large surplus can best be accomplished.

It will cost the cotton producer in wages and material not less than $15 per bale to pick, gin and pack the cotton he has produced this year. This sum represents a cash advance that cannot and must not be avoided. Meeting these charges makes imperative a liberal extension of credit on the part of Southern bankers to the growers of cotton. In addition to this, the immediate needs of the growers must be provided for. To meet these and at the same time to meet the costs of gathering the crop and preparing it for market, it is essential that facilities should be accorded, which will enable the producers to obtain about six cents per pound, basis middling, on their product. That such advances would be safe is hardly worthy of debate; and that paper secured by the pledge of cotton on that basis would be a desirable investment, cannot be gainsaid. Were the South to sell 70 per cent of its product at a fair and reasonable price, (and that is all it should expect, with the conditions what they are), and were it then to hold back until next season the remaining 30 per cent, obtaining advances thereon as just outlined, it would be in a position not only to discharge its current obligations, but also to provide funds with which to prepare for next year's farming operations.

It is obvious that until the cotton exchanges re-open and hedges are available no proper protection is offered nor no inducement given the cotton buyer or spinner to buy quantities of cotton beyond what is sufficient to cover actual sales or actual needs; and, until the exchanges are re-opened, buying must necessarily be indifferently active. It is therefore probable that the early part of the season, even if a method is devised for the removal from the market of the surplus, will prove burdensome and trying to the Southern banker and that he will be called upon to assume duties which in justice the balance of the country should share.

In the near future, the bankers of the wheat-producing sections will probably have surplus funds to invest, and the Eastern and Northeastern States, as well as those of the Middle West and the West, will be reasonably easy in the matter of money and will be attracted toward good paper, well secured and of assured payment when due. Under the old order of things, paper secured by cotton and many other commodities was rarely presented on the market in such form as to command the respect of investors; and it cannot be so presented this season, unless conditions are changed in certain respects. One essential to this end is a uniform warehouse receipt of undoubted integrity. As things now are, such warehouse receipts are few. Where it is deemed necessary to improve the standing of warehouse receipts, warehouses making application to

*A paper read before the Conference on marketing the cotton crop, held at Washington, August 24-25, on the Invitation of the Secretary of the Treasury, Mr. McAdoo.

the proper authorities should be governmentally licensed under regulations to be established, and each warehouse so licensed should be supplied with a Government inspector who should issue a uniform receipt for each bale of cotton, or other form of package representing a commodity stored, certifying thereon the mark, the weight and the grade. This system would create a form of security good beyond peradventure, and one that would command the respect of all bankers and investors everywhere. Each obligation issued should be accompanied with a certificate of insurance, issued by a reputable insurance company, indemnifying the holder against loss by fire of the collateral pledged. Ordinarily, such an obligation would take the form of a note, with a recital on its face of the collateral pledged; but it may be said at this point that there is a far better way to handle such paper than that employed heretofore in this country, and one of such common use in other countries that it seems inconceivable that we have not ourselves employed it before.

Under the terms of the Federal Reserve Act authority is given to member banks to accept drafts having not exceeding six months to run, arising from import and export commercial transactions, to an aggregate amount of not exceeding one-half the unimpaired capital and surplus of the accepting bank. The Act should be amended to permit of acceptances by member banks for a period not exceeding six months, of all drafts, or bills, drawn against import, export and domestic commercial transactions not exceeding in aggregate amount the unimpaired capital and surplus of each member bank, subject to the further limitations now provided for in the Act. Paper secured by the pledge of commodities held in storage, is commercial paper in every sense and would be eagerly sought by buyers knowing it to be safeguarded, not only by the responsibility of the maker and the value of the pledged commodities, but also by the credit of the acceptor. The acceptor, on its part, would be protected by the pledge of the commodities and by a guaranty that proper margins were to be maintained; and if its credit be high, the draft, or bill, could be drawn with provision for delivery of documents upon acceptance and the bill itself then sold upon the high credit standing of the acceptor. These bills could be made payable at the acceptor's office or at any centre or centres where the acceptor had correspondents, thus making them a most desirable form of investment.

Under this system, the acceptor would be assuming practically no risk, as his contract would provide against all market declines by automatically requiring more margin or by the sale of the collateral. Where it is probable that some sales may be made from among the commodities pledged, as would be the case with factors and buyers, such acceptances should be given only by banks whose standing is well known; for it would not in such instances be convenient to have the warehouse receipts accompany the acceptance, owing to substitutions of the collateral being at time necessary. And yet banks not so well known, desirous of placing such facilities at the disposal of their clients, could undoubtedly make arrangements for the service with their better known correspondents,—of course under properly authorized guarantees. In respect of cotton transactions the acceptance feature would very properly be extended by the banks to individuals interested in cotton, to cotton factors, cotton merchants and spinners, against cotton stored, under contracts made with acceptors, or against actual sales of cotton made, with or without marginal agreements; and in other branches of industry and commerce, the privilege would be extended to individuals, mercantile houses and corporations employing funds in all proper commercial transactions, whether secured or unsecured. Thus the discount markets of the country would be furnished with an ample supply of short-term paper, far superior and much better safeguarded than what we now term commercial paper, and so hedged about that it would be *prima facie* commercial paper within the meaning of the Federal Reserve Act. Such paper would prove a bulwark to our gold reserves, would be given the preference by commercial paper buying banks and, being always eligible for rediscount with the Federal Reserve Banks, would ever command the best prevailing rates.

Little fear need be entertained of the unwise use of acceptance power, if it is accorded to member banks. It would be made use of at times when local rates are out of line with the open discount market, thus giving to the business community generally an opportunity to avail itself frequently of lower interest rates. It would also come into play when certain sections of the country are experiencing very heavy demands for money or credit, as during the crop-moving season, thus affording a safe and effective method by which the surplus credit of one section may be utilized in another section temporarily deficient, to the mutual advantage of both. As the very existence of a bank depends upon its credit reputation, little fear need be had of over-indulgence of the acceptance privilege. The market itself would prove too discriminating, and offending banks would find their credit reputation impaired to such a degree as to limit their usefulness and jeopardize their very existence.

The Aldrich-Vreeland Act should be amended so as to permit of not less than 75 per cent of commercial paper being accepted as security from National Currency Associations for currency issued; not only is the margin required by the Act sufficient to make passed-upon commercial paper amply safe, but the joint responsibility of the associated banks makes it good beyond peradventure. Few banks in the South buy bonds as an investment; and the present provisions of the Act place upon Southern banks generally a hardship which should not be.

The recent amendment of the Aldrich-Vreeland Act provided that State banks giving notice of their intention to join the Federal Reserve System within fifteen days of its passage, would be eligible for membership in the National Currency Associations. The full value of this privilege was not, at the time, realized by the great majority of the State banks. Should it be deemed advisable, the Act might be further amended, so as to grant this privilege to the State banks, upon application for membership in the Federal Reserve System, if made within thirty days after the passage of such further amendment. Doubtless many of the State banks would now avail themselves of the opportunity.

The South is entitled to a reasonable profit over the cost of production of its cotton, but it must not demand a price which is unreasonable in view of the conditions all production has now to meet. It is idle to expect as good prices in this year of universal disturbance and distress as have at more propitious times prevailed. The South must co-operate with the balance of the country and not attempt to hold too large a proportion of its cotton, in the effort to realize for it the relatively high prices which have come to be regarded as normal, because they have prevailed so long. If the South makes this mistake, proper support will be lacking, and the hearty co-operation of the spinners and the banks cannot be expected.

On the other hand, the probable higher range of prices for foodstuffs this year will undoubtedly serve automatically to reduce the cotton acreage next season, and will thus prepare the way for the absorption of this year's surplus cotton, by reason of the shortage of next season's production. As cotton farmers are but human, Southern banker should bear in mind the absolute necessity of a small crop next year in order to equalize the over-production of this year; and they should insist upon their clients reducing their acreage by at least one-third.

Should the suggestions here made be deemed worthy of adoption, it would be found that the natural order of events would provide facilities for the retirement at maturity of a large part of the obligations issued. The remainder could be accommodated through renewals and sold on the open discount markets, or they could be re-discounted with the Federal Reserve banks, which will now in a short time be opened for business.

Unlike most commodities, cotton, if properly housed, suffers no deterioration whatever and therefore forms an admirable security. The cotton held should be stored where good warehouse facilities are obtainable. It should not be held on the farm, as it there is continually exposed to weather damage and is subject to high insurance rates. The small holder will find in cotton factors, local bankers and merchants excellent agencies through which to operate; and the larger holders can act for themselves by dealing direct with the warehousemen and their own bankers.

If the amendments to existing legislation here suggested are acted upon by Congress it would appear that the South itself, with reasonable help from the correspondents of its bankers and the general support of the public at large, had the solution of the problem in its own hands and can be trusted to handle the entire matter in a manner which will yield lasting credit to itself.

INDUSTRY, COMMERCE AND FINANCE

Reduction in the World's Mercantile Marine During 1913.—Lloyd's Register of Shipping has issued the statistical summary of vessels totally lost, broken up, condemned, etc., for last year. During 1913 the gross reduction in the effective mercanitle marine of the world amounted to 665 vessels, of 717,030 tons, excluding all vessels of less than 100 tons. Of this total, 371 vessels, of 533,002 tions, were steamers, and 294, of 184,028 tons, were sailing vessels. These figures, as regards steamers, are lower than those for 1912 by 39,743 tons; but as regards sailing vessels they are higher by 7,808 tons. The amount of tonnage dealt with by breaking up, dismantling, etc. (not in consequence of casualty), was 108,795 tons, or 48,846 tons less than in 1912. Nearly 20½ per cent of the steamers and 16 per cent of the sailing vessels removed from the merchant fleets of the world in the course of 1913 were accounted for in this manner. Of the total tonnage of such cases 42¾ per cent was represented by United Kingdom vessels.

* * *

Hemp Production in United States.—The United States produced approximately 8,270 tons of hemp in 1890 and only 5,100 tons in 1913, according to the United States Department of Agriculture's botanist who investigates fiber plants. These figures are not absolutely accurate, as statistics such as may be found for wheat, corn, and cotton are not available, but the general indication that the domestic production is decreasing is recognized by all connected with the industry. Notwithstanding this, scientists think that hemp may be cultivated in the Central United States, and that hemp and flax are the most promising and the most certain to yield satisfactory profits of all fiber-producing plants in this country.

From 10,000 to 15,000 tons of hemp are used in the United States every year. Hemp is used more extensively than any other soft fiber except jute. American spinning mills import, on an average, about 6,000 tons annually.

The climate and soils offer large areas in the valley of the Mississippi and its tributaries and in the Sacramento and San Joaquin Valleys in California are suited for hemp. Hemp improves the physical condition of the soil, destroys weeds, and when retted on the ground, as is the common practice, does not exhaust fertility. It is recommended for cultivation in regular crop rotations to take the place of a Spring-sown grain crop. (Retting is a process by which the gum surrounding the fiber is separated from it.)

Hemp cannot be economically grown in areas of less than fifty acres in any one locality, so as to warrant the use of machinery for harvesting and breaking. A general estimate of cost and returns on what may be considered to be the smallest practical area is given here:

ESTIMATED COST AND RETURNS FOR 50 ACRES OF HEMP.

Cost:	
Plowing (in fall) 50 acres, $2 per acre	$100
Disking (in spring), 50 cents per acre	25
Harrowing, 30 cents per acre	15
Seed, 40 bushels, delivered, $4.50 per bushel	180
Seeding, 40 cents per acre	20
Rolling, 30 cents per acre	15
Self-rake reaper for harvesting	75
Cutting with reaper, $1 per acre	50
Picking up from gavels and shocking, $1 per acre	50
Spreading for retting, $1.50 per acre	75
Picking up from retting swath and setting in shocks, $1.40 per acre	70
Breaking 50,000 pounds fiber, including use of machine brake 1½ cents per pound	750
Baling 125 bales (400 pounds each), including use of baling press, $1.40 per bale	175
Marketing and miscellaneous expenses	150
Total cost	1,750
Returns:	
Long fiber, 37,500 pounds, 6 cents per pound	2,250
Tow, 12,500 pounds, 4 cents per pound	500
Total returns	2,750

It is not expected that a net profit of $20 per acre, as indicated in the foregoing estimate, may be realized in all cases, but the figures given are regarded as conservative where all conditions are favorable.

* * *

The Foreign Trade of China in 1913.—In the China trade Hongkong still maintains the first place by a considerable margin, writes Vice-Consul General A. E. Carleton, Hongkong, the other four leading nations being Japan, Great Britain, the United States, and Russia, these five nations controlling 70 per cent of the total trade, which amounted to $710,631,715 in 1913. The proportion of the Hongkong import and export trade with China is 30 per cent, Japan 19 per cent, Great Britain 11.6 per cent, the United States 7.4 per cent, and Russia 6.8 per cent. China's imports in 1913 amounted to $416,218,666 and exports for the same period $294,413,049. Of all the countries Japan has made the greatest strides in its trade with China, as in indicated by these figures: In 1909, total $70,266,005, and in 1913 $134,970,319—an increase of $64,704,314 in five years. Germany has increased its trade during the same period by $18,776,557, Great Britain by $27,356,274, Hongkong by $54,742,186. The trade of the United States with China has not varied appreciably in the past ten years.

The annexed table shows the foreign trade of China of 1912 and 1913:

	1912		1913	
Countries.	Imports from.	Exports to.	Imports from.	Exports to.
U. S. and Hawaii	$26,786,177	$25,936,927	$25,861,855	$27,484,719
Hongkong	109,373,003	76,504,282	125,204,352	85,503,923
British India	34,518,023	5,603,800	35,253,239	4,518,924
Great Britain	55,393,585	11,765,720	70,744,989	11,932,881
Germany	15,636,161	10,610,730	20,660,755	12,428,413
France	2,169,956	28,718,762	3,868,647	29,747,341
Russia*	15,711,805	33,445,624	16,171,608	32,792,649
Japan and Formosa	67,352,322	40,893,883	87,123,063	47,847,256
Singapore	6,367,629	4,691,217	6,522,854	5,513,478
Belgium	6,476,106	4,850,682	11,556,512	4,778,870
Other countries	10,307,035	31,163,469	13,160,732	31,864,595
Totals	$350,091,803	$274,185,098	$416,218,666	$294,413,049

*By Siberia, Amur, European and Pacific ports.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Cables	503½	503½	504	506	506¼	508-509
Demand	.....	.....	.....	.....	.....	.....
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Francs—						
Sixty days sight						
Ninety days sight						
Reichsmarks—						
Sixty days sight						
Ninety days sight	.....	.....	.....	.....	.....	.....

[There was some business transacted in the foreign exchange market this week, but quotations were uncertain and indefinite.]

Jute Production and Expectancy in India.—The Indian Government preliminary forecast of the Indian jute acreage, which has just been issued, estimates 3,278,276 acres under cultivation, which is an increase of 97,662 acres over the figures for the last year. The actual outturn of the last crop, including up-country consumption, was 9,988,500 bales, notwithstanding serious damage, especially in the Daisie districts. It is, therefore, believed that the present crop should supply an infinitely larger quantity because of the increased acreage and the fact that it has been grown under better conditions and has suffered little loss. Opinions differ here as to the probable outturn, but assuming a normal yield of 3⅓ bales per acre, which was the actual outturn of the 1912 crop, a crop of nearly 11,000,000 bales may be expected. This would give a large surplus over the world's consumption, which is a little over 10,000,000 bales annually.

At present jute stocks are very much depleted in Dundee, owing to the high prices which have prevailed during the season just drawing to a close. If present expectations as to the yield are fulfilled, the price of raw jute in all probability will decline and thus tend to revive the local industry which has been seriously depressed for some time past. Buyers of cloth and yarn have been withholding orders rather than pay the rates asked by spinners and manufacturers.

The following estimate of the jute consumption of the current year's crop is from a recent Dundee trade circular:

Countries.	Bales.	Countries.	Bales.
United Kingdom:		Continent:	
Scotland	1,250,000	Spain	150,000
England	25,000	Italy	250,000
Ireland	20,000		
Total	1,295,000	Total	2,610,000
		America, other countries	600,000
Continent:			
France	620,000	India:	
Belgium	150,000	Mills	5,000,000
Germany	800,000	Local	500,000
Austria	320,000		
Norway and Sweden	60,000	Total	5,500,000
Russia	230,000		
Netherlands	30,000	Grand total	10,005,000

* * *

Salt Production in the United States in 1913.—The marketed production of salt in the United States, including Hawaii and Porto Rico, in 1913 reached the record-breaking total of 34,399,298 barrels of 280 pounds each, or 4,815,902 short tons. The value of the product was $10,123,139. These figures are the greatest yet recorded by the United States Geological Survey for the salt industry in the United States, and they represent an increase of 3 per cent in quantity produced and of nearly 8 per cent in value compared with 1912. Michigan ranked first among the salt producing States in 1913 in both quantity and value of production, followed by New York, Ohio, and Kansas in the order named.

* * *

British and French Railway Operations in 1913.—Consular returns from England and France give, in summary form, the returns for the railway systems of Great Britain and France during 1913.

Government returns show that during 1913 the railways of the United Kingdom carried 1,228,316,000 passengers and 371,571,000 tons of freight. The passengers were divided into classes as follows: First, 26,025,000; second, 12,088,000; third, 933,498,000; and workmen, 256,705,000. The number of season-ticket holders is estimated to have been about 595,000.

The length of the lines, reduced to single track, was 55,438 miles. The gross receipts of the companies were $677,674,724, of which $277,044,978 was derived from passenger traffic, $324,191,630 from freight traffic, and $76,438,115 from other sources, mainly subsidiary businesses. The gross expenditure was $424,563,193, of which $383,494,799 was devoted to operating expenses, leaving a net income of $253,111,531.

The gross revenue and trading profit of the minor businesses are a matter of much interest and they are also shown:

Items.	Gross Revenue.	Trading Profit.
Passenger road vehicles	$608,313	$14,599
Steamboats	12,550,703	705,642
Canals	5,358,016	1,708,142
Docks, harbors and wharves	18,171,511	6,209,654
Hotels and refreshment rooms and cars	15,548,468	2,705,774
Other businesses	554,781	379,587
Totals	$52,791,792	$11,723,398

The following table, compiled from a report of the Ministry of Public Works, published in the "Journal Officiel" of June 21, 1914, shows the earnings of the railways of France, Algeria, and Tunis in the calendar year 1913:

Companies.	Total Mileage Dec. 31, 1913.	Receipts		Receipts Per Day Per
			Per Kilometer	Kilometer
State:	Miles.	Total.	(0.62 Mile).	(0.62 Mile).
Old system	1,875.3	$13,843,955	$4,587	$12.54
Purchased system	3,750.5	48,162,673	7,979	21.81
Nord (Northern)	2,384.2	64,028,437	16,687	45.74
Est (Eastern)	3,085.1	57,785,993	11,639	31.84
Paris-to-Orleans	4,853.5	59,433,752	7,609	20.84
Paris-Lyon-Mediterranean	6,060.2	115,066,643	11,817	32.42
Midi (Southern)	2,506.0	29,025,000	7,197	19.69
Paris Belt Line	19.9	1,593,358	49,792	136.45
Grand Belt Line	77.7	2,369,445	18,955	51.92
Totals and averages	24,612.4	$391,309,256	$9,880	$27.02
Secondary companies (mostly departmental railways)	839.5	2,814,228	2,083	5.79
Nonconcessionary roads	19.9	215,600	6,737	18.53
Totals and averages	25,471.8	$394,339,084	$9,620	$26.44
Railways of Algeria	2,076.0	$11,236,867	$3,360	$9.07
Railways of Tunis	897.3	4,336,045	3,032	8.30

QUOTED PRICES OF STOCKS OF NEW YORK INSURANCE COMPANIES

American Surety	*170	176	Metropolitan Life	*160	...
Commonwealth	300	...	National Surety	185	193
Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	260
Manhattan Life	*325	...	*Per cent price.		

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THERE have been indications during the past week or two that efforts were being made to convince the Administration and the members of the Federal Reserve Board that it is inexpedient to put in operation the new Federal Reserve system, so long as the times remain troublous and uncertain to the extent they now are. It is argued by those who are in favor of postponement that, on the one hand, any and every rearrangement of things financial should be avoided while the banks of the country are in the position of having no landmarks to guide them, such as stock exchanges, cotton exchanges, etc., with their daily and hourly registration of market values, and, on the other hand, that the transfer of the necessary cash capital from the member banks to the regional banks may prove a difficult and even dangerous operation at a time when both domestic and foreign exchange is in a state of confusion and to some extent even complete deadlock, when the country's currency is to such an extent disarranged that it is necessary to have recourse to the Aldrich-Vreeland emergency currency on a large scale and to clearing-house certificates to some degree, and when bankers of every description have to be on the lookout every minute lest an insane craze to withdraw and hoard money should manifest itself among their depositors. It is argued that changes in the appearances of things (such as bank statements, etc.) are to be guarded against with especial care, inasmuch as misinterpretations of such changes are the fruitful causes of misapprehension and of irrational action on the part of the general public. Over and above these considerations, it is felt by many, even of the leading bankers of the country, that the opening of the facilities of the Federal Reserve banks at this moment might give unsuspected opportunities to foreign countries to get hold of large quantities of our gold, leaving us with only an essentially inflated currency to use. The present control over the export of gold, possible to maintain so long as all the banks in the country remain individual and private institutions, might become impossible to exercise effectively, if the banks of issue were virtually public institutions, whose credit, as representative of that of the Government itself, could only be sustained by unhesitating allowance to all and every of the full measure of their rights under the law. The impression is strong, even among those close to the facts, that there has already been an enormous drain upon the country's stock of gold; and it is said that nothing but the break-down of marine insurance, since the European War began, has saved us from the loss of immense quantities of gold during the past month. Every European country wants gold and is hungrily eyeing our store of it, ready to take advantage of the first opportunity to seize as much of it as possible. The Federal Reserve system in full operation, it is alleged, might give this opportunity, and we should then have to go through the same harassment and anxiety that almost cost us our National credit as a country of sound money, in President Cleveland's time.

That there is sufficient force in some of these arguments of the advocates of postponing the immediate opening of the Federal Reserve system for business to warrant the serious weighing of them, there is no denying. For instance, it is unfortunately true that ordinary human nature is so constituted that it is guided much by the appearances rather than the realities of things, and that it is peculiarly susceptible of alarm over a change of the appearances at times when it is for other reasons super-excited and over-solicitous about the future. It must be admitted, therefore, that the possibility exists that a considerable change in the form of the reports of banks, particularly in respect of the cash and quick assets held by them, would give rise to some misunderstandings among depositors and perhaps to withdrawals and hoarding here and there. Our own opinion is that the possibility is an exceedingly slight one and that it is one of no decisive character, from a business point of view. Again, some difficulties might be experienced, in the present marketless condition of the country, in transferring from the member banks to the Reserve Banks the cash capital upon which the latter will do business. The total amount of such capital to be transferred is by no means large, relatively speaking; yet some trouble might be found in withdrawing it from the current funds of the member banks. Here again, however, we believe that the difficulties loom much greater in anticipation than they would actually prove to be. The fact is, of course, that in this country at the present time, while credit is difficult to obtain and exceedingly dear, money proper is, from a banking point of view, in unusually abundant supply. The people of the United States have shown no signs as yet of hoarding money, in the way in which the people of European countries have been doing. In fact, Americans have less money in their pockets and in private hiding-places to-day than has customarily been the case. Hence the necessary transfers of cash to the Reserve Banks should make little apparent impression on the cash holdings of member banks.

We do not think, then, that the opponents of the im-

mediate inauguration of the Federal Reserve system are particularly strong in respect of the argument which may be called in colloquial phraseology, the "don't rock the boat" argument, nor in respect of the argument from the difficulty, under present conditions, of performing the chief preliminary act now required to bring the Reserve Banks into active operation. There is some force in these arguments, but not sufficient force, as we look at the matter, to make them controlling. When, however, we turn to their arguments with reference to our control over our stock of gold, the danger of our losing a large portion of this stock to foreign countries, if the Federal Reserve system is in operation, or the possibility that we may speedily find ourselves with nothing but an inflated currency, unsupported by gold, we cannot agree with them at all or admit any cogency in what they urge.

As regards our stock of gold, it seems a most curious thing that no small number of the very bankers in this country who have for years been ardently working to bring about a reform of our banking and currency system,—some of them even demanding a single central bank of issue,—appear to have penetrated so little into the fundamental principles of the reform they were advocating that they retain much of their old attitude towards our stock of gold, making almost a fetish of it. They still read the financial situation by the movement of gold from or to the United States, looking upon any export of it at all as a danger signal, calling for prompt action to check it before our entire banking position is impaired. Of course, the truth is that the stock of gold in the United States has for years been inordinate, and the only justification for our keeping it has been the irrationally individualistic system of banking we have been using. All thinking men, conversant with international banking and credit operations, have long been extremely impatient with us for keeping this great mass of gold out of common use, while we ourselves were continually seeking to obtain credit in every great money market in the world. The distinguished French political economist, M. Paul Leroy-Beaulieu, has for years employed a scornful phrase about our accumulation and retention of gold far in excess of our proportionate part of the world's supply; he says of this country that it is "*le plus grand accaparear de l'or dans le monde entier*, the greatest cornerer, or hoarder, of gold in the whole world." Now, one of the chief objects of banking and currency reform in the United States was to make it unnecessary for us longer to occupy this indefensible position. Through the new system we were to mobilize and concentrate our gold, so that we need keep on hand only such supply as is requisite for our banking necessities, and become able to relinquish the excess above our legitimate share of the general supply. As our financial fabric is becoming more and more knit in with the financial fabric of the other great commercial and financial countries, it is a matter of most obvious common sense that any excess of gold beyond what we can profitably use ourselves should go, naturally and promptly and without occasioning remark, to whatever market or markets abroad stand in need of it. At this present moment, the one market that must have gold, if the commerce and industry of the entire world are to get under way again, is London. Even though we consider our own benefit in the most completely selfish spirit, we should freely send to London every dollar of gold we have over and above our own imperative requirements. With that gold, London can liquidate world credits of a vast amount, and, better still, can begin to provide new credits for the world's commerce. We have a cotton crop to sell; and, if London could provide the necessary credits to English and Continental spinners, there would be an instant foreign demand for a large part of this cotton. As it is, we are planning to stack this cotton up in warehouses, to allow the producers of it to borrow against it instead of selling it, and to take all the risks of its value, instead of having these spread over the greater part of the world. And so it is with others of our commodities and with the output of our mills and factories, manufactured for our foreign customers. With our stock of gold immobilized and hoarded in our own banks, it serves us not a whit in procuring what we most need, outlets for the products of our industry and skill. With the aid of one-half the surplus of gold held by us beyond our true needs, credit would be fructified in all the great markets outside of the war zone itself; and we should be selling our cotton and the other fruits of our toil, instead of having to keep them in our warehouses, as dead to use as the needless gold in our banks. Only through the speediest possible putting of the Federal Reserve system into operation can we place ourselves in a position to render this service to ourselves, as well as the counterpart of it to the rest of the world.

Finally, most foolish of all seem to us the arguments about the necessity of keeping a firm hold upon our gold, even at the cost of delaying our new banking system, inasmuch as, if we let it go, its place will be taken by emergency currency or Federal Reserve notes, which mean nothing but unbridled inflation. We had thought that the notion that the issue of short-time currency, in a fixed proportion to a gold reserve behind it, against property constantly produced and constantly consumed, means inflation, was buried beyond recall with the passage of the Federal Reserve Act. All the scientific banking and currency systems of the world are based upon the principle that this is the one sure way of avoiding inflation. It appears, however, that there remain many minds among bankers so little acquainted with the scientific fundamentals of their business, that they cannot forget their old saws, but still hold to a conception of sound currency which has nothing to recommend it, except that we have had to live by it these many years and pay from time to time a ruinous price for the privilege.

To our mind, then, the sooner the Federal Reserve Board can complete the organization of the reserve banks in the new system, the better it will be for us, financially and commercially. We ought to be releasing gold, to go where it can do its best work for us,—i. e. to London. We ought to be getting rid of all expedients that have about them the appearance of irregularity or unusualness, such as the Aldrich Vreeland emergency currency and clearing-house certificates. We ought to be relieving all apprehensions everywhere in the country lest a weak spot be found, and lest the fear of other weak spots may lead to withdrawals of deposits and the hoarding of money. The more quickly we can get away from these things or the possibility of them, the better will be our case. The immediate inauguration of the Federal Reserve system is our one means of attaining these ends. It should not be postponed.

Arthur Richmond Marsh

THE STILL UNSOLVED PROBLEM OF FOREIGN EXCHANGE

THE troubles and losses inflicted by the European War upon virtually every department of the industry and commerce in the United States require no rehearsing. Everybody knows them, at least in part, from his own participation in them. The greater portion of our business energy to-day is directed, not to the production and distribution of goods or to the actual conduct of business, but to finding ways and means for keeping our trade from utter stagnation, our finances from confusion and our working population provided with some wage upon which to live. Many minds are at work upon the multiplicity of problems involved, and from many points of view. It is not, however, always, or perhaps even generally, understood by those thus active that there has been and still is a something that blocks their efforts at a certain point, preventing them from carrying out their plans, however beneficial these might be for their own particular businesses. This stumbling block is the paralysis of the foreign exchange market.

Many causes had combined to make the international financial situation of the United States at the beginning of the European War an embarrassing one. The vast re-sales to us of American securities held by European investors had increased our cash indebtedness to Europe, by the beginning of the present Summer, to an amount probably greater than ever had been known in our entire history. Then our foreign trade for many months had been running with a comparatively slight excess (in value) of exports over imports,—the Government figures for July 31, 1914, showing an excess of exports for the seven months ended on that date of only $59,000,000, as compared with $307,000,000 for the same period in 1913. Again, our railroad and other corporations had outstanding in Europe a very large aggregate of notes and other short-time obligations, for whose maturity and payment the investors holding them were only too eagerly waiting. New York City was known to have some $82,000,000 of revenue warrants in foreign hands and to be obliged to care for them as they should fall due. There were, of course, our semi-annual interest payments to be met; and the optimism of our Summer wanderers in Europe had not been chilled by anticipations of war, nor had they reduced their expenditures abroad, requiring for the most part remittances either of gold or of commodities to meet them. Early in the Spring Europe had begun calling heavily upon us for gold, and we had remitted great sums before the end of July. But these remittances had made little impression upon the great mass of cash debits to our account, which our foreign creditors were in a position to call for, if they would.

Then came the war. Suddenly the usual exports of our commodities to Europe, except to some extent, foodstuffs to the nations with open ports, virtually ceased. The most important of all these commodities from the point of view of the liquidation of our foreign indebtedness,—cotton,—ceased to be exportable at all, even the accessible foreign markets, like Liverpool, deciding not to import a bale of cotton until their existing stocks had been disposed of on a basis to save their merchants from heavy losses, or perhaps ruin. Even in respect of the commodities for which some European demand continued, the exorbitant cost of marine insurance and of such ocean freight room as could be secured, made a dreadful hole in the foreign credits derived by us from the sale of the commodities; for we must pay to foreigners, out of the market value of what we have to sell, the cost both of marine insurance and of ocean freight, inasmuch as we have almost no marine insurance companies or mercantile marine of our own. In short, the international position of the United States suddenly became that of a debtor accustomed to meet his obligations gradually with the products of his own industry, but suddenly forced into the position of a debtor for cash, and to an amount he himself had not realized as possible and for the gathering together of which he had made hardly the preliminary preparations.

The situation then is that the United States is heavily indebted to Europe, and particularly to London. Moreover, virtually all the customary methods of liquidating the indebtedness are closed to us, except the shipment of the actual gold; and this, too, has been until now made exceedingly difficult and ruinously expensive by the scarcity and high cost of marine insurance. But something must be done about the matter, unless a palsy is to extend over not only our international commercial and financial relations but also our domestic industry and commerce. Our creditors are in most pressing need of their money, and they are not in a position to take it, as previously, "in kind," i. e. in the shape of the commodities we have for export. In fact, a condition precedent to their taking our commodities is that they should take our money, in order to liquidate their own strained position.

Naturally, our bankers and other persons of standing in the commercial and industrial community, as well as high officers of the Government, have been conferring together constantly about the vast and complex problem. The Government has itself taken the first step, by relieving the lack and high cost of marine insurance, through its War Risk Bureau just about to begin operations. Gold, if not commodities, will speedily be able to be shipped abroad upon a fairly reasonable basis. In spite of this, however, the grand problem of restoring the free flow of foreign exchange is not yet solved. The truth seems to be that sharp divergencies of opinion have arisen between the bankers engaged with the question as to the desirability of immediate repayment of our foreign indebtedness. Some of the chief of the bankers,—as, for instance, Mr. Schiff,—stoutly maintain that we owe the money and ought to pay it forthwith. Others lean to the opinion that we should in effect apply to our own foreign indebtedness the same principle of the moratorium which the countries to which our indebtedness is due have established for the benefit of their own citizens. An argument much used in support of this latter contention is that our own financial safety depends upon our keeping hold of the gold we have, lest we be left with only an inflated monetary medium, perhaps in the shape of Aldrich-Vreeland Emergency Currency, for the domestic circulation of the country. Perhaps it may be said that up to the present moment a predominating majority of our bankers, even in New York City, have been chiefly moved to the argument just outlined. They want to retain our stock of gold, for fear of a worse thing; and they do not shrink from the similitude of a moratorium for the foreign debts of the United States, inasmuch as virtually all the nations of Europe have declared moratoria for the debts their citizens owe, though cannily not for those debts that are due these citizens from the citizens of other nations. So far does this feeling go, that many of our bankers are decidedly irritated over the action of the Bank of England in establishing a depositary at Ottawa, Can., whither gold can be shipped from this country with no war risk whatever, and at a rate of exchange equivalent to $4.90 for sterling cables, while the approximate cost of sterling exchange on London is at this writing from $5.07 to $5.10, after having risen to the unbelievable height of more than $7.00 for small amounts at the severest period of the trouble. There is little evidence, then, that the Canadian undertaking of the Bank of England is finding favor in the United States or that it has as yet been resorted to in any large way by our bankers.

Some expedients have been tried and many have been pro-

posed for the remedying of the situation. The plan first put into use by the National City Bank of New York, and since adopted by some other large New York banks, of bringing together persons having bills to buy and bills to sell on countries not involved in the war as those in South America, whose exchange operations have hitherto been liquidated through London; and, by acquiring the small surpluses of London credits arising on the one or the other side in the process of off-setting, slowly gathering a fund of credits in London itself, for use in direct Anglo-American transactions has been highly useful and has eased many a difficult commercial situation. It was by some such painful process as that, that there was secured last week the $12,000,000 of exchange on London, required by the City of New York for the payment of the first instalment of her $82,000,000 of outstanding revenue warrants, payable in London. The novelty of the procedure, however, and the slowness with which the courses of world finance and credit are changed, make of this plan rather a palliative than a true remedy for the present difficulty. It is an acorn which will by-and-by grow into a mighty oak; but at this moment it is barely showing its first leaf.

After all is said, the problem of the present cannot be dodged, and that is whether we shall pay our debts abroad on the nail, in spite of the fact that we are suddenly cut off from our traditional method of cleaning them up by shipments of cotton, grain and others of our commodities and products; or whether we shall maintain an undeclared but none the less real moratorium on our obligations to English and other foreign creditors of ours. Perhaps the disinclination shown in some quarters in New York squarely to adopt the former of these alternatives is in part due to a feeling that the entire burden of finding the necessary gold will, as usual, be thrown upon the New York bankers. In this connection, it has been suggested that means be adopted to compel banks in other Reserve Cities to contribute their share of the gold required, on the theory that the whole country has been making use of the facilities for trading with foreign countries afforded by New York, and accordingly should now come forward, through its Reserve City banks, with the gold needed for the settlement of balances of accounts arising from that trading. Again, there have been under consideration expedients for wringing the gold out of the general circulation, where it is not needed. Naturally, too, the discussion has turned again and again to the provision of facilities, whether through the Government or otherwise, to set in motion again the stream of our credit-making exports. What the Government has done and is doing in furtherance of this suggestion is well known.

The trouble with this last expedient, however, in the present posture of affairs abroad, and particularly in England, is that it is in a sense putting the cart before the horse. Our commodities are needed abroad, and one of them, foodstuffs, must be had at any cost and at the expense of all other branches of commerce. But the export of our cotton involves the making of new credits, for the time being at least; and this is the very thing which England cannot do, without having more gold wherewith to do it. London, as the centre of the world's clearing of credits, is already overloaded with credits that cannot be cleared. Moratoria all over Europe are producing their natural result in the world's clearing house, London. It is estimated that the liabilities to England of Germany alone reach $500,000,000, not a penny of which will London be able to get until the end of the war. In less degree other European countries, even some of England's allies, stand in the same position to London. To perform the credit functions necessary to set commerce in motion again, London must be able to grant more credits, and still carry the mass of credits that cannot be liquidated. Only gold will enable this to be done; and if the United States, herself a debtor to England, declines to supply the gold, insisting on an immemorial right to liquidate by means of commodities like cotton, the result can only be that we can export our cotton to Liverpool only for hand to mouth consumption. We cannot hope that Liverpool will be able to carry a great stock of it, thus relieving us of so much of our heavy burden of financing the season's cotton production.

If this reasoning be sound, the first thing the United States ought to do, even at some sacrifice and risk, is to pay into the London market enough gold against our indebtedness there, to enable the credit machinery, upon which we ourselves must rely for the sale of our surplus commodities abroad, to be set in motion again. It is a matter of detail how the gold is to be gathered together to do this. The means are many, and all are well known to our bankers. A further benefit which would result would be the speedy doing away with the fears now common that we are in for a period of dangerous inflation, owing to the issue of emergency currency issued against accumulating stocks of cotton and other products for which there is no present market and which we are simply holding in warehouses. This fear is what makes many desire to hold on to our gold; but if, by the wise use of our gold in paying our indebtedness to London, we can avoid holding our cotton and the issue of emergency currency against it, there can be no possibility of the dreaded inflation. On this point, and in conclusion, there may be quoted to advantage a passage from a recent article in the London "Statist." It is as follows:

"Is there any probability, if measures are taken to restore confidence and enable the United States to pay its debts in Europe during the next few months, and, on the other hand, to export food-stuffs, cotton, tobacco, and so on, that the Government will need to issue anything like 20 or 29 millions sterling of paper; and that the banks, in addition, will take emergency notes amounting to another 20 millions? Surely the present difficulties in the United States are due to the shock to credit given by the sudden and unexpected outbreak of war upon the European Continent, and to the fear that, in consequence, Europe would not be in a position to continue dealing as of old. If, however, our fleets are able to keep the seas clear, and if measures are adopted for facilitating the acceptance and payment of bills, is it in the least probable that there will be such a demand for currency as will require the issue of new notes to the extent of 40 or 50 millions sterling? On the contrary, is it not probable that the need for inflation will then have passed? Trade in the United States has been restricted for a considerable time. There is little fresh enterprise. There is still less desire to engage in speculative ventures. Therefore, it would seem that a very large issue of notes will not be required if measures are taken to restore confidence. In that case, the United States happily has such abundant crops that she will be able to do an immense trade with Europe, and more particularly with the United Kingdom. Once exporting on a great scale begins confidence will rapidly revive; the demand for large paper issues will cease; and there will not be that extreme cheapness of money which would probably follow very large issues of paper. Here at home the advantages would be great. Our own Government has done so much to restore confidence that the outlook is now far more promising than anybody could have expected even a few days ago. All that is needed is that all difficulties in regard to remittances should be removed. The necessity for that is so great that it is unwise to stickle about theoretical objections. The present crisis, we venture to hope, will not last long. It certainly will not if our fleet can keep the seas clear. Whatever is necessary and promises to be effectual, therefore, should be done without regard to straight-laced prudishness respecting more or less imaginary principles."

CONCRETE RESULTS AS YET ATTAINED THROUGH THE WASHINGTON COTTON CONFERENCE

AT the close of the conference called at Washington by Secretary of the Treasury McAdoo, on August 24 and 25, to consider means for obtaining a reasonable price for this season's cotton crop, despite the large falling off in exports anticipated by reason of the European War, Mr. McAdoo appointed a committee to report to him upon the matters discussed at the conference. This committee was as follows:

Producers.—C. S. Barrett, Union City, Ga.; F. M. Coker, Hartsville, S. C.; J. O. Thompson, Birmingham, Ala.

Manufacturers.—G. Gunby Jordan, Columbus, Ga.; E. Farnham Greene, Boston, Mass.; Lewis W. Parker, Greenville, S. C.

Bankers.—A. H. Wiggin, New York City; Royal A. Ferris, Dallas, Texas; Festus J. Wade, St. Louis, Mo.;

Warehouse and Transportation.—S. T. Morgan, Richmond, Va.; Harry Walters, New York City; B. L. Mallory, Memphis, Tenn.

Tobacco.—D. Y. Cooper, Henderson, N. C.; William Elliott, Henderson, Ky.; F. G. Ewing, Cedar Hill, Tenn.

Commercial Interests.—W. D. Thompson, New Orleans, La.; Richard H. Edmonds, Baltimore, Md.; R. Goodwyn Rhett, Charleston, S. C.; Theodore H. Price, New York, secretary.

It is to be observed that this committee contained not a single cotton merchant, in the larger sense of the word, the only actual dealer in cotton upon it being a cotton factor of New Orleans, doing only a local business in that market. In short, as was pointed out in this paper last week, the efforts of the cotton trade and the machinery which the trade has evolved during the past forty and more years, not only for distributing the cotton crop to the immediate users of it, but also to those willing to contract for it for years ahead, were plainly not desired in the premises.

After several meetings, the committee submitted a report, not quite unanimous, to the Secretary of the Treasury, which was immediately made public by him, apparently with his approval. The report was as follows:

August 28, 1914.

The Secretary of the Treasury,
Washington, D. C.

Sir:—The Committee appointed by you pursuant to resolutions of the so-called Cotton Conference held in Washington, August 24 and 25, beg to report that at a session held in Washington, August 28, the following report was adopted by the undersigned, being a majority:

(1) That the Committee entirely approve of and congratulate you upon the announcement made by you yesterday afternoon that notes secured by warehouse receipts for cotton and tobacco, and naval stores, and having not more than 4 months to run, will be accepted as a basis for the issue of currency to the members of the national currency associations at 75 per cent of the face value of said notes.

(2) That it is the sense of the Committee that cotton, tobacco and naval stores should be marketed as deliberately as possible until they can again be exported in normal quantity and that when properly conditioned should be warehoused with responsible concerns, that they should be protected against weather damage and be properly insured against loss or damage by fire.

(3) That warehouse receipts for these commodities are proper collateral for loans by banks, and should be so accepted, with such limitations as to margin, inspection and valuation as conservative bankers may each in their discretion see fit to impose.

(4) That the average market value of middling cotton for the past six years has been in excess of 12 cent per pound, that the Comittee is informed that the cost of producing cotton averages throughout the United States about 9½ cents a pound, that it is a rule of economics that the production of staple commodities will decrease if they continue unsalable at less than the cost of production plus a reasonable profit. That cotton does not deteriorate when properly warehoused, and is as good twenty years after it is picked as when it is first gathered; that it can therefore be carried over until the restoration of normal business conditions enables the world's consumption to absorb it. The Committee is therefore of the opinion that every effort should be made to assist the producers to hold their cotton for a price that will minimize their loss as far as possible until such time as the channels of foreign trade shall be reopened. That loans upon cotton made upon a basis of 8 cents per pound for middling, less such margin as the lender shall consider necessary, will afford reasonable protection to bankers and will greatly facilitate the financing of our most important export crop in the present emergency.

(5) That in suggesting 8 cents per pound for middling cotton as a basis for loans, it is not the purpose of the Committee to convey the idea that that figure represents in their opinion the intrinsic value of cotton, but that it is sufficient in their judgment to meet the requirements of the situation, and enable the farmer to market his cotton in an orderly and deliberate manner.

(6) That in the tobacco and naval stores the Committee is informed that when these commodities are properly conditioned, stored and insured, they are practically non-perishable, and that the Committee therefore recommends that warehouse receipts for tobacco and naval stores be accepted as security for loans on a basis that has due reference to their market value less such allowance as the lenders shall consider reasonable in view of the present suspension of the export demand.

(7) Your Committee recommends that notes having not longer than four months to run, when secured by proper warehouse receipts for the aforesaid commodities, properly insured, be accepted for rediscount by the Federal Reserve Banks, when organized, and that they also be approved by the national currency associations as security for additional circulation to the national banks under the provisions of the Aldrich-Vreeland Act, as amended by the Federal Reserve Act.

(8) That a sub-committee be appointed by you for the purpose of conferring with the Treasury Department and the banking interests with a view of carrying into effect the recommendations herein made. Signed,

Royal A. Ferris	W. B. Thompson
S. T. Morgan	J. O. Thompson
Lewis W. Parker	Wm. Elliott
R. G. Rhett	F. G. Ewing
D. Y. Cooper	B. L. Mallory
H. Walters	G. Gunby Jordan
Richard H. Edmonds	Theodore H. Price

Respectfully submitted,
Theodore H. Price, Secretary.

It will be observed that the above report deals only with the holding (in storage or otherwise) of cotton,—besides tobacco and naval stores,—and financing it while it is so held from the market. It does not even touch upon the really vital question of distributing the cotton both this season and over succeeding seasons. The crux of the whole matter lies here, for nothing is more certain than that the mere storing and withholding from the market of 4,000,000 to 5,000,000 bales of cotton, however, it is financed, will mean a low price for cotton for at least two and probably three or

four years. Every user of cotton all over the world will regard the existence of such a mass of cotton, which is meant to be sold in case of an advance in the price as a sufficient reason for buying only from hand to mouth, and for making no contracts for cotton for future years. The extensive sales for far distant deliveries which the cotton trade could certainly make, if it were free to act, and which would support the market for the present supply, will simply not be made. In any case, they can only be made through the machinery of the great cotton exchanges, which are now about to be hampered in every way by the recent legislation by Congress, known as the Lever Act.

THE PRODUCTION, CONSUMPTION AND PRICE OF THE MINOR METALS IN THE LAST TEN YEARS

By Édouard Payen

Translated from "L'Économiste Français"

ACCORDING to a tradition already time honored, this paper will give a retrospective survey of the production, the consumption and the prices of copper, lead, zinc, tin, aluminum and nickel, during the year 1913 and the nine preceding years, and, when necessary, going even farther into the past. At the moment, in the world-wide unsettlement caused by the European crisis which has just been precipitated, such a study is of little immediate use, but it has a documentary value the interest of which will be evident on the day when the world's economic life resumes its natural course.

This article will be confined to the study of copper and lead.

Copper.

The production of copper, which, in 1912, for the first time exceeded one million tons, has continued to exceed that figure during the past year, although with a slight falling off from the figure of the year previous. The decline was 12,700 tons, or 1.24 per cent; but this is of slight importance if it is considered that, in 1912, the progress as compared to 1911 was considerable, being 124,800 tons or 13.9 per cent.

In the total production of raw copper which reached, in 1913, 1,005,900 tons, the part played by Europe was 186,500 tons against 195,300 tons in 1912, 181,900 tons in 1910, and 129,700 tons in 1904. Of the European producing countries, England is the most important, although its production for 1913 was the smallest of the decade under consideration, being only 52,100 tons against 63,100 tons in 1912 and 65,000 in 1904. The largest figure for its production was that of 1906 (72,700 tons). Germany, which ranks second, is, on the contrary, making progress, with 41,100 tons in 1913, the maximum figure for the decade, against 38,900 tons in 1912 and 30,300 tons in 1904.

Russia, which comes third in rank, has made great strides during the last ten years; its production has increased from 10,900 tons in 1904 to 16,800 tons in 1908, 18,500 tons in 1909, 22,600 tons in 1910, 25,600 tons in 1911, 33,500 tons in 1912, and 34 300 tons in 1913. Spain has witnessed an increase in production from 8,100 tons in 1904 to 14,600 tons in 1908, 18,300 tons in 1910, and 23,300 and 23,600 tons in 1912 and 1913, respectively. France, which had almost doubled its production between 1904 and 1911 (6,900 tons and 13,200 tons), recorded in 1912 and 1913 only about 11,900 tons and 12,000 tons. Servia now appears in the statistics with 6,400 tons in 1913 against 7,400 in 1912.

America claimed, out of the total production of raw copper, 692,900 tons in 1913 against 708,400 in 1912, the maximum figure of the decade, and 463,400 tons in 1904. Of this total, the United States accounted for 589,100 tons against 592,900 in 1912 and 380,900 tons in 1904; they are in quality and quantity the leading producers of copper in the world.* The English possessions in North America have a production which exceeded 8,000 tons in 1904, 15,500 tons (the maximum figure) in 1912 and 13,800 tons in 1913. The production of the rest of the American continent is far from negligible since it amounts to almost half that of Europe and has even at times exceeded this total. The figures are 74,500 tons for 1904, 86,500 tons for 1911, about 100,000 tons for 1912 and about 90,000 tons for 1913.

The Asiatic production jumped from 32,100 tons in 1904 to 55,000 tons in 1911, 67,000 tons in 1912 and 77,200 tons in 1913, Japan being the most important of the Asiatic producers. Australia furnished 41,800 tons in 1913, against 44,900 tons in 1912 and 22,700 tons in 1904. Finally, Africa, where production was reckoned about 1,000 tons in 1910, increased its output from 3,000 to 7,500 during the last two years.

The world's consumption of raw copper in 1913 was, contrary to what appears as regards its production, greater than that of 1912, reaching 1,044,500 tons, against 1,038,700 tons in 1912 and 662,500 tons in 1904. From this it may at once be remarked how much the consumption of this metal has increased during the last ten years. Of this total increase of 382,000 tons, Europe is responsible for 240,200 tons and America for 130,300 tons, the latter amount being almost entirely consumed in the United States. There remains scarcely 12,000 tons for the three other continents,—Asia, Australia and Africa.

In Europe, the largest consumer of raw copper is Germany, whose consumption reached 136,300 tons in 1904 and 259,300 tons in 1913, against 231,700 in 1912. In this increase in the consumption of copper in Germany may be seen a proof of the industrial activity of that country and particularly of the electrical machine industry. France is, with Germany, the only one of the large European countries, where consumption has increased, it having expanded from 56,600 tons in 1904 to 103,600 in 1913, against 98,500 in 1912, 95,700 in 1911, etc. Great Britain, which takes second rank, placed between the United States and France, shows no progress. After having touched the figure of 159,100 tons in 1911, 127,900 tons being its share in 1904, the consumption fell to 144,700 tons in 1912 and 140,300 in 1913. The Russian consumption declined from 31,200 tons in 1904 to 27,600 in 1905 and 23,500 and 17,600, respectively, in 1906 and 1907, since when it has continually risen up to 40,000 tons, remaining almost stationary in 1913 (40,200 tons). The consumption of Austria-Hungary increased from 23,200 tons in 1904 to 48 200 in 1912, and 39,200 tons in 1913; the Italian consumption, from 14,900 tons in 1904 to 34,200 in 1912 and 31,200 in 1913; the Belgian consumption from 7,800 tons in 1904 to 15,000 tons in 1912 and 1913. The United States, not content with being the largest producers of copper in the world, are also the largest consumers. From 218,400 tons in 1904, their consumption increased to 371,800 tons in 1911 and 348,100 tons in 1913, the latter year being less favorable than the preceding one which was marked by an increase of 50,000 tons over 1911. The consumption in Asia, Australia and Africa increased from 38,800 tons in 1904 to 40,400 in 1912 and 50,300 in 1913.

Below will be found the round figures for the world's production and consumption of raw copper from 1904 to 1913:

PRODUCTION, CONSUMPTION AND AVERAGE ANNUAL PRICE OF COPPER FROM 1904 TO 1913.

	1904.	1905.	1906.	1907.	1908.
Production of raw copper (tons of 2,200 lbs.)	647,900	693,900	720,600	712,000	763,800
Consumption (metric tons)	662,500	727,400	722,600	663,600	712,500
Average annual price at London (pounds sterling)	59.0.6	69.12.0	87.8.6	87.1.8	60.0.6

* On this subject, see the article of M. Pierre Leroy-Beaulieu, "L'Économiste Français," January 31, 1914.

	1904.	1905.	1906.	1907.	1908.
Value of the production in millions of marks (23¾ cts.)	769,000	971,200	1,266,900	1,246,900	921,900
	1909.	1910.	1911.	1912.	1913.
Production of raw copper (tons of 2,200 lbs.)	852,400	891,000	893,800	1,018,600	1,005,900
Consumption (metric tons)	790,700	916,800	954,100	1,038,700	1,044,500
Average annual price at London (pounds sterling)	58.17.3	57.3.2	56.1.9	73.1.2	68.5.9
Value of the production in millions of marks (22¾ cts.)	1,008,900	1,024,100	1,008,100	1,496,400	1,381,200

*The figures of this table, as all those cited in the course of this article, are taken from the statistics of the "Metallgesellschaft."—Frankfurt am Main, July, 1914.

This table gives also the average annual price of copper per ton in pounds sterling [pound sterling = $4.86]. This is an element of the greatest importance, which is worthy of considerable attention. It is well known how essential the course of copper prices is not only to various industries, but also to the numerous copper producing companies. To complete the information above, there is given in the following table the annual average price of copper per ton of 1,016 kilograms [2235.2 pounds], at London, from 1883 to 1904, in pounds sterling:

AVERAGE ANNUAL PRICE OF COPPER IN LONDON FROM 1883 TO 1904.

Year.	Price Per Ton of 1,016 Kilo. £	s.	d.	Year	Price Per Ton of 1,016 Kilo. £	s.	d.
1883	62	17	11	1894	40	7	4
1884	53	17	6	1895	42	19	7
1885	43	11		1896	46	18	1
1886	40	1	8	1897	49	2	7
1887	46	0	5	1898	51	16	7
1888	81	11	3	1899	73	13	9
1889	49	14	8	1900	73	12	6
1890	54	5	3	1901	66	19	8
1891	51	9	4	1902	52	11	5
1892	45	13	2	1903	58	3	2
1893	43	15	6				

To sum up, during the last thirty-one years, the average annual price per ton of copper has only eleven times been above sixty pounds sterling, ten times below fifty pounds sterling and ten times between fifty and sixty pounds sterling. The following were the highest and lowest prices for copper during the last three years (in pounds sterling):

	Highest £	s.	d.	Lowest £	s.	d.
1911	63	18	9	53	8	9
1912	79	18	9	60	17	6
1913	77	7	6	62	3	9

During 1913, the lowest average monthly price was in July (£64 5s. 11d.); in December it was £65 5s. 7d. For the first half of 1914, the average monthly prices were as follows (in pounds sterling):

	£	s.	d.		£	s.	d.
January	64	8		April	64	17	4½
February	65	8	5	May	63	5	10
March	64	8	1½	June	61	9	2¾

In the last days of July, just as the markets were beginning to be troubled by the prospect of an actual conflict in Europe, copper sold, at London, for £56 cash and £57¼ on time. The position of the world's visible supply has varied: on January 1, 1912, it was 102,000 metric tons, falling to 83,400 tons on December 31 of the same year; it then stood successively at 89,100 tons on January 1, 1913; 66,200 tons on December 31, 1913; 50,200 tons on April 1, 1914, and 55,600 tons on May 1, 1914.

Lead.

The production of lead has, since 1907, exceeded a milion tons, as is shown in the table given below, and is drawing near the 1,200,000 ton mark; but, in 1913, the advance was of small proportions, although, in 1911 and 1912, it was very ample. Since 1912, Europe has regained its place at the head of the lead producing sections of the world, a position lost in 1910. The course of the American and European production has been as follows (in metric tons):

AMERICAN AND EUROPEAN PRODUCTION OF LEAD FROM 1904 TO 1913.

Year.	European Production.	American Production.	Year.	European Production.	American Production.
1904	445,500	403,400	1909	512,900	488,000
1905	461,200	397,800	1910	503,900	505,100
1906	465,500	422,500	1911	498,500	513,200
1907	471,100	443,500	1912	547,000	511,600
1908	513,000	419,500	1913	574,000	486,900

The diminution in the American production is due to a falling off in Mexico, on account of the internal troubles of that country, its production being estimated at only about 108,000 tons in 1912 and 62,000 in 1913, against 124,600 tons in 1911. The production of the United States jumped from 302,300 tons in 1904 to 387,300 tons in 1912 and 407,800 tons in 1913. The Australian production reached 107,400 tons in 1912 and 116,000 tons in 1913, but did not succeed in regaining the figure of 1904, the best if the decade, which was 119,400 tons. In the production of Europe, two countries dominate,—Spain and Germany. The former has witnessed an increase in production from 186,700 tons in 1912 to 203,000 in 1913, against 177,800 tons in 1904. As for the latter, its output has risen from 137,600 tons in 1904 to 176,600 and 181,100 in 1912 and 1913, respectively. The French production has jumped from 18,800 tons in 1904 to 31,100 tons in 1912 and 28,000 tons in 1913. The English figures have remained almost stationary, although making trifling gains, as follows: 24,400 tons in 1904, and 29,200 and 30,500 tons in 1912 and 1913, respectively. The Belgian production has increased from 23,500 tons to 58,000 tons in 1913, etc.

Here, as was seen in the study of copper, the United States are at the same time the largest producers and the largest consumers of lead. During the past year, they absorbed 401,300 tons, out of a world's consumption of 1,196,200 tons. The increase in consumption in 1913 was slight, as 398,400 tons was consumed in 1912, against 364,400 in 1911 and 297,300 in 1904. In Europe, Germany's requirements amounted to 223,500 tons, out of a total European lead consumption of 713,900 tons, which compares with 622,200 tons in 1904. Germany, in 1904, consumed only 175,800 tons, while Great Britain made use of 237,100 tons, a figure which has not since been equaled in that country. The English figures for the last four years are: 208,400 tons, 198,300 tons, 196,300 tons and 191,400 tons. France, on the other hand, had in 1913 the record consumption of the decade; from 82,200 tons in 1904, the French consumption has increased to 104,700 tons in 1912 and 107,600 tons in 1913. The Russian consumption has jumped from 40,800 tons in 1904 to 58,800 in 1913; the Belgian consumption from 28,000 tons in 1904 to 42,900 in 1913, as compared with 44,900 tons in 1912.

PRODUCTION, CONSUMPTION AND AVERAGE ANNUAL PRICE OF RAW LEAD FROM 1904 TO 1913.

	1904.	1905.	1906.	1907.	1908.
Production of raw lead (in tons of 2,200 lbs)	970,400	968,800	984,000	1,015,400	1,054,800
Consumption (in metric tons)	950,000	968,200	991,800	1,007,900	1,046,400
Average annual price at London (pounds sterling)	11.19.8	13.14.5	17.7	19.1.10	13.10.5
Value of the production in millions of marks (23¾ cts.)	233,800	267,200	337,000	389,800	286,800
	1909.	1910.	1911.	1912.	1913.
Production of raw lead (in tons of 2,200 lbs.)	1,087,300	1,127,000	1,136,000	1,181,800	1,186,700
Consumption (in metric tons)	1,079,000	1,114,900	1,149,200	1,201,800	1,196,200
Average annual price at London (pounds sterling)	13.1.8	12.19	13.9.2½	17.15.10½	18.6.2
Value of the production in millions of marks (23¾ cts.)	236,000	263,500	318,600	422,800	436,900

The above table shows that the highest average annual price for lead during the last ten years was in 1907. It is necessary to go back to 1877 to find an average annual price of twenty pounds sterling. During that year the average annual price of lead per

ton of 1,016 kilograms at London was £20 14s. and from that decreased to £9 11s. 6d. in 1894, then increasing again to the 1907 figure, which is the highest of this last period. It is worth noting the fact that after the average annual price of lead had on various occasions been above £20 between 1853 and 1866, the course of prices fell to £19 11s. in 1867; £19 6s. in 1868, £19 1s. 6d. in 1869, £18 13s. in 1870, and £18 2s. 6d. in 1871. Then, between 1872 and 1877, the average annual figure again climbed above £20, with a maximum in 1873 of £23 2s. 6d.

The average monthly prices of lead at London for the first six month of 1914 were as follows: January, £18 19s. 10d.; February, £19 2s. 8d.; March, £19 2s. 2½d.; April, £17 19s. 9d.; May, £18 4s. 8½d.; June, £18 13s. 10¾d. During the last days of July, lead was quoted at £19⅛.

The study of zinc, tin, aluminum and nickel will be taken up in another article.

INDUSTRY, COMMERCE AND FINANCE

Commercial Failures in August.—Commercial defaults during August, according to statistics compiled by R. G. Dun & Co., numbered 1,272, with liabilities aggregating $43,468,116, an increase as compared with the totals of the same month for several years back. In August last year there were 1,145 failures for $20,848,916; in 1912, 1,102 for $16,153,166; in 1911, 926 for $11,116,631, and 919 in 1910 for $12,442,063. In number, however, there is some improvement as contrasted with the preceding months this year, except as to May and June, and while the amount involved is much in excess of any month except June, when the Claflin suspension occurred, the returns are very much distorted by comparatively few defaults with exceptionally large indebtedness.

In the following table comparison is made of the number of commercial failures in the United States, covering three years, by leading classes of trade, and the liabilities reported in each class for August this year:

	Number			Liabilities.
Manufactures.	1914.	1913.	1912.	1914.
Iron and foundries	7	11	4	$60,360
Machinery, etc.	23	23	10	10,667,845
Woollens, etc.	6	4	1	373,816
Cotton and lace	..	2	3	.....
Lumber, etc.	26	33	28	634,763
Clothing and millinery	53	47	43	536,244
Hats and gloves	7	8	6	91,433
Chemicals and drugs	9	2	2	96,189
Paints and oils	..	3	1	.....
Printing, etc.	9	25	15	64,514
Milling and baking	21	19	26	179,783
Leather and shoes	10	7	5	153,428
Liquors and tobacco	11	7	8	365,312
Glass, etc.	14	7	9	493,785
All others	131	133	124	2,451,498
Total manufacturing	327	331	284	$16,168,970
Traders.				
General stores	83	87	78	$558,960
Groceries and meats	213	214	216	1,726,745
Hotels and restaurants	54	34	48	448,886
Liquors and tobacco	76	72	69	529,014
Clothing and furnishing	105	63	61	1,130,555
Dry goods and carpets	52	47	50	788,640
Shoes and rubbers	25	25	25	175,380
Furniture and crockery	27	15	28	553,128
Hardware and stoves	18	25	18	201,379
Chemicals and drugs	45	32	25	299,312
Paints and oils	3	3	2	4,500
Jewelry and clocks	31	21	21	168,850
Books and papers	6	9	7	90,069
Hats and gloves	3	5	6	33,290
All others	127	129	110	1,702,125
Total trading	868	781	765	$8,410,833
Brokers and agents	77	33	53	18,888,313
Total commercial	1,272	1,145	1,102	$43,468,116

Foreign Commerce of United States in Fertilizers in 1913-1914.—The complete figures have recently been given out by the United States Department of Commerce for the imports and exports of fertilizers and of materials used in the manufacture of fertilizers, for the governmental year 1914 (ended June 30, 1914). The figures, with comparison for 1912-1913, are as follows:

IMPORTS OF FERTILIZERS AND MATERIALS FOR FERTILIZERS.

	1913		1914	
Fertilizers.	Quantity.	Value.	Quantity.	Value.
Bone dust and bone ash, tons, free	33,337	$801,713	41,450	$1,034,636
Guano ..... tons, free	19,075	340,915	21,887	755,833
Kainit ..... tons, free	466,795	2,154,977	541,846	2,579,619
Manure salts ..... tons, free	171,802	1,794,058	261,342	2,767,241
Potash, n. e. s.:				
Murate of ..... tons, free	201,220	6,782,056	237,886	7,915,523
Sulphate of ..... tons, free	42,745	1,753,485	45,139	1,897,740
All other substances used only as fertilizers ..... free	.....	3,300,833	.....	6,199,554
Totals		$16,928,037		$23,150,146

EXPORTS OF FERTILIZERS AND MATERIALS FOR FERTILIZERS.

	1913		1914	
Fertilizers.	Quantity.	Value.	Quantity.	Value.
Phosphate Rock, ground or unground, not acidulated:				
High grade hard rock.... tons	494,200	$4,942,000	475,335	$4,753,350
Land pebble ..... tons	777,898	4,577,962	1,000,630	5,857,969
All other ..... tons	794	4,127	1,906	6,516
All other fertilizers..... tons	74,834	1,875,000	61,601	1,360,903
Totals	1,347,726	$11,400,088	1,539,472	$11,978,738

* * *

Quicksilver Production in the United States in 1913.—The quicksilver industry in the United States broke a record last year, but not an enviable one, for which the exception of that of 1908, the production last year was the lowest since 1860. Final figures from every producing district, according to H. D. McCaskey, of the United States Geological Survey, give a domestic output of quicksilver for 1913 of 20,213 flasks of 75 pounds each, valued at $813,171, against a production of 25,064 flasks, valued at $1,053,941, in 1912. The decline was due partly to the large foreign output for the last few years, a dull market, and a general lowering of prices.

Producers report 154,033 short tons of ore mined and available for treatment in 1913, against 166,564 tons in 1912, and the reduction of 136,278 tons, against 155,693 tons in 1912.

California, as usual, was the largest producer in 1913, with 15,591 flasks, valued at $627,228, a decrease from the output of 1912 of 4,933 flasks in quantity and of $235,806 in value. The total value of the production of quicksilver in the State from 1850, the date of the earliest output, to the end of 1913 has been $95,902,923. The quicksilver output of Nevada in 1913 was 1,645 flasks, valued at $66,178.

* * *

United States Lime Output in 1913.—The manufacture of lime in the United States in 1913 broke all previous records, the production amounting to 3,595,390 short tons, valued at $14,648,362, according to R. W. Stone, of the United States Geological Survey. This was an increase over 1912 of 65,928 tons in quantity and of $678,248 in value. The average price per ton in 1913 was $4.07, as compared with $3.96 in 1912 and $4.03 in 1911. While Pennsylvania is the largest producer, the output of this State is only 2.36 per cent of the total, indicating the wide distribution of the industry; in fact, forty-four States reported to the Survey a production of lime in 1913.

Lime used in building operations represents nearly a third of the total output, but large quantities are sold to chemical works, sugar factories, tanneries, etc., as well as to farmers for broadcasting on agricultural land.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

ON this page of last week's issue of THE MARKET WORLD AND CHRONICLE attention was called to the vast new problem which fire insurance companies will this year have to meet in the matter of the insurance of some 4,000,000 or 5,000,000 bales of the cotton crop which it is expected will not be exported as usual, but will be stored in warehouses and held on farms in the United States. During the past week, developments have come rapidly in this connection, and it is beginning to appear that the questions to be decided will be most intricate and difficult. As the cotton crop begins to be ginned earlier in Texas than in any other State, it is only natural that the first determinations of the fire insurance companies should have been called for in that State. At the very start, it is evident that the companies are going to be exposed to a cross-fire and that they will run the risk all the time not only of heavy losses in cotton fires, but also of violent denunciations from leaders of farmers' unions and other self-constituted leaders and advisers of the Southern cotton producers. There is to-day no market for the greater part of the cotton that is being ginned in Texas, and no criterion of its real market value. All the cotton exchanges in the world are closed and consequently there are no authoritative quotations of the price of cotton. American spinners are buying a little cotton from hand to mouth and a few trifling lots are going for export. But the sale of each individual lot of cotton is a matter of private barter, and prices vary by from ½ to 1 cent per pound at points scarcely 50 miles apart. Most of the cotton that is being ginned is either perforce hauled by the farmers back to their farms or is put in such warehouses as are available. And this is only the beginning; before the end of the present month ginning will be general over the entire Cotton Belt and millions upon millions of bales will be held somewhere and by somebody, with the expectation that fire insurance can be obtained upon it, in order that the banks may advance money upon its security. The representatives of the farmers are violently asserting in every direction that this cotton is worth 12 cents per pound, or $60 a bale, and that banks must loan upon it and insurance companies insure it upon this basis. On the other hand, cotton has been bought in some quantity in Texas this week at one-half this price, and no competent cotton merchant would assert that in the present posture of affairs it would be safe to pay as much as 7 cents a pound, or $35 a bale for it. It is virtually certain that unless the Government, the bankers and the cotton trade can come to some dependable basis for a loan value of cotton, the price before the end of October must decline much farther, perhaps to 3 cents or 4 cent a pound,—i. e. $15 or $20 a bale.

It is, of course, not supposable that any decision reached by the fire insurance companies with regard to the insurable value of cotton is fixed and unchangeable. They will alter their basis as fast as conditions compel them so to do, though they will certainly find that as the basis they make declines the violence of the denunciations of them will increase, and in all probability every kind of attempt will be made to get legislative action on the subject, so as to put them in a position where they must in affect make their policies valued policies, without co-insurance clause. The agitation in the South over its predicament with its cotton crop is not unnaturally intense; and Southern communities generally will look with hostility upon any attempt to restrict their cotton insurance, whether in the matter of price or in any other way.

As an illustration of what the fire insurance companies are already doing in the premises we append the instructions given by the Royal to its agents, although with the reservation that the now dangerous price limit of 9 cents per pound may already have been revised. The instructions are as follows:

Insurance on Cotton—Season 1914-1915.

On account of the war in Europe, it will not be possible for some time to dispose of cotton as promptly as heretofore. The cotton exchanges, both in America and abroad, are closed, and in consequence there is no reliable market where the price of cotton is fixed from day to day.

In view of same, and for other reasons, it is necessary for underwriters to insure cotton on a very conservative basis. In accepting cotton for our account, therefore, please do not insure it for more than a total of nine cents a pound, based upon middling cotton. This valuation will be accepted by us as the basis in applying the full co-insurance clause, in case of loss, until the cotton exchange reopens.

All policies covering cotton under policies or certificates must have attached to them the fololwing clause:

"Notice is hereby given that in the event of loss under this policy, this company has the right to replace with cotton of like kind and quality the cotton that may be changed or destroyed by fire as provided for under the printed conditions of the policy."

Your customers and banks should be informed of this fact, so that no misunderstanding on the subject will occur in case of fire. * * *

At this juncture, you will doubtless agree with us that it is very important that cotton policies should only be issued to reliable parties who have banking facilities and can borrow, if necessary, such an amount of money on each bale of cotton as the bankers are generally advancing this season. * * *

Please understand that no mention of nine cents per pound as the value of the cotton is to be made in the policy or certificate. The amount of insurance which is to be written, however, should be based upon this figure, so that the assured will not take out more insurance than he can collect, and at the same time he should maintain insurance equal to the full value of the cotton based upon the price of nine cents per pound. The same forms should be used as heretofore for insuring cotton, the only difference being that the rider, as herein quoted must be made a part of the contract.

A RAILROAD MAN'S VIEW OF ADJUSTING PERSONAL INJURY CLAIMS

By H. B. Hull*
Chief Claim Agent, Illinois Central

I KNOW but one rule that may be safely followed in the adjustment of personal injury claims, that negotiations should be conducted upon the high plane of openness and fairness. In adjusting a claim, it is of paramount importance that every word and act of the claim agent's should be such as to withstand at any time the closest scrutiny under the light of day. A railroad company, with its property constantly exposed and subject to attack, must for its protection and defense rely upon its own reputation for fair dealing with its employes, patrons and the public. The deportment of its claim agents, who are constantly in touch with the public, has much to do with placing the reputation of a railway company. If they go about their work inspired by high and honorable resolutions, their efforts will not only be rewarded as they go along, but will assist most materially in establishing for their company a good name, which is the most valuable asset a railway company can have and which, when once enthroned, is as immutable as virtue and truth.

Assume, for instance, that you have a seriously injured person at some hamlet upon your line, far removed from the influences which are always antagonistic to the company in the handling of its claims, and that he is unadvised of his rights and imbued with an abiding faith in the fairness of the company and willing to trust his case in the hands of the claim agent, and that you have it in your power to go to that man and conclude him in an inadequate settlement, and thus save your company a substantial sum of money in that particular case. I affirm that it would not only be unconscionable to overreach that claimant, but that it would also be unprofitable to your company. The dust of the community would scarcely be off your feet till the doctor, the banker and the prominent citizen would get together on the street corner and discuss the result of your visit and the entire community would soon be condemning your railroad, and properly so. Almost in the twinkling of an eye you had encompassed enough to cause your company to be hated and despised in the community where the settlement was made, and to render it certain no more settlements could be made there. A corporation can only act through its agents, and unless their acts are scrupulously correct they deserve to be condemned.

Contrast the situation which I have attempted to describe with what might have happened had you gone to the injured man in a kindly way and explained that you were representing the railroad and that if he were uncertain as to his rights, that he had best call in two or three of his friends upon whom he would ordinarily rely for advice in a business transaction, and ask them to assist him in arriving at a conclusion as to what would be a proper sum for him to accept in compromise of his claim. In my humble opinion, the railroad gains much in closing a compromise in this manner. It not only satisfies the injured man, but it satisfies his friends and acquaintances, the doctor, the banker and the prominent citizen, who immediately become a potent influence in a community against personal injury litigation.

The claim agent who makes a settlement for the smallest sum is not always the best claim agent. He invariably has many "knockers" on his territory and lots of litigation against his company, whereas the claim agent who exercises good judgment in determining the proper amount to pay has everybody helping him with his cases, and besides, he smooths the way for a pleasant relationship between his company and its neighbors in other and perhaps more important matters. I believe there is as much danger of paying too little as there is in paying too much in cases where the injured person is friendly and inclined to permit the claim agent to name the amount. The art of the business is in being able to survey a situation and decide upon a fair and proper sum to pay. Settlement should be upon a basis so fair as to stand four square to all the winds that blow. But the friendly cases are in the minority, and growing fewer all the time.

In handling the other class of cases, where the claimant is unreasonable and has been listening to the siren song of the damage suit lawyer and his agent, who, before they are employed, are always against a compromise at any figure, I believe the best method is to locate the influences that would naturally control the injured person and work through that source. There is a key to every situation. The difficulty is in finding it.

It is almost unbelievable to what extent the damage suit lawyer and his agents are able to poison the mind of the injured person against the claim agent and the company. No matter how good intentioned you may be toward the injured person, no matter if you be willing to pay more than could be recovered net at the end of a lawsuit after months, if not years, of waiting, it is an uphill job at best to dislodge in his mind the glittering hope of drawing the prize held out to him as an inducement to sue, but it is well to keep on trying and not give up. The claim agent who is easily discouraged and quails in the presence of difficulty is not made of the right kind of stuff to do successful claim work in this day and age. If he perseveres he will succeed oftener than he fails. The claim agent must be able to tell the injured person of settlements he has made that were fair and just and satisfactory to all parties concerned. He must also be able to tell something about cases the damage lawyers will not talk about, the litigated cases that terminated disastrously to injured persons.

A railroad corporation should pay an injured person, in a liability case, about what he could recover net to himself at the end of a lawsuit, figured on the best information obtainable, and only attempt to save attorney's fees and court costs in adjusting claims of serious injury. Twenty-five per cent of the total paid out by the average railroad in a year and charged to the personal injury account is waste; that is, it goes to the payment of court costs, witness fees and into the pockets of the damage suit lawyer and his organization. If we could save that for the railroads, it would be considerable and would fully satisfy them, and besides, what a blessing it would be to the injured people and their families, if we could only make them see it. Our mission, as I view it, is to starve out the damage suit lawyer and put him out of business. His sinister shadow falls across the pathway of nearly every unfortunate with a claim against a corporation, and he is doing as much in this country to-day to array employe against employer and stimulate unrest and discontent as any other factor, and why? Simply that he may use the cripple as a vehicle to enrich himself, and with what result? In the cases he is fortunate enough to win, he takes out of the sums recovered his dividends and the expenses ranging from 33⅓ to 50 per cent. He then has no further interest in the cripples and they are cast out into the world with perhaps a few thousand dollars at best and no capacity for taking care of it, and, as a rule, they invest it in some little business and the inevitable happens. They are the familiar fellows you see on the street corners in all of the large cities of the land.

Address at the twenty-fifth annual convention of the National Association of Railway Claim Agents, St. Paul, Minn., May 21, 1914.

The policy of railroads is to take care of maimed employes in positions which they can fill, wherever it is possible to do so, and this is done entirely separate and apart from any settlement that is made. I would estimate that 75 per cent of maimed employes who do not sue are provided with positions which, in most instances, they hold as long as they live, clinging to their employers, like the ivy to the oak, for succor and support, and these men usually get about as much net out of their claims as if they had sued, and oftentimes more, but the damage suit lawyer does not get his, and there is the rub.

I am an optimist and can see signs of the dawn of a brighter day for the railroads and their injured employes. There never was a time in our history when railroad managements were so thoroughly alive to the situation as they are to-day. They are accustoming themselves to think of the distress of human life and how to relieve it. Evidence of this is seen in the pensioning of old employes, in the building and equipping of hospitals, in the liberal sums they are willing to pay in compromise of bona fide personal injury cases, in the sincere efforts that are made to provide the maimed with employment where left free to work the matter out, and in many other ways. They are approaching this matter upon a basis of humanity and sympathy, seeking the good and comfort of the unfortunates for whom they feel a sense of responsibility, a deep-rooted interest born of sympathy. Under these conditions we should not have much difficulty in adjusting our personal injury claims, especially with employes. In our fight to protect injured employes and prevent them from being literaly torn away from their employers, their real friends, by self-serving damage suit lawyers and their agents, already drunk with success, and greedy for more coin of the realm, we should stand upon the broad foundation of justice and righteousness between man and man and let it be known far and wide and back it up by sincerity of purpose in our every act. I sympathize, of course, with the poor fellows who are lured away through the subtle methods of the trickster, but after all, good comes out of it in that others are able to profit by the sad experience of unfortunates who are willing to turn against a friend and faithful employer anxious to do a good part by them.

We have still another class of personal injury claims to deal with, the most difficult of all to handle. I refer to the fraudulent claims. In nearly all of these cases the claimants have some bodily infirmity which they try to capitalize by palming it off on the railroad as having resulted from an accident. They invariably select a time and place to pull off the "accident" under circumstances which would render the railroad liable in damages if an injury occurred. They have little difficulty in finding doctors who are willing to be fooled for a stipulated contingent fee. Frequently the desirability of adjusting claims of this character is suggested in order to reduce an uncertainty to a certainty and save the costs of litigation, but the difficulty is, where one of these fraudulent claims is adjusted, the effect is to stimulate more claims, and instead of making progress through such a policy, we actually slip the other way. We make two blades of grass grow where but one grew before, but it is the wrong kind of grass. If we do not settle the game is played to the limit, there is a trial, and sometimes the railroad is mulcted in damages, but oftener the fraud is exposed before the goal is reached. Whatever the result, I am convinced it is wise to exploit this class of cases before the public as much as possible. If we compromise them as a mere matter of temporary expendiency, the railroad becomes a party to the fraud. If a robbery is to be perpetuated, let some one else be responsible for it.

The fact that railroads will at time capitulate and buy their peace by adjusting fraudulent claims, I verily believe, is responsible for as many "railway spines" and "nervous wrecks" as are collisions and derailments. A street railway company in a certain Southern city adopted a policy of settling all claims and keeping out of court. Fraudulent claims increased at an alarming rate. The policy was changed and all frivolous and fraudulent claims were fought out to the end. There were so many suits that nearly all the qualified jurors sat upon some of these cases and became educated to look for the fraud and injustice of the litigation and the result was that the juries put an end to the system. They almost carried it to the other extreme and it became difficult for a man with a bona fide case to get justice. All cases were looked upon with suspicion and the honest claimant suffered from the odium cast upon him by the crook.

If the railroads of this country, acting in concert, should adopt a policy of fighting all fraudulent, suspicious and frivolous cases, they could in time educate the people just as did the street railway company in the city referred to. It would be the same proposition except on a larger scale. Our difficulty now is that we too often submit to wrong and injustice in order to gain a temporary advantage. We lose the benefit and effect that would flow from exploiting all the cases that lack merit. We should take up the time of the court and its machinery, and of juries, in trying this class of cases. Too often the suggestion is made to the claim department: "We can settle that case for less than it will cost to try it. Why not?" The fact that a plaintiff is willing to do that is a confession of lack of merit in the claim. If the claim department submits and the claim is paid, the curtain is drawn and the public never knows anything about the transaction. We should make a painstaking effort to separate the wheat from the chaff. If railroads did not pay out so much money to those not entitled to it, they would have more to pay to those that are entitled to it, and if the courts and juries had an opportunity to know the situation as it is, they would help us make the division, but so long as railroads do not take advantage of the oportunity which is theirs, they will never know, I feel that meritorious claims should be adjusted at reasonable, even liberal figures, but that all frivolous, fraudulent and suspicious cases should be resisted and advertised to the fullest extent. By persistently carrying out such a policy, the public would eventually understand it was unnecessary to sue a railroad in order to get justice.

In many instances there has been a disposition on the part of interested persons to give out unreliable information relative to the amounts recovered in personal injury lawsuits and injured persons frequently confront claim agents with this false information. In one case which Mr. Failing handled, a death case of non-liability, in which he offered to pay a substantial sum, suit was filed and there was a verdict for $20,000. This was written up in the newspapers and advertised quite extensively. Later on the case was settled with the attorneys representing the plaintiff for one-half the amount he had originally offered direct to the beneficiary. Of course, there was no publication of the closing transaction, and claimants confronted him so often with the newspaper story of the verdict rendered by the jury that he found it necessary to photograph the newspaper clipping and the release for the amount that was actually paid, which was effective in convincing claimants of what really did happen to the case. We have had a few cases on our line where injured persons recovered damages at the end of the law and later accepted employment as runners for damage suit lawyers. One of the arguments they used in soliciting cases was what they had been able to accomplish through litigation of their own claims. We discovered that they

were distorting the facts. One man in particular, who had recovered $5,200 in St. Paul for the loss of a leg, was reporting it around to injured employes that he secured $8,000. We found it necessary to obtain certified copies of the judgment of $5,200 which was affirmed by the Supreme Court and distribute them in the community where this man had given out the false information. We have pursued the same course in a number of other cases.

It is true that the publication of large verdicts at initial trials creates a wrong impression in the public mind, and especially upon the minds of prospective claimants. Also, men who get upon juries read these reports and are doubtless influenced by them to some extent in arriving at their verdicts, but I do not know of any way this situation can be remedied, except where these reports are mentioned by claimants in the course of negotiations for settlement, and in those instances Mr. Failing's scheme of photographing the release and the newspaper report, I think, is good, as well as the other plan of securing certified copies of judgments for distribution.

"Keeping injured persons in line for settlement" is not an easy task. Here is where close co-operation between the claims agent and other departments of the service fits in best. On the railroad which I have the honor to represent (and I think the same is true of all other lines) the practice is to take just as good care of an injured person as it is possible to do—furnish the best of surgical treatment, nursing and hospital service, and when he is sufficiently recovered to be able to talk business, and inclined to do so, to go to him and have a heart to heart talk about his case and request him to hold himself free to deal direct with the company when he is ready to consider the matter of adjusting his claim, explaining, also, that in case of his failure to reach an agreement he would be left upon just as high ground to pursue another course, should he desire to do so, as he was upon in the beginning. It does not require much intelligence for one to understand that a compromise is preferable to a lawsuit and our reasonable request, freighted with much importance for the weal or woe of the injured person, is usually granted cheerfully by claimants of ordinary intelligence, and always by those of higher mentality. The weak-minded, those who are not able to think for themselves, are the ones most likely to fall a willing prey into the outstretched arms of the damage suit shark, for they can be handled by him like clay in the potter's hands. In many of these cases suit is filed without affording the company an opportunity for a hearing. Nobody ever heard of a business man, or a man of affairs, suing an individual, or a corporation, without first rendering a bill and making at least a reasonable effort to collect it; nobody ever heard of a lawyer sending an agent to a man of brains for the purpose of trying to induce him to file a suit in advance of exhausting every effort to effect a friendly setttlement. The business of the damage suit scavenger thrives among the weak and drooping, and how to hold that unfortunate class in line for settlement is, indeed, a problem.

THE PRESENT SITUATION AS TO GOVERNMENTAL WAR RISK INSURANCE

UNDER the provisions of the War Risk Insurance Act, passed by Congress August 31 and signed by President Wilson on September 2, a bureau is created in the Treasury Department to insure against loss or damage arising from war, "American vessels, their freight and passage moneys, and cargoes shipped or to be shipped therein." The principle underlying the Act appears to have met with general approval in business circles. Not unnaturally, to be sure, it has been pointed out in more than one quarter that such legislation tends toward undue governmental control of matters best left to private enterprise. Perhaps as weighty an exposition of this point of view as has appeared in the course of the discussion is to be found in a recent editorial in the New York "Journal of Commerce," where it is argued that "such a bill would not be justified by any condition but the emergency of such a war as is now waging between nations with which we have had close commercial relations. As it is, it does not have the same justification as the similar action taken by governments of the nations engaged in the war, whose vessels are liable to seizure by enemies, as those of a neutral nation are not. In any case, the Act of Congress should be strictly limited by its terms to the duration of the present conflict and such time as may be required for the final settlement of claims." It may be noted that an even more determined opposition, based on similar grounds, has developed in the case of the proposed purchase by the United States of steamships for the overseas trade.

It would not seem necessary to push too far or too strongly in this line of thought. The needs of the present are numerous and imperative, and they should not be accentuated by opposition, largely theoretical in character, to governmental measures which will be recognized, after the needs have been met, as having arisen purely by reason of a grievous emergency, and not as establishing principles at variance with American ideals of the function of government.

Certainly, the United States is not the only genuinely democratic country that is adopting precisely the same expedient. The French Government, in order to prevent any undue disturbance of foreign trade, and to facilitate the importation of foodstuffs, has decided, under certain conditions, to guarantee the payment of insurance on ships for which war risks have been paid. The Government will guarantee up to 80 per cent on French bottoms and the whole value of cargo imported under the French or an allied or neutral flag. The full value of cargo exported under the French flag will likewise be secured.

In England the establishment of the War Risks Office has brought about a greatly improved condition in the entire field of the country's foreign commerce. According to "The Economist" the marine insurance market was paralyzed almost immediately upon the outbreak of the war. How rapid was the rise in marine insurance rates in London will be gathered from the following figures, showing rates charged on voyages to the United States and other nearby countries:

July 28	5s. per cent
July 31	60s. to 80s. per cent
August 4	10 guineas to 15 guineas per cent
August 6	20 guineas per cent

Naturally it was impossible for shippers to meet such rates, and the War Risks Office was called into being by insistent public demand, and established an initial note of 5 guineas per cent. This was reduced on August 7 to 4 guineas. On August 14 the rate had fallen to 3 guineas.

In view of the problems which will inevitably face our new War Risk Insurance Bureau in the Treasury, it will be of interest to consider the difficulties already encountered in England. "The Economist" describes them as follows:

"From the peculiar conditions of the past ten days some curious paradoxes have resulted—chief among them being the higher rates of premium paid on cargo in neutral steamers. It arises in this way. No cargo can be insured by the State unless the hull which carries it is also insured. As no foreign hull is insured with the Government, it follows that cargo carried in foreign steamers does not fall within the Government scheme, and must be taken by the open market. Thus (the Government insurance being unavailable)

there is less competition for cargo in neutral bottoms, and individual underwriters can quote what rates they like without being told that "the business will go to the State." Hence comes the strange result that while cargoes in British steamers were being insured at 4 guineas per cent, 6 guineas and 7 guineas per cent were being paid on cargoes in Dutch and Japanese hulls. Recently the disparity has tended to disappear, the rate on neutrals being distinctly weaker, and merchandise to the East in Dutch or Japanese steamers has been insurable at 3 per cent. That fairly stiff premiums should be charged on neutral steamers is not unreasonable, for in these days neutrals may at any moment become belligerents, but it is unnatural to charge actually a higher rate on the steamers of Holland, which is not at war, than on the steamers of Great Britain, which is. The disparity of rates is really another porof of the steadying influence of the State scheme, which has had so striking an effect on underwriters wherever they are in competition with it.

"If these are the rates, what of the losses and the captures? Here it is difficult to speak with any certaity. A large number of German vessels have been brought into British ports, and some have been taken while lying in British harbors. Most of these steamers we know, though their aggregate value cannot be computed. But we do not know, and for a time, probably, we shall not know, the number of British ships captured in German harbors or destroyed by German cruisers at sea. How many of our merchant steamers were lying in Hamburg, Bremen and the Baltic ports at the time of the declaration of war has not been stated officially, and there is no way of arriving at an unofficial statement, while if any of our trading vessels have been sunk at sea the fact will naturally not be known for some time. It is to be hoped, and we may well believe, that the losses from this cause in the Atlantic and the Mediterranean are small, but at present nothing is known, and some of the steamers may actually be losses before the insurance on their cargo has been effected. Happily, the big specie shipments have arrived safely, and the millions of liability borne by the London market have not produced a loss of any kind.

"Already difficult problems of law are arising out of captures, and lawyers and average adjusters are being bombarded with thorny problems for their decision. For example: (1) English cargo in a German steamer captured at Antwerp. Will that be a loss to the British owner? (2) English cargo at sea consigned to Germany in German vessels, but not yet paid for by the German customer. Will that, if captured, be a loss to the British owner? (3) English cargo in a German steamer that puts into Lisbon. Will that be a loss to the British owner? They are difficult points, and so far no one has solved them satisfactorily. Whatever the ultimate solution, it is clear that under modern conditions the capture of private property at sea is a far more tangled business than most people had realized before the war broke out. Whatever the strategical advantages of hampering German commerce, it is impossible to carry out the systematic capture of German steamers without injuring either British underwriters or British merchants."

In closing, it may be stated that immediately upon the signing of the War Risk Insurance Bill by President Wilson, an announcement was made by Secretary of the Treasury McAdoo to the effect that he had appointed as Director of the Bureau, Mr. William C. De Lanoy, of New York City,—a member of the New York firm De Lanoy and De Lanoy,—who has had an insurance experience of some thirty years. As assistant to the Director, Mr. J. Brooks Parker, of Philadelphia, has since been appointed. Further, the Secretary of the Treasury has designated, to serve as an advisory board, Mr. William Wallace, of Boston, Mass.; Mr. Hendon Chubb, of Jersey City, N. J., (a member of the New York firm of Chubb and Son); and Mr. William N. Davey, of New York City (of the firm of Johnson and Higgins). Secretary McAdoo has also announced that the new Bureau has been placed in the customs branch of the Treasury Department, at the head of which is Mr. Andrew J. Peters, Assistant Secretary of the Treasury (until recently Congressman from Massachusetts). The first work of the Bureau will be the preparation of policy and other forms; but this work is already well advanced and is expected to be completed within a few days. Applications for war risk insurance should be addressed for the present to the Director of the Bureau of War Risk Insurance, Washington, D. C.

DEVELOPMENT OF AUTOMOBILE INSURANCE

AT the Thirty-eighth Annual Meeting of the Fire Underwriters' Association of the Pacific, Mr. William M. Klinger, spcial agent of the Fireman's Fund Insurance Company, read an interesting paper on automobile insurance. Through lack of space we are unable to reproduce it here in full, but we give below Mr. Klinger's introductory remarks, which outline the inception and development of this branch of insurance. The extracts are reprinted by permission of the Association under whose auspices the paper was delivered.

* * *

The automobile was practically unknown fifteen years ago, and the few in operation at that time were curiosities to most people, and a matter of contempt to many. Since then, especially from 1902 to the present time, the motor vehicle industry has grown rapidly and its progress cannot be stopped; in the United States it has grown more rapidly than any other industry. It is interesting to note the growth of this branch of trade from year to year. Prior to 1904 statistics are not available; during that year there were built 22,000 cars; in 1905, 38,000; in 1906, 70,000; in 1907, 90,000; in 1908, 110,000; in 1909, 125,000; in 1910, 170,000; in 1911, 210,000, and in 1912, 300,000; while the output during 1913 is estimated to have been over 650,000 cars, with a value of over a billion dollars. The prospects for 1914 do not appear to be as encouraging. An official of a motor car factory, who is also president of the Automobile Chamber of Commerce, a National organization that numbers among its members all the leading automobile manufacturers of the United States, says:

"Business conditions, not only in this country, but throughout the world, are being affected by influences and economic conditions that are in the nature of a reaction and readjustment after a number of years of rapid expansion and development. The automobile industry itself has been an example of such development, and now has reached a point where continued startling increases in production are no longer necessary or justified. In ten short years it has wholly transformed one phase of urban transportation, and having accomplished that task, it can best ease up for a while, and supply normal demand, rather than try to force reluctant further markets. Some doubtless well meaning men are endeavoring to 'boost' the industry, as they term it, by exaggerating the present activity and future production of the big automobile manufacturing centres in a way that comes close to falsehood, and in doing so they complicate matters unnecessarily. What is needed above everything else is confidence, and lies and exaggerations, either pessimistic or optimistic, serve to destroy that confidence. The industry is strong and prosperous enough to require no false 'boosting.' There can be no wild and unconsidered development, based on mere hope and optimism. Its progress now must be based upon sound business

judgment, which means expansion and increase only where a sure market has been found."

From the foregoing statements it may be assumed that fewer cars will be manufactured this year, hence a corresponding reduction in premiums written.

The development of the industry has been a factor in establishing various branches of business, one of which is automobile insurance. It has developed to such an extent that to-day certain companies are exclusively engaged in writing automobile insurance covering the vehicle against every possible loss to which it may be subject, while other companies have organized special departments for this branch of underwriting. The development of automobile insurance has kept pace with the production of the motor car, and for purposes of comparison with present day conditions, will read to you extract from an article written by me for a motoring magazine published in April, 1906:

"At the close of the motoring season of 1905, it was the unanimous opinion of the most prominent manufacturers of automobiles that the year of 1906 would show a greatly increasing demand for their product providing it were possible to secure some adequate system of indemnity against the multiplicity of hazards to which motor vehicles are subject. Manufacturers, designers and engineers devoted much time and study toward the elimination or reduction of the natural hazards of automobiling. Many changes were made in the arrangement of the carburetor and commutator, resulting in a corresponding reduction in the number of explosions, but it is safe to say that the total elimination of fire hazard will never be reached.

"Several insurance companies in 1905 employed experts who gave this subject their undivided attention, and upon their recommendations engaged in writing automobile insurance. It may not be amiss to state that because of the underwriting of automobile insurance is due in a large measure he advance in the value of cars now being operated to the enormous amount of $250,000,000. Great Britain was the first country to introduce motor car insurance. In that country underwriters will assume the liability of every known hazard upon which a percentage of profit may be obtained. Companies were early organized in Great Britain to cover exclusively against loss or damage these risks, and extended the policies to cover damage through collision and claims for personal injuries sustained by owners and to third parties. Specific or general policies at the option of the applicant can now be secured in Great Britain. Specific policies include either the fire, collision or liability hazard, whle a general policy covers a combination of all risks. As the development of the automobile industry progressed in America, the demand for protection against the natural hazards to which the motor car is subjected became general, but the underwriters were skeptical about issuing a 'floating policy,' and did not believe that this clause of hazard could be scientifically underwritten. Through many years of experience they had successfully classified other insurable properties, but at first glance could not seen their way clear to assume risks of a 'special hazard' nature, upon which a classification had never been previously made. They figured that a building being a stationary object, a value could be placed upon it; the fire insurance inspector could periodically inspect it and determine its depreciation, according to use, age and occupancy; stocks of merchandise could receive like treatment, and rates could be applied according to the table of experience. Sea-going vessels could be valued by a marine company's surveyor; their ports of destination and hazards were known, and the cargoes had staple values. With this knowledge rates could be made accordingly. Automobiles, however, are of a very different character from the properties mentioned. They are migratory, without permanent place of storage, likely to be destroyed by the burning of the garage, by self-ignition, by explosion or lightning while in service on the road. Motor cars may be wrecked in transportation by railroad or water conveyance; they are readily pilfered or stolen. They are subject to rapid natural depreciation in value varying according to use and care. Stability of construction must be taken into account, and a further consideration must be given to the fact that cars depreciate in value, owing to a fickle public fashion that demands new models annually. Perhaps the principal objection which the old line companies had to assuming the risks incident to automobile insurance was the possibility of an accumulation of insured machines in any one garage, and the consequent danger of a single fire causing an exceedingly heavy loss. However, the manufacturing of motor cars having passed the experimental stage, the demand for protection by insurance from manufacturers, dealers and owners became urgent. The manufacturers claimed they had minimized the inherent hazard of self-ignition and explosion; the dealers insisted that insurance indemnity would increase the number of sales, and the prudent man would not invest if he could not protect his investment. With these conditions, companies entered the field and commenced writing automobiles under a floating form.

"Not only has the introduction of automobile insurance been beneficial to those directly interested in the manufacture, sale and use of motor cars, but it has also been responsible for the development of the country, notably in the Nevada gold fields. Owing to the extreme dififculty of penetrating the desert regions, mining men have been hampered in their prospecting expeditions. It was suggested that the most convenient and rapid mode of travel in Nevada would be by the use of the motor car, but owing to the physical conditions of the country it was necessary to employ high priced and substantially constructed cars. Those interested hesitated to make large investments in the purchase of automobiles unless the machines could be insured. Being in a position to protect themselves through the introduction of automobile insurance, the promoters are swarming the deserts in their motor cars, new and paying territory is being opened up, and Eastern capitalists are being directly interested by being taken to the scene of the properties in comfortable touring cars."

There were five companies issuing an automobile floater policy in 1905, fifteen companies were operating in 1910, while to-day there are probably sixty companies engaged in this class of underwriting, and others contemplate entering the field during this year. When the demand for automobile insurance arose, the several companies then operating issued a "valued" policy, the terms and conditions being principally those of a marine contract; the insured was compelled to carry 80 per cent of the cost of the car or become a co-insurer, but it was soon discovered that this system created a moral hazard. A dishonest claimant knew that disputes as to the value of a car in the event of total loss could not arise. It became obvious that cars of all makes depreciate from 20 per cent to 50 per cent a year, depending upon the construction, use and abuse, and it further became apparent that a change in policy form and rate was necessary. The insurance companies with head offices in the Eastern States and abroad, formed an organization known as the Automobile Underwriters' Conference, all underwriters of automobile insurance within the United States or Canada being eligible to membership. The objects of the organization are to serve as a medium of exchange of information, to secure the adoption of suitable and uniform policy forms and clauses; to make investigations and recommendations with the object of eliminating or reducing danger of fire and other casualties; to gather statistics and make investigations concerning hazards, as a guide to indemnity by its members; to furnish advisory rates of premium to its members,

covering general or special classes of business or individual risks, and to prevent giving rebates, it being understood that none of these objects would be obligatory where the enforcement thereof would violate the laws of any State or Territory. A standard form of policy was approved, known as the Conference valued form. This policy contained a clause reading, "The said automobile hereby insured (body, machinery and equipment) is valued at the sum insured." Another form known as the Conference non-valued form was also approved; a reduction in rate is allowed for the elimination of theft and valued policy clauses. The Pacific Coast Automobile Underwriters' Association, organized for similar purposes, has jurisdiction over Pacific Coast territory.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Investigation of Grain Dust Explosions by the United States Bureau of Mines.—That the same degree of care exercised in a mine to prevent the explosion of coal dust should be used in flour mills, grain elevators and grain products factories to guard against the explosion of grain dusts is the conclusion reached by experts as the result of a co-operative investigation made by the millers of the country and the United States Bureau of Mines. The milling industry in the last ten years has been visited by a series of mysterious explosions costing several hundred lives and hundreds of thousands of dollars in property. The climax came in June, 1913, when an explosion in a Buffalo, N. Y., mill killed thirty-three men and injured seventy. The millers, realizing that the Bureau of Mines men were experts on coal dust explosions, called upon them for assistance in a complete investigation, in order that future catastrophes might be avoided. David J. Price, of the Bureau of Mines, was assigned to the work under the direction of Dr. George A. Hulett, chief chemist of the Bureau, and Harold H. Brown represented the millers.

The mines experts declare that all dusts containing carbon are explosive under certain conditions and that immediate steps should be taken to safeguard against such. They describe a terrific explosion in a grain elevator and say: "We are forced to conclude that, if an explosion with such terrible force and violence could occur at this elevator, then the grain elevators of the country are at all times subject to the possibility of a similar occurrence if favorable conditions exist. Many milling men have maintained a false sense of security, and have felt that the elevators were not especially a source of danger; and that as long as an explosion did not originate in the grinding mill proper, they were reasonably safe. This explosion alone would seem to indicate sufficiently that the dusts created during the elevating and storing of grain are explosive and dangerous."

On the subject of the causes of grain dust explosions, the experts says: "At the present time in modern milling plants the use of an open flame light is positively prohibited, and is generally regarded as an element of very great danger. Many explosions have been traced to this source. The use of gas jets for lighting purposes, the introduction of lanterns or open lights into grain bins or dust collecting systems are very dangerous.

"Many violent explosions have occurred during mill fires, due to the presence of dust in large quantities. The flames and force from a fire produce sufficient concussion to jar the dust into suspension and initiates a very violent explosion.

"A large number of explosions in more recent years have been traced to the introduction of foreign materials into grinding machines. Particles of such materials, coming into contact with the grinding plates of the machines, produce sufficient sparks to cause an ignition of the dusts.

"It is necessary in mills and elevators for the workmen to determine at frequent intervals the amount of grain that the storage bin contains. A common practice is to lower a light of some kind into the bin to observe or measure the quantity of grain. Many explosions have occurred when open lights were used. The desired results can be obtained by lowering a 'tape' with a weight attached to the end, and the exact measurement can be recorded. When occasion renders it absolutely necessary to use a lamp of some kind in a bin, an approved type of portable electric lamp could be used. Electric bulbs in dusty atmospheres located near machinery where there is a possibility of the lamp becoming broken, or at points in the mill where workmen may strike the lamp, especially when carrying a projection of some kind on their shoulder, should be enclosed in strong wire guards or protectors, and it would be advisable to enclose each bulb in a vapor proof globe. An extra safety feature would be, whenever possible, to locate all fuses on light and power circuits, switches, and starting boxes at points where dust is not present in dangerous quantities."

* * *

The Re-investment of Moneys Derived from Life Insurance Policies.—Various methods have been devised, says the "Post Magazine and Insurance Monitor," of London, for dealing with the problem arising from the fact that in many cases the whole of the lump sum secured by a life assurance policy is not required at the moment when, by the advent of death or the lapse of time, it becomes payable. Payment by a limited number of installments—the right secured under the policy to purchase from the insuring office a life annuity at stipulated rates—are alternatives which readily recur to one, and another solution is that which the National Mutual Life Assurance Society is now rendering available to its policyholders and which is set forth in a circular recently issued relating to the re-investment of policy moneys.

The circular referred to naturally points out the three criteria by which the suitability of an investment under the conditions usually applying must be judged, namely, security of capital, satisfactoriness of interest yield, and capability of prompt realization without loss. Whether the money is payable to a wife on the death of her husband, or to an individual who has chosen endowment assurance as affording in itself a suitable (perhaps his chief) mode of providing for old age, it will often happen that the recipient is unable to judge as to how far a particular security meets the requirements. As the society points out, the stock exchange security which satisfies these three conditions does not exist. The so-called "gilt-edged" or trustee securities, in particular, fail to fulfil the conditions. They provide a regular income, but the yield is low, and the depreciation in their values since 1897 has been enormous, amounting in many cases to upwards of 30 per cent.

It is here that the society steps in, undertaking, in respect of each £100 of policy moneys left on deposit to (1) guarantee the capital against depreciation; (2) pay interest thereon half-yearly, on the 1st of March and 1st of September, at an annual rate lower by 15s. per cent than the gross yield on the society's funds (excluding reversions) for the preceding year ending 31st December; (3) return the capital intact on eight days' notice, or on one month's notice if the sum deposited exceeds £1,000. For some years past the yield on the society's funds has shown a steady increase, and as the rate to be allowed on deposits will depend on, and vary with, this yield, policyholders who become depositors will continue to participate in the prosperity of the society. For the year 1913 the gross yield of the funds was £4 19s. per cent, so that the rate to be allowed for the current year on sums left on deposit will be £4 4s. per cent per annum. Thus at a cost of 15s per cent the

claimants can do what in effect policyholders have done before them, placing on the broad shoulders of a society commanding the necessary financial skill and knowledge all the burden of finding suitable channels for surplus funds and thereby avoiding the incidental expense and anxiety which falls on the independent investor. The scheme should specially commend itself to executors and trustees who seek an investment of undoubted security, which produces an adequate rate of interest, requires no watching and may safely be left undisturbed.

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Workmen's Compensation in South Africa.—The following is a brief outline, printed in the "Insurance Record," of New York, in regard to workmen's compensation and employers' liability, which came into force in South Africa by an act of Parliament in 1907:

"In the Transvaal a workman who has been injured in the course of his employment may choose one of two remedies. He may sue his employer for damages for the injuries sustained, under the common law, or he may claim compensation in the manner prescribed by the workmen's compensation act of 1907.

"If the workman decides to proceed under the common law, he must be prepared to prove that the employer, or some servant in his employ, has been guilty of negligence. Such negligence must be the direct cause of the injury. If the negligence complained of is alleged to be due to the act of a fellow servant, it must be shown, in order to render the employer liable, that the injuries were committed by the fellow servant in the course of his service, by the master's authority either expressed or implied. It must be clear that the servant doing the injury was acting in the scope of his employment.

"An employer is not liable for the acts of one who is not in his service, but is in the position of an independent contractor. An independent contractor is one who undertakes to produce a given result, but so that in the actual execution of the work he is not under the order or control of the person for whom he does it and may use his own discretion in things not specified beforehand.

"The servant who makes a claim must show that the negligence was the proximate cause of the injury. If, however, it is shown that the negligence of the master or his employe was not the immediate cause of the damage, but that it was occasioned by some negligence on the part of the plaintiff himself, then the plaintiff cannot complain, for he is said to have been guilty of contributory negligence. But in order that the plaintiff's contributory negligence should debar him, it must be shown that but for such negligence or lack of reasonable precaution or foresight on his part the injury complained of would not have happened, and damage would not have ensued. In South Africa a servant can recover from his master for injuries inflicted on him by a fellow servant acting in a common employment. It will be seen that in an action brought under the common law the servant or workman must prove negligence. If he makes claim under the workmen's compensation act, instead of proceeding under the common law, he need not prove negligence, but he must show that the injury arose out of and in the course of his work.

"Under the common law, the workman may claim any amount of damages. Under the Transvaal act the workman's claim to compensation, in the case of permanent injury, resulting in total disablement, is limited to three years' wages, or $3,650, whichever is the less; and in the case of permanent injury resulting in partial disablement, to the probable deficiency in earnings for the next three years, or $1,825, whichever is the less. Similarly, a workman's dependents, under the act, are limited in case of his death to two years' wages, or $2,432, whichever is less; whereas, their claim at common law may be unlimited.

"Under the workmen's compensation act it is the duty of employers to insure their employes, and it is from this source dependents or employes receive their compensation."

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The British National Insurance Act.—A parliamentary paper gives the number of persons insured under the British National Insurance Act as 9,682,300 men and 4,077,100 women, a total of 13,759,400. Of these, 9,303,700 men and 3,965,700 women are in Approved Societies, 130,300 are in the army and navy fund, and 248,600 men and 111,400 women are deposit contributors. The average weekly receipts for the sale of stamps is about £359,200, and the amounts issued to approved societies and insurance committees approximately £191,300 and £105,300, respectively. Up to December 31, 1913, the total receipts for the United Kingdom under the Act amounted to £33,424,000. At the same date the payments under the various heads stood as follows: Issued to approved societies for benefits, £7,605,000; administration, £3,765,000; insurance committees for medical benefit, £4,502,000; sanatorium benefit, £801,000; administration, £252,000; deposit contributors in sickness and maternity benefit, £18,100; societies for investments or investment on their behalf, £937,000. The amount invested by the Insurance Commissioners through the National Debt Commissioners on December 31, 1913, reached a total of £15,263,000.

* * *

Fire Insurance Conditions in South Africa.—Consul E. N. Gunsaulus, writing from Johannesburg, South Africa, has made the following interesting report on fire insurance conditions in that city, which may serve as an indication of fire insurance conditions as a whole in that part of the world:

A majority of the insurance companies in Johannesburg are British concerns, which have agencies throughout the Union of South Africa. The general average of fire insurance rates, taken over the district of Johannesburg, cannot be said to be high. It is considered that the rates charged are really normal, but they vary somewhat according to the nature and type of building.

Brick dwelling houses situated within reasonable range of fire stations are charged at an average rate of one-sixth of 1 per cent on the amount of insurance.

Wood and corrugated iron buildings, brick lined, within a radius of three miles of a fire station, would be charged an average rate of two-fifths of 1 per cent; wood and corrugated iron, without lining, one-half of 1 per cent inside of the three-mile radius, while the rate on houses of this type outside the radius would be three-fifths of 1 per cent.

Buildings with shops and residential apartments in upper stories, and ordinary business houses situated in central positions and constructed of brick and plaster or stone, average from nine-twentieths to eleven-twentieths of 1 per cent.

Wood and corrugated iron buildings, brick lined, centrally located and used as shops or ordinary business houses, are charged at an average of four-fifths of 1 per cent. Wood and corrugated iron, without lining, used as shops or ordinary business houses, are charged at an average of nine-tenths of 1 per cent.

Fire losses in the district of Johannesburg are not considered heavy and allow of a fair margin of profit. There is a considerable demand for private fire protection, and it is the custom when erecting a large or ordinary business house to install sprinklers, in addition to the installation of hose pipes and fire buckets on each floor of the building. Apart from private protection, sprinklers are installed in order to obtain the 40 per cent reduction in insurance rates allowed by fire insurance companies.

The record of fire losses, etc., in the city of Johannesburg for the past ten years—1903 to 1913—has been as follows: Actual

fires, 1,653; risk, $94,555,305; insurance, $70,892,188; damage, $3,309,668.

INSURANCE NEWS IN THE WEST

The Fire Insurance Rate Situation in Illinois.—Insurance Superintendent Potts, of Illinois, is proving himself a Tartar so far as the fire insurance companies are concerned. When he made his report on Illinois rates to the Governor in May, he expressed a desire to commence legal action against the companies at once, but the Governor was more conservative and put his veto on hasty action. It was agreed the companies should be given opportunity to present their reasons why the rate reductions demanded by the Superintendent should not be made. A committee of prominent underwriters was named to represent the companies. August 20 was decided upon as the date when they should present their side. Some members of the committee were on vacation and some live in the East and the date named slipped by without action by the committee. Mr. Potts allowed about a week's grace and then filed suit against 133 companies, practically all the stock corporations that do business in Illinois. The Superintendent charges the companies with combination to prevent competition. The action is one that will almost certainly cause them much annoyance, if it does not prove really dangerous. About twelve years ago the old Belleville compact case was started as an action at common law against the companies that were members of the compact that made and enforced rates for the district in Illinois across from St. Louis, Mo. After long litigation the companies were enjoined from combining to fix rates and to prevent competition. That case rose under the old system of mandatory rates. Later the compact system was done away with and the making of "advisory" rates was taken up by the Illinois Inspection Bureau. Mr. Potts charges that this change was in effect a subterfuge and that through other organizations the companies are accomplishing what they used to accomplish through the various compacts. There are large possibilities for trouble in a suit of this character. There are innumerable things done every month in the course of business which, if brought before a court in just the right way, can be made to look bad for the companies. They constitute a sort of circumstantial evidence. Legally it may fall far short of being sufficient to sustain the charges, but when it is played up in "trust-busting" newspapers it is sufficient to make the public dissatisfied with the rates and give timid agents excuse for introducing demoralizing practices in the business.

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New York Appointment of Fred S. James and Co.—The appointment of E. E. Wakefield as assistant manager of the General and the Urbaine in the office of Fred S. James & Co., of New York, came as a surprise to his friends in Chicago. They had looked rather to his advancement in the Western department of the National of Hartford, with which he has been connected for some years. Mr. Wakefield has been regarded as one of the best of the younger fire insurance men of Chicago. He was connected with the old Insurance Survey Bureau and there received a training as an inspector, which has had considerable to do with his progress since. Entering the service of the National of Hartford, he became a daily report examiner, then he was put in charge of the improved risk department in the Western department, and later he was made superintendent of agents, while still handling improved risks. In addition to his regular work he studied law at one of the colleges where evening classes are held and in 1913 was graduated. He enjoys the confidence both of General Agent Fred S. James and Assistant General Agent George W. Blossom of the National, and they evidently concluded they could use him to greater advantage in their Eastern organization than in the Western.

* * *

Improvement in the Munday-Lorimer Bank Situation.—The surety companies that were obliged to pay out hundreds of thousands under their depository bonds on the Munday-Lorimer banks, which closed in Chicago in June, are now beginning to get their money back. One of the smaller banks of the group has reopened and another has been merged into a neighboring institution. Plans for the reorganization of the La Salle Street Trust and Savings Bank, the largest one of the group, have progressed to the point where November 5 has been named as the date for reopening, with new officers. Two of the smaller banks are still closed and their future has not yet been determined. The question which now interests some of the local representatives of the surety companies is how much will be recovered before the end of this year. Especially those whose companies took on liability through reinsurance dislike having the annual statements show heavy losses in Illinois, as those not familiar with the circumstances are likely to hold such figures as blots on the records of local Chicago managers. If, however, recoveries are made during the coming three or four months, the Illinois loss ratio would go into the records as normal.

* * *

Commissioner Epsteen on Liability Loss Reserves.—S. Epsteen, Insurance Commissioner of Colorado, was in Chicago this week on his way East. He will attend both the commissioners' convention and the casualty and surety meeting at White Sulphur Springs before returning home. He has been making a special study of liability and workmen's compensation loss reserves and he expresses the hope that the commissioners will take decisive action on this question at their meeting. He admits that it is impossible on present available data to work out a scientifically acurate system for computing reserves for losses, but he expresses the belief that the commissioners should assume an arbitrary standard, so long as it is adequate, and let it be used pending the gaining of a more complete experience. He regards insurance of solvency of the companies as the urgent need at this time rather than the working out of a system that at some future date would be more scientific than any that could be put into effect at once.

* * *

Interest in Meeting of National Association of Casualty and Surety Agents.—Especially in the larger cities of the West, much interest is being shown in the coming annual meeting of the National Association of Casualty and Surety Agents. The attendance of men representing important general agencies promises to be large. Cleveland, Detroit, Chicago and other cities will send good delegations, and it is hoped there will be a considerable attendance from smaller places, especially in States not too distant from West Virginia. While there will be section meetings devoted to different branches of the business, it appears very probable that the most interesting features of the meeting will be those in which the future policy of the organization itself will be considered. It appears certain that the officers and members of the executive committee will have to be relieved of considerable of the work they have been performing for the past year and the best plan for effecting such a change will require careful consideration. Other questions likely to receive attention are the extension of the membership, the relation of the association to local associations and boards of casualty and surety men, the work which the organization could profitably undertake for the benefit of its members, and declaration of its

attitude towards certain important questions likely to come before the various legislatures during the coming Winter.

Chicago, September 4, 1914. LA SALLE

ITEMS OF INSURANCE NEWS.

The appointments of John B. Hanna, of Hartford County; Charles D. Wagaman, of Washington County, and James Higgins, of Baltimore City, as the members of the Maryland Workmen's Compensation Board were announced last week by Governor Goldborough at Cambridge.

Insurance Commissioner Hardison, of Massachusetts, has received an order to furnish information in detail regarding the congested district liabilities of fire insurance companies and reinsurance thereon in various large cities throughout the United States.

Insurance Superintendent Potts, of Illinois, has countered on the fire insurance companies for taking into the Federal Court the litigation over annexes, which he intended to prosecute in the State courts. Over forty companies operating annexes in Illinois joined in that action. Eleven companies operating in Illinois did not join in the litigation, however. Superintendent Potts has begun suit in the Circuit Court at Springfield against these eleven companies, charging them with violating the law in maintaining underwriters' annexes.

At a meeting of the New Jersey State Federation of Labor held in Newark a few days ago a resolution was passed requesting the incoming Legislature to pass a measure appointing a salaried commission of three members to disburse compensation. The present New Jersey compensation act was criticised as inadequate, leaving the unlettered workman a victim "of the avarice of unscrupulous private interests."

Following the decision of the New Jersey Department of Banking and Insurance at Trenton given last January that rates of reinsurance policies must conform to the filing, as made in Trenton, it has been further expressed by the department that in case of reinsurances of marine or transportation risks, where the reinsurance policy covers only the fire hazard portion of the risk, such policies must also be written at the rates filed under Chapter 85, Laws of 1913.

That the next session of the Iowa Legislature is going to wrestle with the question of State insurance is not doubted by Des Moines insurance men who are in touch with the situation. In fact, there are evidences that a publicity campaign in favor of State insurance is being fathered by parties who are desirous, so they claim, of "reducing the cost of insurance to the minimum."

The Fall meeting of the Actuarial Society of America will be held October 15 and 16 at Milwaukee, Wis. James C. Coffin, associate actuary of the Northwestern Mutual Life, has extended the invitation on behalf of his company which has been accepted.

The City of Toronto has made an effort to insure in Canadian companies under a group policy the volunteers from that city who take part in the European war, but this was refused on the ground that the law forbids special rates for groups. However, offers were made to issue policies to individuals, with a limit of $1,000, at a minimum cost of $100 each. According to the Mayor, offers have been made by one or two United States companies at a lower rates, but no action has been taken, as preference, it is said, is to be shown Canadian companies.

The official programme for the annual meeting of the National Convention of Insurance Commissioners at Grove Park Inn, Asheville, N. C., September 15-18, is announced as follows:

September 15, 10 A. M.—Addresses of Welcome; President's Address; Call of Committees. 8:30 P. M.—"Compulsory Local Investments." T. H. Henry, Mississippi, and F. H. McMaster, South Carolina; "Should the State Encourage the Formation of New Companies," W. W. Colliver, Texas, and E. H. Deavitt, Vermont.

September 16, 10 A. M.—"Should We Abandon the American Restrictions upon the Classes of Insurance Written: (a) By a Company doing Direct Writing, (b) By a Company doing Reinsurance." Burton Mansfield, Connecticut; Frank Hasbrouck, New York, and C. G. Revelle, Missouri. Executive Session. 8:30 P. M.—"Acquisition Cost of Fire Insurance," Alvin E. Hebert, Louisiana; "Cost of Miscellaneous Insurance," S. Epsteen; "Participating and Non-Participating Insurance by Stock, Fire and Casualty Insurance Companies," R. M. Small, Ohio, and A. L. Welch, Oklahoma.

September 17, 10 A. M.—"Workmen's Compensation Results in Massachusetts, and Suggestions drawn therefrom," F. H. Hardison, Massachusetts; Symposium of Experience in other States, Connecticut, Idaho, Illinois, Michigan, New Jersey, New York, Ohio, Wisconsin. 8:30 P. M.—"Sphere of Activity of an Insurance Department," Robert J. Merrill, New Hampshire; Charles Johnson, Pennsylvania; E. P. Van Valkenberg, Idaho, and John S. Darst, West Virginia. Executive Session.

September 18, 10 A. M.—"Combination Policies." Frank Hasbrouck, New York; W. C. Taylor, North Dakota; "Utilitarianism of Insurance," R. M. Potts, Illinois; "Fire Insurance and the Prevention of Fire Waste," C. F. Nesbit, District of Columbia. Election of Officers. Adjournment.

The latest figures issued by the Michigan Industrial Accident Board show the following classification of compensation insurance in that State: Of the 11,954 employers under the act on July 31, 1914, 10,267 carry stock insurance; 489, besides sixty State departments, are in the State fund; 404 in mutuals, and 468 carry their own risk. Those carrying their own risk are almost exclusively large concerns. The stock companies have nearly all of the automobile concerns. Their list of auto and auto parts establishments totals 372, against 5 for the State fund, 13 for the mutuals and 8 carrying their own risks. Food products manufacturers number 726, out of 869; foundries, 347, out of 400; construction, 2,623, out of 2,993; lumber, 583, out of 749; printing and binding, 333, out of 370.

The Texas Fire Insurance Commission has completed a new fire report and it covers 41,000 fires officially reported since December 10, 1910. As usual, a large majority are classed as preventable. There were 18,878 fires in dwellings, apartment houses, boarding houses and private outhouses. Of that number 13,223 or 70.1 per cent were classed as preventable; 2,076 or 11 per cent as being unpreventable and 3,574 or 18.9 per cent of unknown origin. There were 22,122 fires reported in mercantile, special hazards and other classes. Of that number 12,091 or 54.7 per cent were classed as preventable; 4,110 or 18.6 per cent unpreventable and 5,921 or 26.7 per cent from unknown cause.

Boston fire insurance premiums for the first six months of the year aggregated $2,537,336, as against $2,599,239 for the corresponding period of last year. The returns of the companies, as issued by the Boston Protective Department, are given below, the figures for the first six months of each year from 1905 to 1913, inclusive, being: 1905, $2,050,887; 1906, $2,146,063; 1907, $2,197,373; 1908, $2,272,877; 1909, $2,306,963; 1910, $2,351,372; 1911, $2,431,896; 1912, $2,448,550; 1913, $2,559,239.

Gov. Walsh, of Massachusetts, last week appointed W. J. Montgomery, State actuary on savings bank insurance, and Thomas P. Riley, a deputy in the Attorney General's office, to act with Insurance Commissioner Hardison as a special commission to investigate the practices of insurance companies and their rates in workmen's compensation and other insurance, with a view to determining whether or not any monopoly or combination exists in the insurance business; also whether the rates charged by insurance companies for workmen's compensation and other insurance are reasonable, and to what extent government regulation of insurance rates is desirable. It will be remembered that the above commission was provided for by an act of the last Legislature and the commission is to serve without compensation, although it may incur expenses not exceeding four thousand dollars.

Steps were taken at a joint meeting of the officials of the Pennsylvania Department of Labor and Industry, representatives of casualty companies and of manufacturing enterprises held on August 21, at Harrisburg, to bring about uniformity and simplicity in reports of accidents. For some time past efforts have been made by the Pennsylvania officials to secure a form of report that would conform to the ideas of national officials and with those of other States as well as to impose the least possible burden in manufacturers and be satisfactory to insurance companies.

The Louisville Association of Life Underwriters, while disclaiming hostility towards any company and declaring that its activity is only in the interest of clean business methods, recently made protest to the Kentucky Insurance Department against a form of first premium note being used in Louisville by Kentucky companies and some minor companies of other States operating in the Kentucky field. As a result of this campaign the Inter-Southern Life of Louisville has modified the form of note it was using and the new form has received the approval of the Kentucky Insurance Department and completely satisfies the members of the Louisville Association of Life Underwriters.

The Workmen's Compensation Service Bureau will take up the work of approving and labeling machinery and appliances from a safety standpoint, as the Underwriters' Laboratories does from a fire protection standpoint. The bureau has published a number of standards of safety and will puolish more from time to time. In making rates on the merit plan it appears desirable that the credit to be given should be made as definite as possible and not left to the opinion of the individual inspector. Hence it is necessary that devices be either approved as conforming to the standards and entitled to full credit or unapproved and entitled to less than full credit or none at all.

The insurance world will hear, with deepest regret, the announcement of the death, on August 28, of George W. Hatch, for many years editor of the "Insurance Age." He was born at Plainville, Adams County, Wisconsin, July 2, 1856. He graduated from Ripon College in 1880 and taught for a time as principal of the graded school at Brownsville, Minn. Later he studied engineering and worked as a civil engineer on the Northern Pacific in the Yellowstone Valley. From 1883 to 1888 he was editor of the "Western Fireman" of Chicago and on January 1 in the latter year was made editor of "The Insurance Age," a position which he continued to hold until his death.

The figures for fatal accidents in factories and workshops in England for each of the last five years, commencing with 1909, are as follows: 946, 1,080, 1,182, 1,260, 1,309. The percentage of increase in 1913 as compared with 1909 is 38.4. The year 1909 was a year of exceptionally slack trade, and showed the smallest number of fatal accidents since 1900. Compared with 1907, the highest year before 1909, the increase is only 11 per cent.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

DESPITE the German propaganda here for a conversion of American sentiment to an endorsement of Kaiser Wilhelm's cause, public opinion in the United States clearly remains favorable to the so-called Allies. The chances are that American views of the nature of European conflict, already expressed in the public press by editorials, letters and otherwise and by the tenor of daily conversation, will become more emphatic in their antagonism to the ascendency of Germany's dynastic militarism. Economic influences undoubtedly played their part in bringing on the war abroad, but the economic causes of the war are not of half as much interest to ourselves as the economic consequences of the struggle. Undoubtedly the resentment felt here over the destruction of prosperity by this fearful breach of the world's peace has had much to do with the American resentment manifested towards Germany, and it is altogether likely that this resentment is going to be intensified as the appalling economic scope of the war defines itself.

The sentiments which the war has inspired here have not been sufficiently noted by financial and commercial observers. They are likely to become a factor which may complicate the solution of the problem that is pressing on the country, the problem of preserving our own people as well as possible from the worst adversities which the war threatens to inflict upon them. The time is coming soon when it will be psychological for President Wilson to renew his offer of mediation, and when renewed it can have behind it a backing of aroused public conviction such as was not visible behind it a month ago when the first offer was made. If when that time arrives the occasion is not detected and seized, there is no telling what may happen thereafter for ourselves and the rest of the world. There is always an early stage in a great war when it is not too late to call a halt. If the moment is not recognized or efforts for peace are futile the war is almost certain to be carried along to most protracted lengths and a most destructive conclusion, involving in the process all sorts of developments which it is impossible to conjecture.

Uncertainty as to whether or not the European war can be ended almost as suddenly as it began, or whether it is to proceed to a contest of years, handicaps all efforts started here to cope with the financial and commercial situation which the war has brought about. This uncertainty makes it impossible to tell whether or not purely emergency measures should continue to be adopted in and by the United States or whether plans should be laid for readjustments of a more permanent character. So far as emergency action goes, most of the first necessary steps were taken properly in August, but it begins to look as though projects were now well advanced or in contemplation which deserve to be called into question.

The facilities for issuing emergency currency are being abused. The Government is being committed to enterprises which are apt to have a regrettable outcome. At the same time opposition is being offered to programmes which are more likely to have advantageous results than the contrary. Signs are not lacking that the patriotic harmony and understanding which obtained between financial and business interests and the Government a few weeks ago are threatened by political delusions and prejudices and what is worse, by a spirit of sectionalism. The country has been placed in the path of danger by the aid that the Government has lent to what is nothing but a plan for valorizing the principal staples of the South, cotton, tobacco, and naval stores. The silver purchase bill is a measure of identically the same sort as the amendment to the emergency currency act which enables the owners of cotton, tobacco, tar, turpentine and rosin to hold their commodities indefinitely while getting substantial cash advances on them, although nothing is economically more certain than that one cannot have his cake and eat it, too.

In a financial way the country has begun to make distinctly menacing departures and it will not be in the least surprising if the Government were shortly besieged with demands for currency loans on copper, furs and other commodities, to say nothing of land, the markets for which have been depressed or destroyed by the European war. Congress does not give any clear indications of intelligence, when on the one hand it proposes a necessary war tax bill and on the other seeks to pass a river and harbor bill, two-thirds of which represents nothing but an appropriation of pork designed to facilitate Congressional re-election. There is large room to-day for launching legitimate constructive enterprises of a public nature, but none for the waste of public funds in mere largesse to Congressional constituencies, and it is precisely such a waste that the pending river and harbor bill will make. The institution of a Government bureau of war risk insurance was desirable, to help facilitate such foreign trade as the country may do under the contracting circumstances of war, but there is less to be said in favor of the shipping bills passed or in prospect.

Politics is standing in the way of proper action for the rehabilitation of the American merchant marine after a half century of practical non-existence. The right course to pursue would be so to modify the navigation and inspection laws, regardless of labor union outcry, that American ship owners could enter into the world's carrying trade on a basis of competitive equality with foreign ship owners. Such modifications as have been proposed, chiefly through conferring on the President discretionary authority to proclaim a limited suspension of a few of the burdensome provisions of the present statutes, will not go far toward assuring any extensive transfer of vessels to American registry. Nor is much more to be expected of the bill to authorize the Government to buy steamships for the creation of a Government merchant marine. Apart from the hazards suggested by the officially indicated opposition of Great Britain and France to purchase of ships that may now belong to belligerent countries—and the chance to make such purchases has been an inducement for the passage of the bill—and apart from the contingencies of awkward junctures arising from Government merchant vessels plying waters in the area of war there are other objections. This measure is not the right way to go about getting a merchant marine, and all the shipping plans that have been devised in Washington only promise to leave the country in an uncomfortable plight when the war is over and foreign shipping proceeds to take the world's trade away from our own excessively expensive merchant marine.

Moreover, it is becoming clearer every day that too much emphasis is being laid on the foreign trade opportunity which con-

fronts the country. This opportunity is not great at the present time and can only be realized in the further future after years of patient striving. There is a surplus of available vessels, foreign to be sure, at all American ports ready to carry goods abroad and to bring goods into the country. The truth is there are no foreign markets to amount to anything now and they will require much careful nursing and financial assistance before they do amount to anything. The great American business opportunity is right here in the Western Hemisphere, chiefly on the North American Continent and most of all in our own land. Now is the time for effort to stimulate in every conceivable way the home market in which we have always taken pride, and more than anything else there is needed a financial provision to help domestic and foreign trade to recover.

We have a vast potentiality of resources for those money market purposes which, through the supply of capital and the grant of credit, work out in terms of business volumes and values. It would seem that the first thing for us to do just now is to contrive a mobilization of these resources and as the first requisite to that end the new Federal banking system should be set up and put into operation. Although it is not so good a system as it might be, it is better in many respects than the one we have, and once it is working the country will be far better able to accomplish through it the task now impossible of financing American obligations abroad and affording facilities for foreign markets to do business here. About the most encouraging occurrence in the past fortnight was the initiative taken by the Federal Reserve Board in convoking the conference of bankers in Washington yesterday to consider the financial situation and outlook, thus presumably asserting an intention to exercise a much needed leadership in financial affairs.

Routine matters here and abroad of a financial and business bearing were not at all discouraging in the last few days. The British moratorium has been extended for another month, but all the indications are that the world's central money market, London, is slowly getting into better shape, and British bankers have begun to resume discounting of American bills. Enough foreign exchange was created in the last few weeks to permit debtors here to settle their September 1 maturities abroad. If a method can be found to release some of our gold for export, international money market dealings will be broadened and foreign trade will increase.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (in Millions of Dollars).

Average Status.

	Week Aug. 1, 1914			Week Aug. 8, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,425.7	630.4	2,056.1	1,464.5	620.6	2,085.1
Deposits (net)	1,454.5	481.2	1,935.8	1,433.6	475.3	1,908.9
Cash reserves	374.0	70.3	444.4	324.2	62.3	386.5
Reserve ratio (%)	25.7	16.6	22.9	22.6	13.3	20.2

Actual Status.

	Week July 25, 1914			Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,421.7	625.7	2,057.5	1,423.4	635.3	2,058.7
Deposits (net)	1,479.5	478.7	1,958.3	1,422.7	488.7	1,911.5
Cash reserves	392.6	74.2	467.8	344.3	67.1	411.5
Reserve ratio (%)	26.6	15.5	23.8	24.2	13.9	21.5

Actual Status Non-Member Institutions.

	1914			
	July 18.	July 25.	Aug. 1.	Aug. 8.
Loans	578.9	573.0	570.8	569.7
Deposits (net)	578.5	573.7	567.6	563.1
Cash reserves	53.1	52.5	53.2	54.2
Other reserves	83.1	83.5	83.8	68.5
Reserve ratio (%)	25.8	26.0	26.4	24.1

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914			
	July 11.	July 18.	July 25.	Aug. 2.
Loans	2,667.3	2,633.2	2,630.5	2,629.5
Deposits (net)	2,542.3	2,522.7	2,532.0	2,479.1
Cash reserves	503.7	512.9	520.3	464.7

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	100.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.63

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
August 29	1,640	1,151	2,755	.....	.....	2,065
August 22	1,483	1,266	2,749	.....	.....	2,214
August 15	1,198	1,592	2,790	820	1,378	2,199

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
September 3	3½	4	5¼	8	10 nom.	8
August 27	2½	3¾	5½	8	10 nom.	7
August 22	2¼	3¾	5½	8	8	8

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Aug. 13.	Aug. 20.	Aug. 27.	Sept. 3.
Deposits	91,215	121,767	147,777	262,494
Circulation	35,934	37,186	35,571	35,287
Gold	33,014	37,959	43,473	47,772
Securities	93,827	120,766	139,682	149,844
Reserve ratio (%)	17.00	15¾	17.00	19.00
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,019.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 2.	July 9.	July 17.	July 25.
Gold and silver	1,586.8	1,596.4	1,681.6	1,722.7
Loans and discounts	1,284.3	1,026.0	867.3	801.0
Circulation	2,407.1	2,192.0	1,994.5	1,890.8
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	April.	May.	June.	July.
Loans on call	208.4	197.1	204.5	193.9
Loans, other	924.4	927.5	925.5	888.1
Deposits, demand	350.5	340.7	355.0	346.8
Deposits, other	767.0	759.3	767.7	766.9
Circulation	93.0	97.7	99.1	94.8
Cash reserves	113.2	113.3	113.3	113.3

THE COUNTRY'S COMMERCE

	June		July	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$131,245,877	$157,772,973	139,281,227	$160,178,133
Exports	163,404,916	157,119,451	160,515,941	154,082,225
Specie.				
Gold—Imports	3,386,974	3,817,112	7,859,463	3,391,715
Exports	569,315	48,107,064	8,653,448	33,669,424
Silver—Imports	2,365,170	1,822,305	2,796,190	1,238,104
Exports	4,731,557	4,639,077	4,926,456	3,952,956

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	53	53⅞	53¼	53¼	53¼	53¼
London	23⅞	24¼	24	24	24	24

COTTON

September 5, 1914.

INSTEAD of attempting to survey cotton markets which either are not open or (in the case of spot markets) are in complete confusion as to values, we are reprinting in this column this week a market letter written by Mr. Samuel T. Hubbard, of New York, which in our opinion goes deeper into the heart of the distressing cotton situation in the United States than anything that has yet been said or printed in this country. The letter is as follows:

New York, September 3, 1914.

For some fifty years the South has regarded its chief staple, cotton, not as a piece of property, but as cash; now as a result of the War, they find that it has become property in the same sense as lumber or real estate. The fact that it is property does not make it worthless any more than a piece of land which cannot be sold, is worthless, but it seems to us that the sudden shock that it became property instead of cash has created a desire to sell it all at once. When a man has a piece of land he cannot sell, excepting at below what he considers it worth, he does not rush to sell it at any old price; he finds some one to take a mortgage upon it and holds it for better or for worse. Usually, the experience of this country is that he holds it for better. Now, all these years through the operations of the Exchanges that has been the progress of trade, but so covered up in the vast complications of international commerce that few have been able to comprehend or realize it. Therefore, regarding cotton as property anybody can understand how to mortgage it, or in other words how to store it, so as to preserve it from the weather or from theft and fire and then borrow. Therefore the question of borrowing money, or rather not money but credit, becomes a much simpler one than to borrow money on a piece of land, because it is only a question of time when one is sold and a long time before the other is sold.

Every obligation of a merchant is paid in credit, only a very small proportion of actual business outside of daily wants is paid in cash. The Government has shown every banker how he can obtain that relatively small amount of cash without difficulty, and the Government, as does every other thinking man, believes the banker, and if not he, the merchant will hunt all over the country to place loans or mortgages on the piece of property they now have in their hands. To say they cannot do this is to expose their inability to handle an ordinary business proposition. Just as soon as they come to consider cotton as property instead of cash we expect to see them hunting all over the country, in every town, for loans on a perfectly safe piece of property at the moment unsalable, but below the cost of production, and not to be replaced at the ruling price.

Of course, some will say that it is a case of supply and demand; so cotton should sell at any ridiculous price, but we find most of these opinions come from men who have been going to Washington for years, asking Congress to give them protection on their cotton goods and factories, so they would not be compelled to encounter this same law of supply and demand when Europe could manufacture goods cheaper than they could.

We think the situation that confronts us is similar to an earthquake, so that all should work together for the public good. Next year the world, even at peace, will need enormous foodstuffs, which this country must supply at the expense of cotton acreage and production. Then cotton will be needed.

For some three hundred years the currency of the world has been Bills of Exchange, based on goods in the hands of merchants and bankers; raw materials of every character, wool, lumber, indigo, sugar, cotton, tea, coffee, spices, and many others, too numerous to mention in transit or in store. These Bills of Exchange, properly endorsed, bearing the endorsement of merchants and bankers pledging their honor and capital to make them good, have been the currency of the world outside of this provincial United States, who have never understood any system of world-wide currency or how the business of the world was carried on. It would surprise any one to know that from October to June these Bills of Exchange represent the carrying of three to five million bales of cotton, carried without question of price on the pledge of the endorsements, and the Bills of Exchange are just as apt to be in St. Petersburg or Constantinople as in London, Paris or Berlin. Some day the bankers of the United States will wake up and look upon Bills of Exchange or their present crude substitute—"Emergency Currency"—as safer than any issue of bonds, because the security behind one is constantly being consumed and the paper liquidated, while the history of this country is, that bonds on any enterprise or bonds of States or cities are seldom or ever paid and cancelled.

Now, this is written in the hope that it may in some slight way show to the planters of the South that they have a valuable piece of property, not immediately salable, but which can be mortgaged, and that they are foolish to try to sell it all to one buyer, when they usually have three buyers.

The Exchanges will doubtless reopen and draw investment buyers also into the field of competition just as soon as it is shown that the effort to turn the entire crop into cash at once has been checked by a realization of the South that such an effort can only result in an enormous and useless loss to themselves.

HUBBARD BROS. & CO.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	.....	.....	9.90	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	32 points below January		
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Month.	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
May—						
High	.....	.....	.....	.....	.....	..
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	..	.....	.....	.....
Close	.....	.....	.....	28 points above January		

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
August—						
Opening 12:30 p. m. Close	25 points over J-F					
Aug.-Sept.—						
Opening 12:30 p. m. Close	15 points over J-F					
Sept.-Oct.—						
Opening 12:30 p. m. Close	6 points over J-F					
Oct.-Nov.—						
Opening 12:30 p. m. Close	4 points over J-F					
Nov.-Dec.—						
Opening 12:30 p. m. Close	1 point under J-F					
Dec.-Jan —						
Opening 12:30 p. m. Close	1 point under J-F					
Jan.-Feb.—						
Opening 12:30 p. m. Close	5.90	5.90	5.90	5.90	5.90	5.90
Feb.-Mar.—						
Opening 12:30 p. m. Close	1 point over J-F					
Mar.-Apr.—						
Opening 12:30 p. m. Close	3 points over J-F					
April-May—						
Opening 12:30 p. m. Close	3½ points over J-F					
May-June—						
Opening 12:30 p. m. Close	4 points over J-F					
June-July—						
Opening 12:30 p. m. Close	2½ points over J-F					

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	....	....	....	....	....	....
Galveston	....	....	....	....	....	....
Mobile	....	....	....	....	....	....
Savannah	....	....	8		(8⅜ good mid.	8⅜ good mid.
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	....	....	....	....	....	....
Baltimore	....	....	....	....	....	....
Augusta	8¼	8¼	8	7⅞	7½	7½
Memphis	....	....	....	....	....	....
St. Louis	....	....	....	....	....	....
Houston	....	....	....	....	....	....
Little Rock	....	....	....	....	....	....

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	....	....	....	....
Good middling	....	....	....	....	....	....
Middling	6.20	6.20	6.20	6.20	6.20	6.20
Low middling	....	....	....	....	....	....
Good ordinary	....	....	....	....	....	....
Estimated spot sales	.....	4,700	2,800	2,400	2,300	1,900

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs	Fri.
Fully good middling	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since September 1, 1913, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1910-11.	1911-12.	1912-13.	1913-14.
Port receipts	133,990	129,533	154,753	33,515
Overland to mills and Canada	944	2,253	2,189	603
So. mill takings, est., exclusive of takings from Southern ports.	30.000	25,873	36,796	8,000
Gain of stocks at interior towns	18,007	23,741	11,726	1,033
Brought into sight for week	182,941	181,400	205,464	43,151
Total Movement—				
Port receipts	470,599	353,490	406,517	67,807
Overland to mills and Canada	10,093	12,020	19,248	4,135
Southern mill takings	87,032	60,873	99,796	8,000
in excess of July 31	25,850	17,864	†22,137	.....
Stocks at interior towns				
Brought into sight thus far this season	593,574	444,247	503,424	79,942

The total crop movement is respectively for 39 days, 37 days, 36 days and 35 days. †Decrease.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	102,404	167,870	78,935	21,996	37,725	43,789
New Orleans	702	11,467	20,382	1,127	6,726	48,969
Mobile	.....	198	6,028	684	946	2,189
Savannah	.....	4,642	37,906	6,230	9,819	13,838
Charleston	.....	.....	4,641	708	1,314	1,590
Wilmington	.....	.....	5,434	.....	323	7,563
Norfolk	.....	323	5,912	617	2,511	13,599
Baltimore	.....	13,238	3,355	156	488	2,156
New York	15,831	44,930	23,484	.....	50	87,968
Boston	428	898	4,060	496	1,016	3,327
Philadelphia	45	150	875	.....	510	1,275
Newport News	.....	.....	.....	393	3,812	.....
Brunswick	.....	255	1,023	.....	.....	.....
Pensacola	.....	.....	.....	.....	.....	.....
Port Arthur	825	825	.....	.....	.....	.....
Pacific ports	248	248	300	.....	.....	.....
Texas City, etc.	19,946	20,676	5,487	1,008	2,193	3,333
Jacksonville, etc.	.....	.....	380	100	375	45
Georgetown	.....	.....	.....	.....	.....	.....
Totals	140,429	265,730	198,202	33,515	67,807	229,641

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	3,584	12,238	2,739	1,007	512	975	44	1,302
Dallas	387	1,590	1,117	1,948	111	112	44	396
Shreveport	1,386	1,838	154	2,879	84	124	.....	3,304
Little Rock	29	413	2,394	2,897	3	221	630	4,840
Helena	20	20	43	79	33	39	135	906
Vicksburg	31	68	.....	776	5	31	.....	603
Columbus, Miss.	185	323	45	302	91	91	80	187
Natchez	370	370	.....	861	108	147	55	1,066
Memphis	949	5,735	1,315	10,738	406	2,804	485	14,685
Nashville	6	16	.....	59	.....	.....	.....	.....
Selma	4,447	7,076	2,821	3,127	2,301	3,050	252	3,190
Montgomery	3,512	6,333	2,610	4,722	2,558	3,813	518	5,841
Eufaula	1,397	1,795	819	1,585	751	1,059	802	986
Columbus, Ga.	260	515	350	3,951	1,320	1,467	925	1,952
Macon	144	196	439	445	268	346	17	336
Albany	2,579	4,733	1,658	1,882	1,075	2,130	55	2,939
Atlanta	144	583	152	281	1	127	78	695
Rome	64	377	322	1,501	16	186	50	2,646
Augusta	4,496	8,034	3,922	7,301	4,946	6,466	1,849	11,164
Columbia	1,702	8,760	1,702	.....	358	1,564	358	.....
Newberry	215	1,039	215	.....	.....	76	.....	.....
Charlotte	10	192	10	.....	2	9	2	.....
Raleigh	86	373	75	30	1	8	.....	3
St. Louis	748	7,370	1,141	5,859	377	4,513	691	13,987
Houston	96,058	287,914	83,930	42,915	25,566	61,320	22,238	33,599
Meridian	105	466	42	1,637	88	242	44	1,446
Cincinnati	630	6,216	1,067	20,941	167	4,973	516	5,391
Yazoo City	83	122	.....	1,991	73	73	.....	1,142
Totals	123,647	364,705	110,142	119,714	41,424	97,080	29,868	112,607

EXPORTS FROM THE UNITED STATES.

This Week.	1911-12.	1912-13.	1913-14.
Great Britain	42,177	45,745	279
France	12,084	43,921	.....
Continent	32,366	49,570	9,896
Mexico	100	120	.....
Japan	.....	1,073	.....
Totals	68,990	140,429	9,975
Since August 1.			
Great Britain	81,102	95,518	6,318
France	46,547	52,153	.....
Continent	67,614	132,294	14,636
Mexico	53	2,601	.....
Japan	.....	2,073	.....
Totals	195,316	282,739	20,954

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1911-12.	1912-13.	1913-14.
This week	23,000	28,000	.....
Since September 1	23,000	13,000	.....

	1911-12		1912-13		1913-14	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	2,500	2,500	2,500	500	.....	.....
To Manchester	2,250	2,250	.....	.....	.....	.....
To Continent	2,750	2,750	3,750	1,500	.....	.....
To America	2,000	2,000	300	300	.....	.....
Total exports	9,500	9,500	6,550	2,300	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	9,000	9,000	.....	.....
Exports to Great Britain	1,000	1,000	.....	.....
Exports to Continent	31,000	31,000	.....	.....
Exports to Japan and China	.....	.....	.....	.....
Afloat in harbor	11,000	.....	.....	.....

Exchange, 1s. 4¼.

Receipts exclusive of ——— American this week, —— this season: 1,000 this week last year, 1,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	525,000	354,000	881,000	600,000
London	5,000	.....	.....	.....
Manchester, in wareh'ses	25,000	13,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	3,000	.....	.....
Bremen	96,000	94,000	.....	.....
Havre	66,000	58,000	.....	.....
Other ports—Continent	24,000	16,000	.....	.....
Alexandria	67,000	.....	.....	.....
Bombay	402,000	.....	.....	.....
U. S. interior towns	119,714	119,714	112,607	112,607
U. S. ports	198,202	198,202	229,641	229,641
Afloat for—				
Liverpool	116,000	73,000	.....	.....
London	.....	.....	.....	.....
Afloat in Bombay Harbor	11,000	.....	.....	.....
Continent	237,000	138,000	.....	.....
Coastwise to New York	19,000	19,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	1,927,916	1,085,916	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 67,596. Increase in American visible supply for the week, ———, against increase last year, 69,596.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	503,424	.....
Total supply	1,835,564	.....
Less visible supply, American, to-day	1,085,916	.....
World's takings, American, to-day	749,648	.....
American Takings.		
Stocks at United States ports July 31	161,289	.....
Returned from foreign countries	.....	.....
Receipts at United States ports to date	406,517	.....
Total supply at ports	567,806	.....
Deduct.		
Stocks at ports to-day	198,202	.....
*Exports to date	301,739	.....
Southern mill takings from ports	6,173	.....
Burnt at ports	.....	.....
Totals	506,114	.....
To Northern mills from ports	61,692	.....
Overland to Northern mills	19,248	.....
Total Northern mill takings	80,940	.....
Southern mill takings	105,969	.....
Total American mill takings, including Canada	186,909	.....

*Includes ——— in transit between Southern ports and New York, against 19,600 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season	Week.	Season.
American	57,439	186,909	.....	.....
Great Britain	30,745	259,518	.....	.....
Continent	46,491	318,547	.....	.....
Mexico	120	2,601	.....	.....
Japan and China	1,073	2,073	.....	.....
Totals	135,868	749,648	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	33,000	46,000	12,000	14,000
Sales, American	26,000	29,000	10,000	10,000
Sales, speculation	3,000	4,000	.....	.....
Sales, exports	1,000	1,000	2,000	1,000
Forwarded	62,000	63,000	31,000	24,000
Imports, all kinds	35,000	16,000	19,000	20,000
Imports, American	11,000	7,000	6,000	3,000
Actual exports, all kinds	2,000	1,000	8,000	1,000
Stock, all kinds	568,000	525,000	890,000	881,000
Stock, American	424,000	354,000	602,000	600,000
Afloat for Great Britain, all kinds	114,000	116,000	36,000	.....
Afloat for Great Britain, American	75,000	73,000	10,000	.....

* * *

Adjustment of Arbitrage Contracts Open Between the Liverpool and New York Cotton Exchanges.—One of the very great perplexities of the situation brought about in the cotton trade by the European War has been the existence of an arbitrage or semi-arbitrage interest of some quarter of a milion bales between the Liverpool and New York Cotton Exchanges. On both sides there has been an ardent desire to settle, or "undo," this arbitrage account, but great difficulties had to be overcome. The two exchanges have been closed since July 31, but the settling and adjusting of outstanding transactions has been going on none the less. It was necessary for Liverpool to take the lead, inasmuch as only buying in that market could give the opportunity to the arbitrageurs to sell their long contracts there and to buy in their short contracts in New York. Unfortunately, Liverpool firms were carrying some 100,000 bales of long contracts for German and Austrian account, and could get no advices or remittances whatever from their customers. There was nothing to do but to liquidate these Continental contracts at the earliest opportunity, and this has now been practically accomplished with the assistance of the weekly purchases of Lancashire spinners. Next after the Continental contracts, the Liverpool Exchange took up the liquidation of the outstanding arbitrage contracts between that market and the American exchanges. A committee was appointed to come to the United States for conference with representatives of the New York Exchange. This committee arrived in New York on Monday last, and after long discussions of the entire situation with a committee of the New York Exhange, a working basis was arrived at upon which it is hoped that a large part, if not all, of the arbitrage contracts may be liquidated within a few weeks. The programme will be greatly facilitated by the fact that Liverpool cotton merchants, acting in conjunction with the English banks and to some extent the British Government, have undertaken that no cotton shall be imported into Liverpool, except on a cash basis, until the present stock of cotton in that market has been so much reduced as to be no longer a strain either upon the merchants or upon the banks. The upset price to be charged for cotton sold out of the Liverpool stock is based on 5.70d. for Jan.-Feb. contracts, and it is hoped that several hundred thousand bales can be disposed of on this basis. It has now been arranged between the two exchanges that against whatever cotton is sold to spinners in Liverpool Jan.-Feb. contracts at 5.70d. shall be bought in; and that for arbitrage account the sellers of these contracts shall buy December contracts in New York at 150 points difference, i. e. at 9.90 cents. It may become necessary to reduce the selling basis in Liverpool, but it is agreed that the selling price of December contracts in New York shall for the present not be in any case lower than 9 cents. New

York commision houses, meantime, are to deposit with banks or trust companies margins down to 9 cents on short contracts held by them for Liverpool account. This arrangement enables the English banks to finance the stock of actual cotton in Liverpool.

* * *

GOVERNMENT REPORT ON CONDITION OF THE COTTON CROP ON AUGUST 31, 1914.

The Crop Reporting Board of the Bureau of Crop Estimates of the United States Department of Agriculture, has issued its monthly report on the condition of the cotton crop, estimating from the reports of the correspondents and agents of the Bureau, that the condition on August 25 was 78.0 per cent of a normal, as compared with 76.4 on July 25, 1914; 68.2 on August 25, 1913; 74.8 on August 25, 1912, and 73.4, the average on August 25 of the past ten years.

Comparisons of conditions, by States, follow:

			August 25		
States.	August 25, 1914.	July 25, 1914.	1913.	1912.	Ten-Year Average.
Virginia	86	89	80	80	81
North Carolina	82	86	78	75	77
South Carolina	77	79	77	73	76
Georgia	81	82	76	70	76
Florida	83	86	81	73	78
Alabama	77	81	72	75	74
Mississippi	75	79	69	70	73
Louisiana	66	76	67	74	68
Texas	79	71	64	76	70
Arkansas	75	72	72	77	76
Tennessee	76	73	80	76	82
Missouri	72	75	72	78	83
Oklahoma	80	75	45	84	73
California	98	100	96	95	..
United States	78.0	76.4	68.2	74.8	73.4

For purposes of comparison, the condition of the cotton crop in the United States monthly and the estimated yield per acre for the past ten years are given below:

Years.	May 25.	June 25.	July 25.	Aug. 25.	Sept. 25.	Yield Per Acre. Lbs. Lint.
1913	79.1	81.8	79.6	68.2	64.1	182.0
1912	78.9	80.4	76.5	74.8	69.6	190.9
1911	87.8	88.2	89.1	73.2	71.1	207.7
1910	82.0	80.7	75.5	72.1	65.9	170.7
1909	81.1	74.6	71.9	63.7	58.5	154.3
1908	79.7	81.2	83.0	76.1	69.7	194.9
1907	70.5	72.0	75.0	72.7	67.7	178.3
1906	84.6	83.3	82.9	77.3	71.6	202.5
1905	77.2	77.0	74.9	72.1	71.2	186.1
1904	83.0	88.0	91.6	84.1	75.8	204.9
Average 1904-13	80.4	80.7	80.0	73.4	68.5	187.2

* * *

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3½	3½
Gray goods, 38 in., standard	4⅛	4⅛
Brown sheetings, Southern standard	7½	7½
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	22½	21½-22
Southern 2-ply skeins, 60s	44-45	44
Southern single skeins, 20s	19	18
Southern single chain warps, 20s	19	18
Southern 2-ply chain warps, 20s	19½	18-18½
Southern frame cones, 20s	21	20¼
Southern frame cones, 30s	24	23½-24
Eastern carded cops, 20s	22¾	22¾
Eastern carded cops, 30s	26¾	26¾
Eastern carded peeler warps, 30s	29	29
Eastern carded peeler warps, 50s	46	46

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 29	1.07	1.04	1.11½	1.08⅝	1.18⅝	1.16
August 31	1.12	1.09	1.16⅛	1.14	1.23½	1.21
September 1	1.11½	1.08½	1.16	1.12¼	1.22⅞	1.19¼
September 2	1.11	1.09½	1.15¼	1.13¾	1.23	1.20¼
September 3	1.14¾	1.12	1.18½	1.15¾	1.25¼	1.22⅜
September 4	1.21	1.16	1.24¾	1.19	1.31¼	1.25½

CORN (New Contract).

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 29	80¼	79	72⅜	71	74⅝	73½
August 31	80⅛	79	73¼	72¼	75¼	74¼
September 1	79⅝	78½	73	71½	74¾	73½
September 2	81	78¾	74	71⅝	76¼	73⅝
September 3	81¾	80¼	75	73⅞	77¾	76
September 4	82⅞	81½	77¼	74 15-16	79¾	77⅝

OATS.

	September		December		May	
	High.	Low.	High.	Low.	High.	Low.
August 29	48	46¾	51⅛	46¾	54	52⅜
August 31	49⅜	48½	52¾	51¾	55⅜	54⅛
September 1	48⅞	47⅝	52⅜	51¼	55⅛	54
September 2	49⅜	47⅞	52 11-16	51½	55⅜	54⅜
September 3	49¾	49	53⅝	52⅝	56⅜	55⅛
September 4	51	49⅞	54¾	53⅜	57¾	56¼

LARD.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 29	10.07	10.00	10.32	10.20	10.80	10.70
August 31	10.25	10.07	10.47	10.32	11.00	10.85
September 1	10.22	10.15	10.47	10.35	11.00	10.82
September 2	10.15	10.05	10.40	10.20	10.90	10.75
September 3	10.07	9.95	10.22	10.05	10.85	10.72
September 4	10.15	10.07	10.27	10.15	11.00	10.77

RIBS.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 29	12.47	12.32	.....	.....	11.47	11.40
August 31	12.55	12.52	12.40	12.17	11.67	11.52
September 1	12.65	12.60	12.52	12.35	11.75	11.60
September 2	.....	.....	12.32	12.22	11.70	11.57
September 3	12.35	12.25	12.25	11.97	11.62	11.45
September 4	.....	.....	12.22	12.02	11.80	11.47

PORK.

	September		October		January	
	High.	Low.	High.	Low.	High.	Low.
August 29	20.70	20.57	.....	.....	22.60	22.45
August 31	20.60	20.50	.....	.....	23.00	22.65
September 1	20.10	20.00	.....	.....	22.90	22.55
September 2	.....	.....	.....	.....	22.75	22.45
September 3	.....	.....	.....	.....	22.57	22.25
September 4	.....	.....	.....	.....	23.15	22.45

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	6.80	6.80	6.69	6.15	6.16	*6.10
August	6.79	6.80	6.62	6.15	6.20	6.10
September	6.78	6.80	6.65	6.21	6.26	6.13
October	6.56	6.59	6.51	6.25	6.21	6.08
November	6.58	6.62	6.56	6.27	6.24	6.10
December	6.60	6.66	6.59	6.31	6.28	6.13
January	6.62	6.67	6.58	6.32	6.30	6.15
February	6.63	6.70	6.60	6.35	6.35	6.24
March	6.63	6.71	6.58	6.36	6.35	6.30

*Third call.

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot	7⅞	7⅞	7¾	7¾	7¾	7⅝

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Last sale.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	79
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O	
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*	
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	99
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	98⅞
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*	
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O	
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	95½
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*	
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-O*	
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	64
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	91
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	92¼
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov	
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	100¾
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	90½
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S	
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	87¼
91¾	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	89½
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	87⅞
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	98
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*	
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	100
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	99¾
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N	
110⅜	Jan	9	103	June	18	Buff Rooh & Pitts gen 5s	1937	*M-S	
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*	
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	96
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	116⅜
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J	
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	90½
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N	
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	70
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*	
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	37⅛
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	92½
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	95
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	95
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N	
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	68
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	95
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*	
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J	
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*	
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	81¾
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	19½
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	66
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D	
92⅞	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*	
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	71
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*	
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	89½
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N	
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A	
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	98
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N	
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	75½
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	52½
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*	
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*	
87	Jan	3	81⅞	Dec	11	Erie prior llen 4s	1996	*J-J	
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	67½
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	63½
90	Jan	20	85⅜	July	23	Erie (Pa) col 4s	1951	*F-A	88¾
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-O	
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*	
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*	
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	105¼
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O	
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O	
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*	
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	91
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	43
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	72½
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	97½
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	100½
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J	
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S	
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D	
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S	
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	71
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O	
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	
96¾	Apr	1	90½	Dec	5	Lackawanna Steel 5s	1923	*A-O	
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F	
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J	
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*	
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D	
93½	Sept	8	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	90

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

Range for 1913 High.		Range for 1913 Low.		Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Close.	[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]
92⅞	Feb 3	88	Dec 20	Lake Shore deb g 4s	1931	*M-N		
89⅛	Feb 19	84	Aug 9	Long Island unified 4s	1949	*M-S		
94	Jan 4	86	July 17	Long Island gen 4s	1938	*J-D		
96	Apr 23	89½	Aug 22	Long Island ref 4s	1949	*M-S		
99½	Jan 13	91½	June 11	Louis & Nash unified 4s	1940	J-J*	93¼	
95	Jan 14	86½	July 1	Manhattan con 4s	1990	*A-O		
95½	Jan 22	87¾	June 19	Man Ry 4s stpd tax exempt				
95¼	Jan 8	86½	Oct 22	M K & T 1st 4s	1990	*J-D	81⅝	
81¾	Jan 8	71	Nov 21	M K & T 2d 4s	June 1990	F-A	57	
99¾	Sept 11	95½	Nov 12	M K & T ext g 5s	1944	M-N*		
77½	Feb 3	67¼	June 23	M K & T ref 4s	2004	M-S*		
87	Jan 2	79½	July 7	M K & T gen 4½s	1936	*J-J		
100¼	Jan 17	97	Aug 26	M K & T of Tex 5s	1942	M-S*		
100	Feb 18	95	Dec 1	Mo Pac col tr 5s	Jan 1917	M-S		
99⅜	Jan 13	91	July 14	Mo Pac col tr 5s	1920	F-A*	85½	
70⅜	Jan 9	62	Dec 29	Mo Pac 4s	1945	*M-S	39½	
85⅞	Jan 14	79⅝	Dec 16	Mobile & Ohio gen 4s	1938	M-S*		
78	Jan 7	73	Dec 9	Nassau Electric 4s	1951	*J-J		
88½	Jan 4	52	Dec 15	Nat Rys of M per lien 4½s	1957	J-J*		
78	Jan 9	76¾	Dec 28	Nat Rys of M con 4s	1977	A-O*		
108½	Feb 11	104½	Nov 8	Nash Chatt & St L con 5s	1928	*A-O		
103	Jan 6	96½	Dec 17	N Y Air Brake con 6s	1928	*M-N	97	
87¼	Jan 30	80	Dec 10	N Y Central ref 3½s	1997	J-J*	79¾	
91½	Jan 9	83	Dec 29	N Y Central deb 4s	1934	*M-N		
83	May 14	76½	Dec 23	N Y Central L S 3½s	1997	J-J*		
80	May 22	71	Dec 5	N Y Central M C col 3½s	1998	*F-A		
99½	Jan 2	93½	July 18	N Y C & St L 1st 4s	1937	A-C*	93½	
86½	Jan 10	80	Nov 5	N Y G E L H & P 4s	1949	*F-A		
103⅜	Sept 29	100⅝	June 14	N Y G E L H & P col tr 5s	1948	J-D*	104	
126	Jan 3	102¾	Dec 17	N Y N H & H con deb 6s	1948	*J-J	99	
87	Jan 23	68	Nov 12	N Y N H & H deb 3½s	1956	*J-J		
92¼	Jan 20	84	Dec 23	N Y Ont & W 1st ref 4s	June 1992	M-S	81	
79	Jan 10	72½	June 10	N Y Rys ref 4s	1942	J-D	72	
61	Dec 30	51⅜	June 19	N Y Rys adj 5s	1942	J-D	45	
99	Jan 31	88	June 11	N & W con 4s	1996	A-O*		
92¾	Jan 10	87	Dec 20	N & W div 1st lien 4s	1944	J-J*		
104⅞	May 26	102¼	Nov 5	N & W conv 4s	1932	*J-D		
92	Jan 13	83	June 23	N & W P C & C joint 4s	1941	J-D*		
98⅝	Jan 10	91½	July 7	North Pac prior 4s	Jan 1997	Q-J	92	
68⅝	Sept 20	63½	June 5	North Pac gen 3s	Jan 2047	Q-F	67¼	
94	Feb 25	86	Nov 6	Oregon Ry & Nav 4s	1946	*J-D		
112⅛	Jan 14	108½	July 17	Oregon Short Line 1st 6s	1922	*F-A		
109	Jan 16	105½	June 19	Oregon Short Line cons 5s	1946	J-J*		
93⅛	Jan 7	83½	June 13	Oregon Short Line ref 4s	1929	J-D*	89½	
101½	Feb 3	98	July 16	Pacific Coast 1st 5s	1946	*J-D		
101	Jan 11	95	June 11	Pacific Tel & Tel 5s	1922	*J-J		
102¾	Feb 5	98	Nov 29	Penn con 4s	1948	M-N*	99	
97½	Jan 7	95⅞	July 18	Penn con 3½s	Oct 1 1915	J-D	98¼	
89	Jan 2	79	June 27	Peoria & E 1st 4s	1940	*A-O		
49¾	Feb 20	35	June 4	Peoria & E income 4s	Apr 1990	Ann.	21	
97½	Jan 25	9 ⅜	Dec 19	Reading gen 4s	1997	*J-J	93	
96¾	Mar 12	91½	June 16	Reading Jersey Cent col 4s	1951	*A-O		
103	Oct 11	102	Sept 30	Rep Iron & Steel col 5s	1934	A-O*	104	
85¼	Jan 13	78	Oct 15	Rio Grande W 1st 4s	1939	J-J*		
81	Jan 23	67½	Dec 17	Rio Grande W col tr 4s	1949	*A-O		
84	Jan 31	75¼	Dec 10	St J & G I 1st 4s	1947	*J-J		
106	Jan 10	100	June 26	St L & I M gen 5s	1931	*A-O		
82⅝	Jan 31	74	Dec 22	St L & I M ref 4s	1929	J-J*		
82½	Jan 3	76½	Dec 9	St L & I M Riv & G Div 4s	1933	*M-N		
76¾	Jan 8	65	May 29	St L & S F R R ref 4s	1951	J-J*	63⅝	
82¼	Jan 7	50½	July 18	St L & S F R R gen 5s	1927	*M-N		
90	Jan 6	83¼	Dec 22	St L S W 1st 4s	1989	M-N*	81⅛	
80	Jan 3	78	Feb 17	St L S W 2d income 4s	Nov 1989	J-J		
81	Jan 7	75	Nov 26	St L S W consol 4s	1932	*J-D		
104½	Jan 13	100¼	July 16	St P M & M con 4½s	1933	J-J*		
96¼	Apr 4	92	July 21	St P M & M Mont ext 4s	1937	*J-D	95¼	
85¾	Jan 2	75	Nov 19	San Antonio & A P 4s	1943	*J-J		
79	Jan 13	72½	Oct 15	Seaboard A L ref 4s	1950	A-O*		
86	Jan 23	79½	July 7	Seaboard A L stamped 4s	1950	A-O*	85	
77¼	Jan 20	66½	June 12	Seaboard A L adj 5s	1949	F-A*	72	
94⅛	Feb 4	87	June 12	So Pac ref 4s	1955	*J-J	89	
98	Feb 7	87⅞	June 27	So Pac col 4s	Aug 1949	J-D		
93⅝	Feb 1	84	June 10	So Pac conv 4s	June 1929	M-S	80½	
107⅛	Jan 10	101	June 24	So Ry 5s	1944	J-J*	102	
78½	Jan 2	72¼	Dec 1	So Ry col tr 4s	1956	*A-O	67¾	
86½	Jan 21	78½	June 20	So Ry M & O Div 4s	1938	M-S*		
88½	Jan 8	79⅞	Aug 12	So Ry St L Div 4s	1951	*J-J		
103	Jan 11	96	Dec 18	Tenn Coal & Iron gen 5s	1951	*J-J		
89¾	May 10	88	Oct 16	Term Ass'n St L ref 4s	1953	*J-J		
107¼	Jan 3	99	Nov 24	Texas Pac 1st 5s	2000	*J-D		
82⅝	Jan 10	77½	June 10	Third Av ref 4s T R ctfs std	2000	*J-J		
81½	Dec 31	80	Dec 18	Tol St L & W 3½s	1925	J-J*		
60	Aug 29	47½	June 9	Tol St L & W 1st 4s	1950	*A-O	44⅛	
96	Sept 26	92½	May 13	Untergrund London 4s	1947	J-J*		
99⅜	Jan 14	94	Dec 2	Union Pacific 1st 4s	1933	*J-J	97	
97	Jan 2	86⅜	June 12	Union Pacific conv 4s	1927	J-J*	86	
95½	Jan 7	87⅞	June 19	Union Pacific ref 4s	June 2008	M-S	93½	
67	Jan 3	50½	Nov 24	United Rys San Fran 4s	1927	*A-O		
89	Jan 10	79	Nov 29	U S Realty & Imp 5s	1924	J-J*		
27	May 8	25	Jan 2	U S Reduc & Ref 6s	1931	J-J*		
103¾	Feb 8	100	Mar 13	U S Rubber 6s	1936	*M-N	102	
102	Jan 7	96⅝	June 10	U S Steel 5s	1963	*F-A	101¼	
98	Jan 13	90¼	July 1	Va-Car Chemical 1st 5s	1918	J-D*	96¼	
106½	Jan 9	101	June 5	Wabash 1st 5s	Apr 1939	M-N		
99½	Jan 14	92¼	Dec 2	Wabash 2d 5s	1939	J-D*		
64⅞	Jan 2	46½	June 12	Wabash ref & ext 4s	1956	J-J*	41¼	
27½	Jan 2	10	Dec 19	Wab-Pitts T 1st Cen tr c	1954	*J-D	6¾	
3	Aug 18	½	June 13	Wabash Pitts T 2d tr c	1954	*J-D		
83⅞	Feb 6	75	June 11	West Maryland 4s	1952	A-O*	58	
107¼	Feb 11	103	Sept 8	West N Y & P 1st 5s	1937	*J-J		
102½	Feb 4	95	Nov 22	West Union col tr 5s	1938	*J-J		
96½	Jan 15	87½	Dec 3	West Union R E 4½s	1950	*M-N		
98¼	Jan 13	90	Nov 22	West Shore 4s	2361	*J-J		
94	Jan 7	87	Dec 18	Westinghouse E & M 5s	1931	*J-J	93	
80⅝	Jan 29	70	July 17	Wheeling & L E con 4s	1949	M-S*		
91⅝	Jan 11	84	June 25	Wisconsin Central 4s	1949	J-J*	86	

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Last sale.	[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	917/8	
24¾	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	19⅛	
9	Dec	26	7⅝	Dec	16	Allis-Chalmers	..	.....	6	
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	32½	
80½	Sept	16	61⅝	June	10	Amalgamated Copper	6	Q May	49½	
57	Jan	3	41¼	Sept	5	Am Agr Chemical	4	Q Jan	50⅛	
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	.....	
50½	Jan	2	19¾	June	10	Am Beet Sugar	..	.....	19	
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....	
96¼	Jan	4	89½	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....	
136⅝	Jan	6	127¾	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....	
46⅞	Jan	31	21	June	11	Am Can	..	.....	19½	
129½	Jan	30	80½	June	10	Am Can pfd	7	Q Jan	80	
56⅜	Jan	2	36½	June	10	Am Car & Fdry	2	Q Jan	44¾	
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	112	
48¾	Jan	6	33¼	July	2	American Cities	..	.....	.....	
78½	Jan	2	60¼	June	28	American Cities pfd	6	Jan-July	59½	
57⅜	Jan	2	33½	June	12	Am Cotton Oil	..	.....	32	
98	May	6	92½	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....	
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	100	
5⅛	Jan	3	3½	July	9	Am Hide & Leather	..	.....	3¼	
28¼	Feb	10	15⅛	June	10	Am Hide & Leather pfd	..	.....	17	
27¾	Apr	4	17	June	10	Am Ice Securities	..	.....	19¾	
12⅛	Nov	7	6⅞	June	10	Am Linseed	..	.....	7½	
33⅜	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	25	
44½	Jan	6	27	June	10	Am Locomotive	..	.....	20	
106¾	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....	
13	Jan	3	5¼	Oct	17	Am Malt	..	.....	.....	
61½	Jan	3	41⅞	Oct	24	Am Malt pfd	4	May-Nov	32	
86	Jan	9	79½	June	12	Am Smelting pfd B	5	Q Jan	.....	
74¾	Jan	30	58½	June	10	Am Smelting & Refin	4	Q Jan	52½	
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	97½	
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	153	
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan	.....	
40½	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	27½	
118	Jan	31	99⅞	Dec	9	Am Sugar Ref	7	Q Jan	100	
116⅝	Jan	28	110⅛	June	12	Am Sugar Ref pfd	7	Q Jan	108	
66⅛	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....	
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	114	
294¾	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar	215	
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	104	
23½	Sept	27	15	Dec	1	Am Woolen	..	.....	12	
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....	
32¼	Jan	2	11⅞	Nov	14	Am Writing Paper pfd	..	.....	.....	
41½	Jan	2	30⅞	June	10	Anaconda Copper	3	Q Jan	25	
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....	
43⅛	Feb	19	42¼	Jan	30	Associated Oil	6	Q Jan	.....	
106¾	Jan	6	90¼	Nov	10	Atch Top & Santa Fe	6	Q Mar	89⅝	
102¼	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	97¾	
133¾	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	114	
52½	Jan	8	36½	Dec	13	Baldwin Locomotive Co	2	Jan-July	41	
105½	June	6	100¼	June	25	Baldwin Locomotive Co pfd	7	Jan-July	105¾	
106⅜	Jan	22	90⅝	June	10	Baltimore & Ohio	6	Mar-Sept	72	
88	Jan	10	77¼	June	18	Baltimore & Ohio pfd	4	Mar-Sept	72½	
41½	Jan	9	25	June	10	Bethlehem Steel	..	.....	30	
74	Aug	12	62¼	June	10	Bethlehem Steel pfd	5	Q Jan	81	
99¾	May	26	83¾	June	10	Brooklyn Rapid Transit	6	Q Jan	79½	
137⅞	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	.....	
116	Jan	30	100½	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....	
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....	
56½	Feb	3	16	Oct	22	California Petroleum	..	.....	16¼	
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	50	
63	Feb	13	58½	May	13	Canada Southern	3	Feb-Aug	.....	
266¾	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	157½	
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....	
30⅛	Feb	5	17	June	10	Central Leather	2	Feb	28	
97¼	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	96¼	
362	Jan	13	275	June	11	Central R. R. of N. J.	8	Q Feb	.....	
80	Jan	2	51⅛	July	11	Chesapeake & Ohio	4	Q Mar	41½	
18	Jan	2	7½	June	12	Chicago & Alton	..	.....	.....	
25¾	Feb	25	17¼	Aug	21	Chicago & Alton pfd	..	.....	.....	
17⅞	Jan	9	10⅜	June	4	Chicago Great Western	..	.....	9¼	
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	27¼	
116¼	Jan	9	96¾	Nov	10	Chicago Mil. & St. Paul	5	Mar-Sept	85¼	
145	Jan	30	131½	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	126	
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	127½	
188	Mar	3	171¼	Nov	19	Chicago & N W pfd	8	Q Jan	.....	
125	Mar	8	119½	Aug	25	Chicago St P M & O	7	Feb-Aug	.....	
150½	Jan	21	130¼	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....	
47⅝	Jan	2	30¾	June	10	Chino Con Copper	$3	Q Jan	32	
54	Jan	21	34⅞	Aug	26	C C C & St L	..	.....	.....	
94¾	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....	
41½	Feb	3	24½	June	10	Colorado Fuel & Iron	..	.....	21½	
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....	
33	Jan	3	23¾	June	12	Colorado Southern	..	.....	20	
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....	
65⅛	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....	
102¼	Feb	25	102¼	Feb	25	Consolidation Coal	6	Q Jan	.....	
142¾	Jan	9	125¼	June	10	Consolidated Gas	6	Q Mar	116¼	
17⅛	Jan	31	7¾	June	10	Corn Products Ref Co	..	.....	7¼	
79¼	Jan	31	61½	June	10	Corn Products Ref Co pfd	5	Q Jan	58⅛	
100⅛	Jan	16	91½	Dec	27	Deere & Co pfd	7	Q Mar	92½	
167	Jan	8	147½	June	11	Delaware & Hudson	9	Q Mar	140	
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	390	
23⅛	Jan	9	13⅜	June	11	Denver & Rio Grande	..	.....	.....	
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	8⅞	
30⅝	Feb	4	67½	June	3	Detroit United Railway	6	Q Mar	.....	
21¾	Jan	2	9¾	June	10	Distillers' Securities	..	.....	11	

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Close.	[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]
8½	Jan	2	4	Dec	19	Duluth S S & Atl.....	..	.....	....	....
16¼	Jan	2	10	July	11	Duluth S S & Atl pfd.....	..	.....	....	....
32½	Jan	6	20¼	June	10	Erie	..	.....	..... 20½	....
49½	Jan	30	33½	June	10	Erie 1st pfd	..	.....	 32	....
41	Jan	30	28¼	June	10	Erie 2d pfd.....	..	.....	..... 26¼	....
18	Jan	22	11	Dec	17	Federal Min & Smelt.....	..	.....	 10	....
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd..	6	Q Mar	..... 29½	....
185½	Apr	23	175	Jan	14	General Chemical	6	Q Mar	....	....
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	....	....
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	 139	....
40	Aug	18	25	May	15	General Motors	..	.....	..... 58⅞	....
81¾	Sept	30	70	May	8	General Motors pfd.....	7	May-Nov	..... 79¾	....
180	Jan	11	150	May	19	Geo W Helme Co.....	..	.....	....	....
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co.....	..	.....	 20	....
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd.....	7	Q Jan	 88	....
132⅝	Jan	9	115½	June	10	Great Northern pfd.....	7	Q Feb	 114	....
41¼	Jan	3	25½	June	10	Great Northern Ore ctfs..	..	.....	 23	....
52¾	Jan	7	40¾	July	11	Guggenheim Exploration ..	3½	Q Jan	..... 40½	....
87	Feb	6	80	Oct	17	Havana Electric Ry.....	5	Q Feb	....	....
96	Jan	8	90	Nov	5	Havana Electric Ry pfd....	6	Q Feb	....	....
125	June	4	125	June	4	Hocking Valley	8	Q Mar	....	....
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly	 110	....
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	 106	....
39	Jan	11	5	June	6	Inter Agricultural Corp....	..	.....	....	....
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	..... 20¾	....
19⅝	Jan	30	12⅜	June	4	Interborough-Met	..	.....	 11	....
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	 52	....
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	 84	....
114¾	Sept	19	111	May	12	International Harv pfd...	7	Q Mar	 117	....
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	....	....
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd.	..	.....	....	....
12⅝	Jan	30	6½	Oct	9	International Paper	..	.....	..... 6¾	....
48½	Jan	30	32⅛	Oct	15	International Paper pfd....	2	Q Jan	..... 30½	....
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	....	....
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd....	..	.....	....	....
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	....	....
23	Jan	2	13	June	6	Iowa Central pfd.....	..	.....	....	....
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd..	4	Q Jan	....	....
110	Jan	2	106½	Oct	10	Kansas City Southern.....	..	.....	..... 21⅛	....
78	Jan	7	53½	Sept	9	Kan City Southern pfd....	4	Q Jan	 55	....
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co.....	6	Q Jan	....	....
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd..	7	Q Feb	....	....
83	Sept	15	58	June	9	Kresge (S S) Co.....	6	Jan-July	....	....
102	Jan	4	97	June	10	Kresge (S S) Co pfd.....	7	Q Jan	....	....
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	..	.....	..... 26½	....
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	 85	....
11½	Feb	5	7	May	2	Lake Erie & Western.....	..	.....	....	....
35	Jan	6	16	Nov	10	Lake Erie & Western pfd..	..	.....	....	....
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July	 121	....
235	Mar	6	195	June	6	Liggett & Myers.....	12	Q Mar	....	....
116½	Jan	23	106½	July	22	Liggett & Myers pfd.....	7	Q Jan	....	....
43⅛	Jan	6	30	June	10	Long Island	..	.....	 31	....
200	Jan	28	150	June	13	Lorillard (P) Co.....	10	Q Jan	 160	....
116½	Jan	22	103	June	10	Lorillard (P) Co pfd.....	7	Q Jan	 115	....
142¼	Jan	10	126¼	June	11	Louisville & Nashville	7	Feb-Aug	 127	....
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	 61	....
69	Apr	7	62	Dec	17	Mackay Companies pfd.....	4	Q Jan	....	....
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	..... 128¼	....
76⅞	Jan	2	65	Oct	14	May Department Stores....	5	Q Mar	....	....
105½	Jan	2	97½	June	10	May Dept Stores pfd.....	7	Q Jan	..... 99½	....
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..	.....	 53	....
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd ...	..	.....	....	....
26½	Jan	4	20⅜	June	10	Miami Con Copper	50c	Q Feb	..... 17½	....
23¼	Jan	2	12	June	11	Minn & St. Louis.....	..	.....	....	....
47	Jan	29	30	Dec	4	Minn & St. Louis pfd.....	..	.....	....	....
142¼	Jan	9	115¼	June	11	M St P & S S M.....	7	Apr-Oct	 102	....
145	Apr	8	131	Nov	12	M St P & S S M pfd.....	7	Apr-Oct	....	....
83½	Mar	5	81½	Dec	10	M St P & S S M l'd line.	4	Apr-Oct	....	....
29¼	Jan	7	18⅛	June	10	Missouri Kan & Tex.....	..	.....	..... 10¼	....
64½	Apr	11	52	June	10	Missouri Kan & Tex pfd...	..	.....	..... 27⅛	....
43⅝	Jan	9	21¼	Dec	23	Missouri Pacific	..	.....	 8	....
.....	.....	.....	.....	.....	.....	Montana Power	2	Q Jan	..... 43½	....
.....	.....	.....	.....	.....	.....	Montana Power pfd.....	7	Q Jan	....	....
170	Jan	14	132½	June	9	Nashville Chatt & St L....	7	Feb-Aug	 135	....
130	Sept	13	104	June	11	National Biscuit Co.....	7	Q Jan	 120	....
124⅞	Jan	8	116	June	4	National Biscuit Co pfd..	7	Q Feb	 125	....
19¼	Jan	30	9	June	5	National Enamelling	..	.....	....	....
92¼	Jan	30	74¼	Oct	21	National Enameling pfd...	7	Q April	....	....
56¼	Jan	2	43	Oct	20	National Lead Co.....	3	Q Mar	..... 41⅝	....
107¾	Oct	4	102	Oct	31	National Lead Co pfd.....	7	Q Mar	....	....
59	Mar	3	31	Dec	8	Nat Rys of Mex 1st pfd...	..	.....	....	....
27½	Jan	2	8¾	Dec	26	Nat Rys of Mex 2d pfd...	..	.....	..... 7⅛	....
20	Jan	2	13	June	10	Nevada Con Copper	37½c	Q Mar	..... 10¼	....
82½	Jan	8	56	July	16	New York Air Brake	6	Q Jan	 58	....
109¾	Jan	30	90⅜	Dec	15	New York Central	5	Q Jan	 77	....
63¼	Jan	15	47	Dec	31	N Y Chicago & St L.....	..	.....	....	....
10	Oct	14	8	Nov	10	New York Dock.....	..	.....	....	....
129⅞	Jan	10	65⅝	Dec	12	N Y N H & Hartford.....	..	.....	 51	....
33⅞	Jan	11	25½	June	11	N Y Ontario & West.....	..	.....	..... 18¼	....
47½	Apr	5	39	Dec	19	Norfolk & Southern	½	Jan	....	....
113½	Jan	3	98	June	10	Norfolk & Western.....	6	Q Mar	..... 97½	....
87	Feb	13	80¼	Aug	16	Norfolk & Western pfd....	4	Q Feb	....	....
81½	Jan	9	60	June	9	North American	5	Q Jan	 66	....
75¾	Jan	15	54	Dec	27	Northern O Tr & Light....	5	Q Mar	....	....
122⅝	Jan	6	101¾	June	10	Northern Pacific	7	Q Feb	 97	....
31½	Jan	10	16	June	10	Pacific Mail	..	.....	..... 17½	....
46	Jan	4	22	Nov	18	Pacific Tel & Tel.....	..	.....	 20	....
86	Feb	19	82	Dec	4	Pacific Tel & Tel pfd.....	6	Q Jan	....	....
133¾	Jan	7	106	Dec	12	Pennsylvania Railroad.....	6	Q Feb	 106	....

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Close.
129¾	Sept 23	104	June 10	Peoples' Gas & Coke	8	Q Feb	106
99⅞	Jan 29	85	Sept 12	Philadelphia Co	7	Q Feb	
104	June 11	77⅛	Dec 11	P C C & St Louis	3	Q Jan	65¼
100	June 25	100	June 25	P C C & St Louis pfd	4	Q Jan	
24⅜	Jan 2	14½	June 11	Pittsburgh Coal	..	.....	16½
95	Jan 9	73	June 11	Pittsburgh Coal pfd	5	Q Jan	82
100	Jan 6	90	Nov 12	Pittsburgh Steel pfd	7	Q Jan	
36	Jan 7	18½	June 10	Pressed Steel Car	3	Q Mar	34
101⅛	Jan 7	88½	June 10	Pressed Steel Car pfd	7	Q Feb	
118	Jan 21	105	Dec 12	Public Service Corp N J	6	Q Jan	
165	Jan 2	149	Sept 5	Pullman Co	8	Q Feb	153⅞
4⅜	May 16	1	Dec 11	Quicksilver Co	..	.....	1
8	May 17	2	Dec 11	Quicksilver Co pfd	..	.....	1½
35	Jan 9	22¼	June 11	Railway Steel Spring	..	.....	19¾
100	Jan 13	90¼	June 10	Railway Steel Spring pfd	7	Q Mar	
22	Jan 2	15	June 10	Ray Consol Copper	37½c	Q June	16¼
171¾	Dec 26	151⅜	June 10	Reading	8	Q Feb	140
92½	Apr 10	82½	Oct 14	Reading 1st pfd	4	Q Mar	
95	Apr 10	84	June 10	Reading 2d pfd	4	Q Jan	82
28⅜	Jan 31	17	June 10	Republic Iron & Steel	..	.....	18½
92¼	Sept 13	72	June 11	Republic Iron & Steel pfd	7	Q Jan	78
24⅞	Feb 4	11⅝	Oct 17	Rock Island	..	.....	⅞
44¾	Jan 2	17½	Oct 17	Rock Island pfd	..	.....	1⅝
92¼	Jan 7	14	Nov 24	Rumely (M) Co	..	.....	8
99¾	Jan 4	33	Dec 18	Rumely (M) Co pfd	..	.....	22
20¾	Apr 1	14½	June 10	Seaboard Air Line	..	.....	15
49⅜	Sept 23	38	June 12	Seaboard Air Line pfd	4	Q Nov	47⅜
19¾	Jan 11	2¾	June 17	St L & San Fran	..	.....	2⅛
59	Feb 11	13	June 28	St L & San Fran 1st pfd	..	.....	
29	Jan 11	5½	June 17	St L & San Fran 2d pfd	..	.....	
96½	May 15	96½	May 15	St L & S F C & E I pf ctf	..	.....	
35½	Jan 13	20	Dec 19	St Louis S W	..	.....	
75	Jan 9	56¼	Dec 20	St Louis S W pfd	2	Q Jan	
213½	Jan 2	154¾	June 12	Sears-Roebuck	7	Q Feb	170¼
124½	Jan 2	116	June 19	Sears-Roebuck pfd	7	Q Jan	122
45½	Jan 28	23	July 8	Sloss-Sheff St & I Co	..	.....	19½
93¼	Feb 8	88	Apr 30	Sloss-Sheff St & I Co pfd	7	Q Jan	
110	Jan 30	83	Nov 10	Southern Pacific	6	Q Jan	84⅞
28⅝	Jan 2	19⅛	June 12	Southern Railway	..	.....	17¼
81½	Mar 26	72	June 10	Southern Railway pfd	5	Apr-Oct	67½
40½	Jan 31	31	Dec 9	Standard Milling	3	June	33
66⅞	Feb 4	52½	May 1	Standard Milling pfd	5	Apr-Oct	
36	Feb 6	15¾	Dec 1	Studebaker	..	.....	27½
93¼	Jan 18	64½	Nov 10	Studebaker pfd	7	Q Mar	82¾
39½	Jan 4	26¾	June 10	Tennessee Copper	75c	Q Mar	24¾
132½	Dec 31	89	June 10	Texas Co	10	Q Mar	113
22⅝	Jan 28	10¼	June 4	Texas Pacific	..	.....	12
97	Jan 18	93	June 4	Texas Pacific Land Tr	..	.....	95
43⅜	Sept 23	27⅞	June 10	Third Avenue R R	..	.....	33
3	Jan 14	2	June 4	Toledo Railways & Light	..	.....	
13	Jan 9	7½	July 9	Toledo St L & W	..	.....	
29¾	Jan 9	15¼	June 4	Toledo St L & W pfd	..	.....	
109	Sept 6	101⅛	June 6	Twin City Rap Tran	6	Q Jan	94⅞
7¾	Jan 3	4	Nov 14	Union Bag & Paper Co	..	.....	4
41¾	Jan 3	18½	Nov 20	Union Bag & Paper Co pfd	..	.....	18½
99½	Jan 3	78	June 10	Underwood Typewriter	4	Q Jan	
113	Jan 21	104	July 10	Underwood Typewriter pfd	7	Q Jan	
162¾	Jan 6	137¾	June 11	Union Pacific	8	Q Jan	113½
93½	Jan 6	79¾	June 10	Union Pacific pfd	4	Apr-Oct	79
50½	Feb 7	40¼	June 10	United Cigar Mfg Co	4	Q Nov	40¼
103	May 7	96	Sept 3	United Cigar Mfg Co pfd	7	Q Mar	
101	Jan 8	87	July 2	United Dry Goods	..	.....	
105½	Jan 14	95	Dec 16	United Dry Goods pfd	..	.....	
35½	Jan 3	16	June 11	United Rys Invest Co	..	.....	
63½	Jan 3	30	June 11	United Rys Invest Co pfd	..	.....	22
16¾	Jan 30	9¼	June 10	U S Cast Iron Pipe	..	.....	9
56¾	Jan 31	40	Dec 31	U S Cast Iron Pipe pfd	4	Jan	
44	Jan 6	25	June 9	U S Industrial Alcohol	..	.....	
97	Mar 4	85	June 18	U S Industrial Alcohol pfd	7	Q Jan	
77	Jan 9	49¾	Nov 28	U S Realty & Improv	5	Q Feb	
1⅞	Jan 16	½	Sept 25	U S Reduc & Refin	..	.....	
4	Jan 10	3	Apr 25	U S Reduc & Refin pfd	..	.....	
69½	Apr 4	51	Nov 10	U S Rubber	6	Q Jan	45¾
109¾	Apr 9	98	June 10	U S Rubber 1st pfd	8	Q Jan	97
81½	Jan 9	78¾	Feb 13	U S Rubber 2d pfd	6	Q Jan	
69⅛	Jan 2	40¾	June 11	U S Steel	5	Q Mar	51⅞
110¾	Jan 30	102½	June 10	U S Steel pfd	7	Q Feb	106½
60⅝	Jan 2	39⅝	June 10	Utah Copper	75c	Q Mar	46
43⅛	Jan 3	22	July 1	Va-Car Chemical	..	.....	21
114	Jan 3	93	June 30	Va-Car Chemical pfd	8	Q Jan	96
54	Jan 28	36	Dec 15	Va Iron Coal & Coke	..	.....	37
58	Feb 13	51	Jan 7	Va Ry & Power	3	Apr-Oct	
90¾	Dec 11	89	July 24	Va Ry & Power pfd	6	Jan-July	
21¾	Jan 24	11¼	Aug 8	Vulcan Detinning	..	.....	
90	Jan 6	49	Oct 1	Vulcan Detinning pfd	..	.....	
6	Aug 12	2	June 11	Wabash	..	.....	
17⅛	Aug 13	6⅛	July 8	Wabash pfd	..	.....	
123	Jan 6	85¼	Dec 18	Wells-Fargo Express	6	Jan-July	80
46	Jan 2	28⅞	Dec 12	Western Maryland Ry	..	.....	13¼
65	Jan 27	53½	June 18	Western Maryland Ry pfd	..	.....	30
75⅛	Jan 9	54⅛	Dec 22	Western Union Tel	4	Q Jan	54
79¼	Jan 2	53⅝	June 10	Westinghouse E & M	4	Q Jan	65½
119¾	Jan 7	107¾	June 13	Westingh'se E & M 1st pfd	7	Q Jan	119
8	Jan 3	3¾	Oct 24	Wheeling & L E	..	.....	2½
28⅛	Jan 13	13	June 11	Wheeling & L E 1st pfd	..	.....	
14	Jan 3	5⅝	Dec 19	Wheeling & L E 2d pfd	..	.....	
58½	Apr 23	40⅛	June 11	Wisconsin Central	..	.....	29¾
112	Jan 2	81½	June 20	Woolworth (F W) Co	6	Q Feb	90
115½	Jan 3	109	June 14	Woolworth (F W) Co pfd	7	Q Jan	116

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

c Ex. dividend. e Ex. rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Sterling—						
Cables	5 7	5 6¾	507¼	507½	505¾	503
Demand	.....	.....	.....	.....	.....	.....
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Francs—						
Sixty days sight						
Ninety days sight						
Reichsmarks—						
Sixty days sight						
Ninety days sight	.....	.....	.....	.....	.....	.....

[There was some business transacted in the Foreign Exchange Market this week, but quotations were uncertain and with wide variations in prices paid.]

Commerce of Paraguay for 1913.—The foreign commerce of Paraguay for 1913, according to the report of Sr. C. Ruiz, director of customs, was: Imports (six months) 3,665,021.60 pesos gold [peso = 97 cents]; exports 5,630,929.13 pesos gold. In the message of President Schaerer to the National Congress, delivered on April 1, 1914, the total imports for the year are estimated at 7,908,-815.45 pesos gold. On this estimate the total foreign trade amounted to 13,539,744.58 pesos gold. This is an increase over 1912 of 3,953,-421.09 pesos—2,558,215.32 pesos in imports and 1,395,205.77 in exports.

Estimating the gold peso at 97 cents United States currency, the value of the foreign trade of Paraguay in 1913 was: Imports, $7,671,551; exports, $5,462,001; total, $13,133,552. Increase over 1912 of $2,481,469 in imports, $1,353,350 in exports, or a total increase of $3,834,819.

The imports by countries for the years 1909, 1912 and 1913 (six months), were as follows:

	1909.	1912.	1913 (6 Mos.)
Germany	$732,082	$1,503,737	$989,898
United Kingdom	1,244,533	1,301,454	963,418
Argentina	563,084	682,017	517,185
France	234,898	366,778	238,679
Italy	254,330	308,201	232,774
Spain	178,581	322,838	223,630
United States	202,766	305,467	181,367
Belgium	74,870	123,954	70,012
Austria-Hungary	60,067	125,095	50,466
Uruguay	44,796	35,530	31,104
Brazil*	.....	42,183	20,003
Netherlands*	.....	14,967	8,512
Portugal*	.....	9,732	6,323
Switzerland*	.....	5,004	4,005
Chile*	.....	3,315	1,759
Japan*	.....	2,671	1,182
Other countries	59,359	26,095	14,723
Totals	$3,655,366	$5,190,082	$3,555,070

*In 1909 included under "Other countries."

The imports by major classifications for the years 1909, 1912, and 1913 (six months) were as follows:

	1909.	1912.	1913 (6 Mos.)
Textiles	$1,033,632	$1,460,942	$1,084,740
Foodstuffs	866,615	1,177,647	803,421
Hardware	296,230	914,770	630,860
Fancy goods*	154,694	382,488	247,769
Wines, spirits, etc.	270,073	283,102	186,994
Drugs and chemicals	69,812	216,240	134,180
Ready-made clothing	19,108	96,313	80,026
Animals†	.....	73,723	81,676
Hats	37,023	72,960	50,831
Electrical supplies‡	.....	53,837	56,261
Glass and chinaware	.....	86,840	43,685
Firearms and ammunition	39,274	79,300	36,467
Hides and skins†	.....	42,794	32,319
Boots and shoes†	.....	40,956	24,793
Musical instruments†	.....	25,823	14,088
Furniture†	.....	20,601	6,735
Tobacco†	.....	10,115	6,653
Jewelry	.....	11,507	5,459
Saddlery†	.....	5,059	5,073
Material for public works	.....	120,110	.....
Duty free articles§	771,683	.....	.....
Miscellaneous	146,202	.....	.....
Totals	$3,655,366	$5,190,082	$3,555,070

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German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...	*Per cent price.		

The exports by countries for the years 1909, 1910, 1911, 1912, and 1913 were as follows:

	1909.	1910.	1911.	1912.	1913.
Argentina	$2,475,951	$2,783,693	$2,651,101	$2,372,599	$3,410,925
Germany	1,360,708	881,319	993,948	847,823	1,198,686
Uruguay	690,030	518,056	710,421	676,767	673,784
Belgium	70,992	12,024	21,822	10,662	56,130
Brazil	217,955	155,086	45,559	55,071	37,740
France	43,628	24,852	72,694	33,199	33,069
Spain	98,669	309,055	153,741	98,539	25,195
Italy	.....	84,177	24,233	9,983	11,103
Austria-Hungary	.....	.....	.....	97	10,127
Bolivia	4,995	.....	.....	.....	3,330
Russia	.....	.....	.....	.....	1,629
Netherlands	9,373	.....	.....	2,018	.....
United States	5,539	.....	.....	593	.....
United Kingdom	2,052	15,213	799	1,018	.....
Switzerland	11,987	.....	.....	.....	.....
Other countries	875	5,590	29,040	276	277
Totals	$4,992,814	$4,789,065	$4,703,358	$4,108,651	$5,462,001

The total of exports to Argentina and to Uruguay, as given above, represents a very considerable element of transit trade. Nearly all the hides, live animals, quebracho, and some woods, shown in the table below, accredited primarily as exports to the two counties mentioned, are in reality exports to Europe and to the United States.

The exports by articles in 1912 and 1913 (six months) were as follows:

	1912.	1913 (6 Mos.)
Hides	$1,050,166	$580,748
Woods	850,726	491,199
Quebracho extract	.....	424,505
Yerba mate	485,968	410,144
Fresh fruits	1,245,443	387,919
Live animals	47,181	363,983
Tobacco	423,167	195,776
Sand	.....	365
Totals	$4,108,651	$2,854,639

‡In 1909, included jewelry.
†In 1909, included under "Miscellaneous."
‡In 1909, included under "Miscellaneous."
§In 1912 and 1913 included under the several classes of articles to which they respectively belong. The duty free articles in 1912 amounted to $784,839, more than half of which is hardware and the remainder principally material for public works, animals, and drugs. In 1913, the amount was $563,926, against divided as in 1912.

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

THERE are many points of view from which the European War may be and has been discussed. Here in the United States we are paying our part of the bitter price of it and this fact makes us, like all the rest of the world, near or far, unable to be wholly cool and disinterested in our thinking about it. Still, its comparative remoteness enables us to consider it with a certain philosophy and to make out some of the larger aspects of it, which are obscured for people of the countries actually involved. It is impossible for citizens of these countries to look upon the grievous trials through which they are passing except in the light of the national prepossessions with which they are familiar. Patriotism, or devotion to one's country and to all that is in it or of it is one of the natural instincts of mankind; and hardly less deeply rooted is aversion for all that is not in or of one's country, or that seems to threaten the impairment of that which one has come to regard as distinctive of one's country. In a vast struggle such as is now going on in Europe, the populations of the contesting nations necessarily for the most part misread both their antagonists and themselves. The things they think they are fighting for are not the real things they are fighting for. The Germans and German Austrians, for example, no doubt quite sincerely believe that they and they alone have appreciated the danger of a Slavic conquest of Europe, and of the substitution of the "Unkultur," as they call it,—the incapacity for civilization, or "barbarism," as the ancient Athenians would have called it,—of the Slavs, for the "Kultur," or developed culture, to which they themselves have attained and whose protagonists they believe themselves to be in the modern world. To them, the English and French, through their alliance with Russia, have made themselves representative of darkness instead of light, of ignorance and gross living instead of science and art, of the hordes of Asia rather than of the inheritors of the tradition of trained and refined intelligence that began with the Greeks and finds its modern embodiment in the Germans themselves. Among the French, on the other hand, there is probably no small amount of mere hatred of the Germans because of 1870 and the loss of Alsace and Lorraine. Deeper motives are of no importance to minds so obsessed. The Slavs, for their part, are largely actuated by dull resentment, long silently maturing, against the German assertion of superiority over them in all the things that count. Whether they have been citizens of Russia and of the smaller Slavic States, or dwellers in the extensive Slavic provinces of both the German and the Austrian Empire, they have come to feel bitter animosity because of the German attitude toward them, and the German treatment of them, wherever they were subject to the dominion of Germans. Those who are held up to the world as representatives of "Unkultur" are not apt to feel kindly towards those who so hold them up. These are the prejudices and resentments of the citizens of the Continental countries that are driving at each other's throats. Belgium alone upon the Continent has a more specific grievance and a more tangible reason for engaging in the war. And if we pass to England, we do not think the Germans are altogether wrong in asserting that there has been and is with the average Englishman no small amount of pure jealousy against the Germans by reason of the remarkable advance of the latter in industry and trade. German competition in fields once held to be exclusively England's has certainly given rise to more than a little hostility towards Germany and the Germans on the part of the rank and file of Englishmen.

All this is so; and yet we do not think that the true explanation of the European War is to be found here. Europe is not to-day drenched with blood by reason of these superficial phenomena of the thinking and feeling of the nations that are staking their all upon the arbitrament of arms. Nor, on the other hand, do we attribute the war to the moves of the political chess-players, the men of power who always think that their moves, their combinations, their diplomatic alliances and groupings decide the fate of nations. We do not deny that a titanic contest, long preparing, may be precipitated by the prospective results of a diplomatic engagement or a diplomatic threat, like Germany's undertaking to assist her ally, Austria, in whatever complications might be occasioned by the latter's treatment of Servia. But this particular engagement, with its particular consequences, is certainly not the true cause of the world war that is now being waged. Nations are arrayed against nations, the destinies of whole peoples are put at hazard, the sympathies and passions of the whole of mankind are stirred for no such local and comparatively trivial cause as

this. If anything is clear, it is that the world at large looks upon the present war as decisive of matters that will ultimately affect everybody everywhere.

One of the mistakes of the propagandists of peace and of the settlement of difficulties between nations by means of arbitration, instead of by war, has been that they have held that the dying down of religious fanaticism has removed all genuine excuse or necessity for war. They have perceived that during the period of the Reformation, it would have been impossible to settle the disputes of Catholics and Protestants by any form of arbitration. But they have come to assume that the growth of religious tolerance has done away with this insoluble *question de guerre*, and that no similar question could arise to make resort to war the only means of settlement. They have supposed that among nations generally engaged with industry and trade, dependent upon continuous peace for the prosperity of their populations, the only possible international controversies must be of a non-fundamental kind, due to misapprehensions or to superficial irritations, and that such controversies could all be settled amicably by disinterested international arbitrators. They have wholly overlooked the fact that the convictions and enthusiasms and passions of men may be as completely evoked by conceptions of government, of the organization of society, of political and economic ends and aims, as by religion itself. In the past millions of men have perished by the sword rather than acknowledge the authority of the Catholic Church, and millions more for the purpose of establishing that authority. To-day millions of men would prefer death to the universal imposition of a political, social and economic order which they detest. Rather than have such an order creep upon the world, these millions would stake their lives, their property, and all they hold most dear. Here is a matter which cannot be arbitrated, which goes deeper than calm and impartial discussion, because a finding for the one side means complete destruction for the other; and none will submit to destruction without going to the utmost limit to prevent it.

Since Germany went to war her people have been astounded and dismayed at finding almost a world consensus of opinion and sympathy against her. "*Securus judicat orbis terrarum*, the judgment of the world is sure," said St. Augustine; and it is a dreadful thing for a nation to find that this judgment is averse to it. All the more is it grievous for a nation to find that where a few short years ago it had mankind upon its side, the votes that now drop in the urn are all unfavorable. In 1870, when Germany pricked the bubble of the cheap ambitions of Napoleon III, it was hard to find in the civilized world anything but sympathy and congratulation for the victorious country. All the great debt which the thinking men of all nations have long owed and still owe to the immense achievements of Germany in the realm of science and of the things of the mind and spirit, found instant acknowledgment and expression in the general gladness that deep founded worth had triumphed over vanity and idle desire of applause. And the same was true after the Franco Prussian War, when Germany began to show that the self-discipline which had made her victory certain was being applied to the arts of peace. For long years the economic growth of Germany was not only the wonder but also the delight of the civilized world. Only later did some jealousy show itself in England.

And now all this is woefully changed. The hopes of civilized mankind as a whole are pinned on the defeat of Germany. The fact seems to us indubitable; but it raises the solemn question, why it should be so. We still owe Germany as much as ever we did; we should not be what we are in knowledge and achievement but for what Germany has given us; we still recognize the breadth and the depth of German thinking and doing; and yet we profoundly believe that the welfare of the world hangs upon German defeat in this war. Many of us can give no adequate reasons for feeling thus, any more than our fathers could have given adequate reasons for their sympathy with Germany in 1870. Yet none the less the feeling is as decisive in the one case as in the other. What reasoning, articulate or otherwise, has brought the world to this way of thinking?

It has been eloquently said by English statesmen that their war is not against the Germans, but against German militarism, against the Emperor and his military caste, dominating the Germans and perpetually threatening the peace of other nations, to say nothing of imposing upon all countries an unbearable burden of armament and of preparation for war. That this is part of the reason both for the war itself and for the general attitude towards the war, we would not deny. But we believe it is far from being the entire reason. In our opinion the larger reason for the war is the partly instinctive and partly formulated belief of all the free and fundamentally democratic peoples that the entire German polity, as developed during the past generation, is essentially antagonistic to their own conception of the organization of society; that the very existence of this polity is a continual threat to them; and that all the aggressions of Germany, large or small, are aggressions not against the particular countries concerned, but against the principle of social freedom and social equality upon which the modern state should be based. It is observed that, though Germany has waxed great in industry and commerce, in wealth and the evidences of wealth, during the past quarter of a century, her people have become not more, but less free; that the stratification of society into classes subordinate one to the other has gone farther in Germany than in any other European nation, not even excepting Russia; that the unrestricted authority of the military class, on the one hand, and of the great masters of industry and finance, on the other, has become more confirmed; that the same assertion of divine right which characterizes the rulers of Germany, from the Emperor down to the lowest ranks of his military officialdom and of his chosen directors of affairs, appears plainly in the dealings of the nation itself with the rest of mankind. And the rest of mankind, because essentially democratic, is determined that this polity shall not prevail. It will not endure an increase of power in a country which so conceives society and the organization of the state and the function of the rulers of the state; on the contrary, it will, if it can, diminish the power of such a country, check its velleities to hegemony over its neighbors, and compel it, if possible, to conform itself to the conceptions of social freedom and equality that obtain in the great civilized nations of the world. Such, in our opinion, are the fundamental motives of the nations that are staking their all upon the outcome of the war against Germany; and such is the reasoning, instinctive with most but clearly comprehended by the few, which has left Germany bereft of sympathy in this crisis of her fate.

Arthur Richmond Marsh

COMMERCIAL OPPORTUNITY OF THE UNITED STATES AS CREATED BY THE WAR IN EUROPE

EVERY day that passes brings us nearer to the time when general conclusions as to the financial effects of the European War must give place to close calculations and hard facts. The world's supply and demand for commodities must soon begin to adjust themselves, and the course of trade to be actively resumed along old lines or new. Before considering the possibilities which the present holds, let us consider the status of international trade just previous to the outbreak of war. The world's commerce for 1913, as compiled by the Bureau of Foreign and Domestic Commerce of the Department of Commerce at Washington, reached a value of about $40,000,000,000. The volume of trade of the belligerent nations (excluding Japan) aggregated for the year ended June 30, 1912, not far from $18,500,000. It is interesting further to divide this last amount. It appears that the imports were largely in excess of the exports, the value of the imports of the six nations involved having exceeded $10,000,000,000, while the value of their exports was about $8,500,000,000. It follows that the six countries involved purchase from the world goods exceeding in value by $1,500,000,000 the goods they sell to other countries. Russia is the only one of the six whose exports exceed her imports, as will appear from the following table printed in "The Statist," of London, and covering the calendar year 1912:

(000 Omitted.)

	Imports.	Exports.	Excess of Imports.	Excess of Exports.
United Kingdom	£2,059,741	£487,223	£257,418	.....
France	329,232	268,504	50,728	.....
Russia (excluding Finland)	123,687	160,318	.....	.....
Russia (excsuding Finland)	128,687	160,318	.....	£36,631
Belgium	198,320	158,059	40,261	.....
Total Entente Powers	£1,395,880	£1,174,104	£311,736	£36,631
German Empire	525,661	440,376	85,286	.....
Austria	148,200	113,911	34,289	.....
Total Alliance Powers	£673,861	£551,287	£119,574	.....
Grand total	£2,069,741	£1,728,391	£331,310	£36,631

It apepars from this table that the volume of trade of England, France, Russia and Belgium was about double that of Germany and Austria. It should be noted, too, that the volume of trade for 1913 was considerably greater than for 1912.

The imports and exports of the belligerent countries may further be regarded on the basis of their trade among themselves and their trade with other nations. "The Statist" gives these items as follows (000 omitted):

	Trade with all the Direct Belligerent Countries			Trade with all Other Countries (including Colonies and Possessions of Belligerents		
	Imports. £	Exp'ts. £	Excess. £	Imp'ts. £	Exp'ts. £	Excess. £
United Kingdom	186,724	106,823	*79,901	557,917	380,400	*177,517
(Excluding Germany and Austria)	109,657	61,517	*48,140	.....	.....	.....
France	125,086	127,510	†2,424	204,146	130,994	*73,152
Russia	77,157	101,213	†24,056	46,530	59,105	†13,375
Belgium	96,125	99,361	†3,236	102,195	58,698	*43,497
Total Entente Powers	485,092	434,907	*50,185	910,788	629,197	*281,591
German Empire	208,830	207,100	*1,730	316,871	233,276	*83,595
Austria	85,667	69,669	*15,998	52,533	44,242	*18,291
Total Alliance Powers	294,497	276,769	*17,718	379,404	277,518	*101,886
Grand total	779,589	711,676	*67,903	1,290,192	906,715	*383,477

*Imports. †Exports.

This table shows that England's trade with other than belligerent countries greatly exceeds her trade with the belligerent countries. The trade of Germany with the belligerent nations is much greater than England's, but her trade with the non-belligerent nations is hardly more than half as large as England's. It will also be noted that in 1912 the Entente Powers imported from non-belligerent countries goods of a value of about £281,500,000 in excess of goods sold; while Germany and Austria purchased from nations other than those now at war with them only about £102,000 worth of goods in excess of goods sold.

In a third table, which we print at the end of this article, "The Statist" compiles figures covering the trade of the belligerent nations with individual countries now at peace, including Japan, as the figures were published before Japan declared war against Germany and Austria.

It will be seen that the United States ranks first in volume of trade carried on by outside nations with the nations at war. The figures here given place this trade at about $1,900,000,000, or not quite half of our total volume of trade, which was placed by the Department of Commerce at $4,277,000,000 for the year ended June 30, 1913. The belligerent countries imported from the United States in 1912 goods valued at about $958,000,000 in excess of the value of their exports to the United States. Of this amount England accounted for about $505,000,000 and Germany for about $165,000,000.

Needless to state, a very large part of this great volume of trade is at the present time disorganized. German and Austrian foreign trade is at a standstill. Belgium and Russia are doing very little. This must also be true to a large extent of France, which has placed every able-bodied man under arms. As to the case of England, it is interesting to quote from "The Statist," which must be taken as fairly representative of British financial opinion:

"We have complete control of the sea, our ships can pass backwards and forwards, and it may be that in the immediate future we shall be able to share with the United States a large proportion of the world's trade that in the past has gone to Germany and other Continental countries. But how long will the recent big demand for goods for the rest of the world be maintained? Immediately after the war goods and manufactures may be in demand for the victorious countries who receive huge indemnities, wherewith they are able to replace damage and depreciation caused by the war. But the reduction to poverty of the losing nations, and the waste of wealth and consequent diminution of purchasing power all round, cannot but adversely affect for a long time the prosperity of the whole world."

Let us regard for a moment the possibilities for us involved in this situation. Let us assume that England will be able to maintain to the same extent as before the war her share in the world's commerce. The export trade of the European warring countries, other than England, to non-belligerent countries for the calendar year 1912 reached the value of about $2,558,000,000. Including England the figure is approximately $4,406,000,000. The exports of the six belligerents to Argentina and Brazil totalled $346,450,000, or, excluding England, $185,000,000; to Canada about $139,360,000, or excluding England, $25,000,000; to China, about $101,400,000, or, excluding England, $49,000,000; to Japan, about $90,500,000, or, excluding England, $31,000,000.

In its bearing on the question of British commerce during the war the returns of the London Board of Trade for August are interesting. Imports compared with the corresponding month last year, it is stated, show a decrease of upward of $65,000,000, while exports have fallen off nearly $100,000,000. The imports of sugar have dropped more than $7,500,000, of which a loss of $4,000,000

falls on Germany alone. Manufactured articles show a decrease of $42,500,000 in imports.

"In exports coal is down $10,,000,000 and manufactured articles $75,000,000. Of the latter $12,500,000 was lost on ships and war munitions and $30,000,000 on cotton and woolen fabrics."

A more detailed estimate of the trade with South America and Central America is afforded by the statement issued on September 7 by the Director General of the Pan-American Union. Mr. Barrett procured by cable commercial data from the Latin-American capitals, covering the calendar year 1913, as follows:

Total imports	$1,304,261,763
Total exports	1,565,916,812
Total foreign commerce	$2,870,188,575
Excess of exports	261,655,049

The trade of these countries with the nations now at war is given as follows:

	Imports from	Exports to
United Kingdom	$322,036,347	$316,419,914
France	103,220,223	120,907,415
Belgium	43,747,164	62,557,560
Russia	?	?
German Empire	216,010,418	192,394,702
Austria	9,026,478	23,234,991

The figures for the United States are:

	Imports from	Exports to
United States	$317,323,294	$504,378,212

It will be noted that this country ranked second in the value of the goods imported into South America, and first in the value of the goods exported from South America. The possibilities of trade expansion are shown by the fact that the total value of imports into Latin-America, aside from those of the United States, is $986,938,469.

We shall now consider briefly the volume of our trade which may be cut off by the war. Figures are available covering our exports for the fiscal year ended June 30, 1914. They are as follows:

EXPORTS FROM THE UNITED STATES TO EUROPEAN NATIONS NOW AT WAR, YEAR ENDED JUNE 30, 1914.

United Kingdom	$594,271,863
France	159,818,924
Russia	30,088,643
Belgium	61,219,894
German Empire	344,794,276
Austria	22,718,258
	$1,212,911,858

If all trade with the belligerents were to be cut off, we should thus have goods to the value of $1,212,911,858, or, deducting exports to England, $618,639,995. Could this value of exports be applied to supply in part the gap left by the stoppage of exports valued at $2,558,000,000, which we saw originated in the belligerent countries other than England during 1912? In order to estimate how far this can be done it will be helpful to examine into the nature of these exports. This will appear, as regards the principal articles, from the following table:

This table brings out one of the strongest reasons for believing that, with proper facilities, our goods can command a wide market. The preponderating value of our goods consists of the necessities of life. The market should be as wide as our supply, even with the European trade cut off. It should be borne in mind, further, that while we are here discussing primarily new trade openings, Europe may take a larger amount of our goods than is generally expected. Secretary of Commerce Redfield is quoted as saying: "Europe must have our wheat or starve." It is conceivable that Germany will find means to import, perhaps through neutral Holland or Denmark, a considerable amount of cotton which she will sorely need to supply her soldiers with clothing during the Winter season.

Having considered, now, the statistical situation with regard to the volume of trade of the warring nations, of the nations at peace, and of ourselves, and having set forth briefly the character of the goods we are in a position to offer in the new markets opened up to us by the war, it remains to discuss the factors which are involved in actually taking hold of the opportunities presented. These comprise the financial machinery for establishing our credit in new countries, and the intelligent study of the problem by the individual exporter.

The first of these vital factors in the resumption of our former export business and even more in reaching out into new fields, must be the capital available in those countries for the purchase of our goods. It seems reasonable to assert that when the financial basis is well established the transportation facilities will be promptly supplied. Referring to the economic basis of the matter, the National City Bank, which has taken the lead among our banks as regards the development of more satisfactory financial relations with South America, comments as follows in its monthly bulletin of September, 1914:

"Over and beyond the obvious losses or gains of this trade or that, the economist sees the terrible waste of capital and lasting injuries inflicted upon some of the leading nations of the world. He knows that such losses must necessarily fall upon all nations, directly or indirectly. The investment fund of the world is a common fund; its growth means that mankind will be equipped with more effective means of production and distribution, and that the common supply of necessaries and comforts will steadily increase, while losses from that fund mean that this progress will be retarded. With savings diminished and enormous government loans competing for money, capital will cost more in every market and for every use.

"It is estimated that England has been investing about $1,000,000,000 a year of surplus income in other countries. Most of it has gone into public utilities, such as steam and street railways, water works, lighting plants, general city improvements, etc., but a considerable portion has gone into industries, mines, plantations, etc. France has been second to England in such outside investments and

U. S. EXPORTS FOR FISCAL YEAR ENDING JUNE 30, 1914 (In Part).

Principal Items..	United Kingdom.	France.	Russia in Europe.	Belgium.	Germany.	Austria-Hungary.	Totals.
Foodstuffs	$118,856,501	$7,238,842	.....	$15,657,349	$34,557,864	.....	$176,310,559
Cotton	231,817,865	73,918,742	$6,432,509	13,282,325	181,891,920	$6,739,687	514,083,048
Copper	22,442,518	25,452,636	1,407,939	1,259,170	46,122,773	6,332,565	103,017,601
Oils	21,838,230	12,583,286	.....	5,203,934	8,752,135	313,153	48,696,738
Farm implements	1,100,272	4,149,521	6,425,570	.....	3,215,729	.....	14,961,092
Fertilizers	1,127,350	976,503	.....	964,018	3,132,868	.....	6,200,739
Machinery and machines	8,354,748	2,580,229	1,128,629	.....	3,988,413	.....	16,052,019
Furs and fur skins	7,811,083	1,038,888	.....	.....	4,368,537	.....	13,218,508
Leather and shoes	14,049,353	718,871	.....	430,720	4,306,169	.....	19,565,113
Naval stores	5,240,943	.....	584,070	884,060	4,823,815	276,472	11,809,366
Oil cake and meal	2,136,770	306,325	.....	5,015,020	3,540,499	.....	10,998,614
Tobacco and manufactures of	20,922,434	4,783,231	.....	1,420,956	4,014,379	.....	31,141,000
Wood and manufactures (Timber and lumber.)	17,170,956	1,770,910	.....	2,077,615	2,326,028	.....	23,345,509

Germany third. Holland, likewise, has invested freely abroad. It is certain that the Continental countries will need all of their means at home for some time to come, to handle the war loans and to rehabilitate their industries when the war is over. England has a very large income available for investment, but she will be obliged to not only finance her own share of the war, but aid her allies. Even England will be a poor market for outside securities while the war lasts.

"These warring countries have supplied regularly perhaps $1,500,000,000 per annum, of new capital for other countries. Now that they are engaged in this great struggle, where are these funds coming from next year and in the following years? If they are not forthcoming trade will not be very good in Canada, South America and other new countries for anybody."

This line of thought is further emphasized by a statement issued by the National Foreign Trade Council, of which Mr. James A. Farrell, president of the United States Steel Corporation, is chairman. Referring to the question of banking, the statement says that the future of this country's business in South America depends on the improvement of banking facilities. It continues:

"We owe South America far more than South America owes us. The trade balance is heavily adverse to the United States. Since South American interests owe heavily at London, they naturally desire that the United States pay at London for its heavy imports of coffee, rubber, nitrates, etc. Importers, therefore, are obliged to transfer funds to London, a difficult and expensive process at the prevailing rates of interest. Of course this money is not shipped on from London to South America. London discharges the obligations in British manufactures, thus effectively alienating to the United Kingdom the selling power which we should derive from heavy purchases of South American merchandise.

"In healthful trade the United States should more largely discharge its indebtedness to South America by increased exports. Obligations for imports payable in London not only prevent this, but siphon gold from our banks to Europe.

"The most conspicuous example of our disadvantage is seen in the trade with Brazil. During the last fiscal year American imports from Brazil were valued at $101,329,073, but we sold to Brazil in return merchandise valued at only $29,963,914. Vessels have delivered rubber, coffee, and other Brazilian products to the United States and loaded with cotton and grain which they have transported to England, loading in British ports with British manufactured goods which were carried to South America, thus completing the triangle.

"While we are willing and able to pay for South American products our manufacturers and trading houses are reluctant to ship goods to the sister republics, many of whom have declared moratoria. Manufacturers and exporters declare they do not know where their money is coming from. As a matter of fact the exporter's money ought to come from his next door neighbor, the importer of South American merchandise.

"We are certainly at a disadvantage if our indebtedness is used to pay for British manufactures exported to South America while our own manufactures remain congested on our docks for lack of sound credits. The necessity is apparent of machinery to bring together the importer of South American products and the exporter of our manufactures. Toward this goal various banks are seeking to work, but the field is new. The task is complicated by the lack of co-operation between exporters and importers as well as by the absence of established American banks in South American financial centres. The new banking law, fortunately, permits the establishment of foreign branches of national banks, but the authorization of national banks to deal in acceptances of foreign paper is not yet effective. So long as it is not in operation a serious difficulty confronts the establishment here of an international discount market strong enough to support direct exchange with the neutral markets of South America and the Far East."

Of deeper bearing on the immediate future of our foreign trade than the establishment of branch banks is the careful inter-relation of financial interests which has been established by European financiers throughout South America. It is estimated that British investments in those countries amount to $3,376,495,837, yielding about $160,000,000 in annual interest. Trade follows investment in national course. But European investors have not rested here, continues the Trade Council statement: "In recent years they have systematically fortified their South American trade by stipulating that materials from the country providing the funds be preferred in the resultant construction and equipment contracts. The practice closed many commercial doors to the United States. Will they remain closed? This depends upon whether European capital continues almost exclusively to supply the funds for continuance of these projects. Should the burdens of war decrease Europe's investing ability, or even regardless of that contingency, the investors of the United States may well conclude that judicious investment in South American railways, industries, plantations and mines not only offers adequate profits but will open and protect new markets for manufactures and certain natural products such as oil, coal and lumber. While the American public is not educated to foreign investment and the country is still a borrower in the world's financial market, it should be remembered that the new tariff has precipitated many American industries into world competition. Our domestic prosperity, the welfare of millions of workers, increasingly depends upon the success of export trade. With our commercial operations thus forced to encircle the globe, capital will scarcely remain cloistered within our own borders."

To this same purpose is an assertion recently attributed to Mr. Charles M. Pepper, former foreign trade adviser to the Department of State, to the effect that future trade relations of the United States with South America depend in large degree on whether or not this country can loan South America $100,000,000 during the next twelve months, and $500,000,000 during the next five years.

There can be no doubt, then, that the statistics of trade show opportunities for American exporters arising out of the European War. But it must also be admitted that several elements tend to diminish the immediate possibility of realizing to the full upon these opportunities. It is reasonable to suppose, however, that the earnest and intelligent effort being directed toward solving the difficulties in the way of adequate credit and transportation facilities will be ultimately successful. What remains is for the American exporter to realize that a very large part of the responsibility for meeting this new situation rests upon him. He must not rely upon the new credit agencies to sell his goods for him, nor must he sit back calmly in the belief that the entire carefully built structure of European trade will collapse all at once. In order to divert trade into the new chanenls he desires it to flow through he must devote to the problem the careful study which its extreme newness and difficulty would dictate. He should consider the advisability of sending representatives directly into the new fields—men who will not go to South America, for example, to tell the natives through an interpreter, how to run their country, but able, Spanish-speaking business men, who will learn what the people want and exactly how they want it. At any rate, the present problem, which is, in its potentialities, one of the greatest ever presented to the financiers and business men of the United States, must be most care-

fully considered. Trade built up in any but the most sound economic manner will inevitably yield after the war to the proved skill and adaptability of the European bankers and merchants.

TRADE OF DIRECT BELLIGERENT NATIONS WITH OTHER COUNTRIES IN 1912.‡

	Countries of Origin and Destination									
	United States. £	Canada. £	Australasia. £	So. Africa. £	India. £	Argentina. £	Brazil. £	China. £	Japan. £	Other Non-Belligerent Countries. £
United Kingdom:										
Imports	134,579,000	26,881,000	56,414,000	11,412,000	52,149,000	40,808,000	9,360,000	4,933,000	3,933,000	217,448,000
Exports	30,066,000	23,531,000	45,241,000	22,287,000	57,626,000	20,550,000	12,658,000	10,780,000	12,229,000	145,432,000
Excess	*104,513,000	*3,350,000	*11,173,000	†10,875,000	†5,477,000	*20,258,000	†3,298,000	†5,747,000	†8,296,000	*72,016,000
France:										
Imports	35,612,000	385,000	10,492,000	2,053,000	14,237,000	13,339,000	7,918,000	8,713,000	4,145,000	107,250,000
Exports	17,254,000	1,160,000	507,000	498,000	1,350,000	7,747,000	3,533,000	586,000	600,000	97,755,000
Excess	*18,358,000	†775,000	*9,985,000	*1,555,000	*12,887,000	*5,592,000	*4,385,000	*8,127,000	*3,545,000	*9,495,000
Russia:§										
Imports	8,743,000	.....	.....	.....	2,984,000	.....	.....	7,625,000	.....	27,178,000
Exports	1,807,000	.....	.....	.....	6,000	.....	.....	3,638,000	.....	53,704,000
Excess	*6,936,000	.....	.....	.....	*2,978,000	.....	.....	*3,937,000	.....	†26,526,000
Belgium:										
Imports	16,553,000	1,143,000	6,587,000	960,000	9,982,000	12,221,000	1,978,000	1,630,000	1,138,000	50,905,000
Exports	5,805,000	765,000	1,221,000	666,000	1,795,000	3,706,000	3,582,000	1,377,000	1,405,000	38,376,000
Excess	*10,748,000	*378,000	*5,366,000	*294,000	*8,187,000	*8,515,000	†1,604,000	*253,000	†267,000	*12,527,000
German Empire:										
Imports	79,300,000	2,900,000	14,570,000	3,360,000	29,870,000	22,245,000	15,660,000	5,740,000	2,655,000	140,571,000
Exports	34,780,000	2,715,000	4,850,000	2,225,000	6,280,000	11,970,000	9,640,000	4,385,000	5,530,000	150,901,000
Excess	*34,520,000	*185,000	*9,720,000	*1,135,000	*23,590,000	*10,275,000	*6,020,000	*1,355,000	†2,875,000	†10,330,000
Austria-Hungary:										
Imports	14,524,000	.....	.....	.....	8,305,000	.....	3,333,000	.....	348,000	36,023,000
Exports	2,662,000	.....	.....	.....	3,020,000	.....	575,000	.....	481,000	37,504,000
Excess	*11,862,000	.....	.....	.....	*5,285,000	.....	*2,758,000	.....	†133,000	†1,481,000
Totals:										
Imports	289,311,000	31,309,000	88,063,000	17,785,000	117,527,000	88,613,000	38,249,000	23,641,000	12,219,000	579,373,000
Exports	92,374,000	28,668,000	51,819,000	25,676,000	70,077,000	43,973,000	29,988,000	20,816,000	20,245,000	523,672,000
Excess	*196,937,000	*2,621,000	*36,244,000	†7,891,000	*47,450,000	*44,640,000	*8,261,000	*7,825,000	†8,026,000	*55,701,000

*Imports. †Exports. ‡Colonies and possessions of belligerent nations included in non-belligerent countries. §Excluding Finland.

THE MAXIMUM SAVING IN THE COST OF CAPITAL THROUGH GOVERNMENT OWNERSHIP OF RAILWAYS IN THE UNITED STATES

THE question of the economic saving or loss to the United States through having the Government take over from their present private owners the railways of the country must be divided at the start into the two distinct questions (1) of the saving or loss that would result in respect of the cost of the capital invested in the railways, and (2) of the saving or loss that would come about through the comparative efficiency of Government, as compared with private operation of the roads. With regard to the latter of these questions nearly all must be a matter of pure conjecture, inasmuch as we have no strictly comparable statistics, unless perhaps for France. It is the admittedly general experience of mankind that what is done by government is less efficiently and more expensively done, than what is done by private initiative and direction; and such figures about the operation of railways as are even remotely comparable decidedly point in this direction. But we have no cases of two or more railroads serving substantially the same territory, subject to substantially the same expense for materials, performing substantially the same service, etc., the one of which is governmentally owned and operated and the other or the remainder are private owned and operated. Conclusions on the comparative economy of the one or the other system cannot therefore be arrived at with mathematical accuracy, but, to be of value, must be the result of extended inquiries by experienced persons, who are able to give due weight to all the infinite details of the problem, giving to each element its just weight.

The question of the saving or loss in the cost of capital, however, is a decidedly simpler one, in that details and conflicting conditions may be virtually eliminated, and experienced judgment be brought to bear upon the matter in its mass. About a month ago the "Saturday Evening Post," of Philadelphia, published an exchange of letters between Mr. E. P. Ripley, President of the Atchison, Topeka and Santa Fe Railway, and the distinguished English student of economic and financial matters, Sir George Paish, former editor of the "Statist," recently appointed by the Chancellor of the Exchequer to assist the Treasury in dealing with economic and financial questions arising out of the present war. These letters have just been republished by the "Railway Age Gazette," of New York, together with an editorial upon them. As indicated above, the theme of the letters and of the editorial is the maximum possible saving in annual cost of capital, supposing Government ownership of railways to become an accomplished fact in the United States. The judgments given are all of very great interest, in view of the rising clamor for Government ownership among a certain class of our politicians. In one important respect, however, the figures used cannot now be regarded as adequate, i. e. the assumption as to the rate of interest at which the United States Government can float its bonds, or make it attractive for existing holders of railroad securities to exchange them for the Government bonds. For several years past, as everybody knows, the market rate of interest on invested capital has been tending to higher and higher levels,

largely because of the immense borrowings of governments and their political subdivisions. The great European War now raging, with its vast destruction of capital and the certainty that hitherto unheard-of sums must be raised at any cost, as soon as the war is over, by virtually all the nations of Europe, makes it an impossibility that for a generation at least the United States should be able to float a mass of bonds, amounting all told to thousands of millions of dollars, at any such rate as 3½ per cent or even 4 per cent. Were the Government of the United States to undertake the acquisition of our railways within any reasonable time in the future, we can hardly believe that less than 4½ per cent, and possibly even, 5 per cent would be the annual cost of the money. With this important reservation, then, the letters of Mr. Ripley and Sir George Paish and the editorial of the "Railway Age Gazette" (in part) are here reprinted

* * *

LETTER OF MR. E. P. RIPLEY

Chicago, June 6, 1914.

Editor The Saturday Evening Post:

Dear Sir:—One of the principal arguments of ex-Governor Stubbs and others who have advocated in this country the Government ownership of railroads has been that vast savings could be effected by the use of Government credit. Mr. Clifford Thorne goes so far as to estimate the saving at $400,000,000, on the assumption that Government could finance the properties on a 3 per cent basis; but ex-Governor Stubbs figures it at four.

Being very much in doubt as to these estimates and wishing for expert opinion I wrote to Sir George Paish, editor of the London "Statist," and well known all over the world as an authority on financial matters. I inclose his reply, from which it appears that there might be a possible economy of sixty millions, and a later and ultimate saving of seventy millions, or one hundred and thirty millions in all, arising from the ability of Government to raise money on better terms than can the railroads under present conditions.

But when this possible saving is put over against the inevitable extravagance and waste and loss of every Government enterprise, it would melt so rapidly as to leave hardly a trace. Yours truly,

E. P. RIPLEY,

President The Atchison, Topeka and Santa Fe Railway System.

LETTER OF SIR GEORGE PAISH.

June 23, 1914.

Dear Mr. Ripley:—I have been very much interested in your letter of the sixth of June. According to the return of the Interstate Commerce Commission for the year ended June 30, 1911, the funded debt of the railways of the United States was $9,816,-079,405 and the interest accrued on the funded debt for the year was $410,326,852. Thus the average rate of interest paid by American railways on their funded debt was only 4.18 per cent. Were the railways to be purchased by the Government the money could not be raised on better terms than this. Indeed, if the Government were to purchase the railways they would, in my judgment, leave these underlying bonds untouched. To issue nearly $10,000,000,000 of Government bonds to investors would be an impractical operation unless the bonds were taken in exchange for existing bonds. To induce the existing holders to exchange their present bonds for Government bonds the latter would have to be offered at an attractive price. In purchasing the railways there would, of course, be no necessity for the Government to take over the existing bonds, and I imagine that no attempt would be made to do so. Hence, there would be no saving of interest from Government purchase as regards the funded debt, although later on it might or it might not be feasible to refund the existing debt into 3½ per cents as the bonds fell due for payment.

If refunding were possible the saving would ultimately be about $70,000,000 per annum.

The amount of the capital stock of the railways at the end of June, 1911, was $8,364,419,520, and the dividend distributed upon this stock from current income was $302,037,778, or an average return of 3.61 per cent. From surplus, dividends amounting to $158,-157,598 were distributed. The total sum distributed from income and from surplus was $460,195,376, or an average return upon the share capital of 5.5 per cent. Here again it would be quite impossible for the American or any other government to sell bonds to investors sufficient to provide cash to buy this vast quantity of railway stock from the existing holders. Ability to carry the transaction through would be governed by the price at which the Government would offer bonds in exchange for stock. If the price were attractive, stockholders would take payment in bonds; but if it were not tempting the Government bonds would not be taken in payment, and the transaction could not be carried through. Possibly by offering to sell a 4 per cent United States Government bond at par, and to take in exchange railway stocks on a 5 per cent basis (par for a 5 per cent stock), would be sufficient inducement. One must not forget, however, that many stocks are receiving no dividends whatever, and that substantial prices would have to be paid for these non-dividend-paying stocks. When allowance is made for these various factors it would probably be found that the advantage in the matter of interest from Government ownership would be much less than 1 per cent upon the total amount of common stock outstanding.

In brief, there would be no immediate profit from Government ownership as regards the bonded debt of the railways, and as to the stock of the railways the advantage would be probably not more than about $60,000,000 a year.

As to the undivided profits, the public gets the advantage of these anyway. When the surplus profits are put into the roads (as they are at present) the capital account is kept down, and it is not necessary to charge as high freight rates and passenger fares as otherwise would be necessary to pay interest and dividends. I imagine that under Government ownership the policy of applying surplus profits to betterments would be much the same as the policy pursued by the companies hitherto.

Thus one cannot safely calculate a greater immediate profit from Government ownership than about $60,000,000 per annum—excluding, of course, subsequent economies, or subsequent greater cost of operation under Government than under company ownership, and excluding a possible ultimate economy of $70,000,000 per annum from the conversion of the funded debt upon the maturity of the existing bonds. Yours very truly,

GEORGE PAISH.

EDITORIAL OF THE "RAILWAY AGE GAZETTE."

One of the most notorious estimates of the saving which under Government ownership could be made in the cost of railway capital was that presented by Mr. Clifford Thorne, State Railroad Commissioner of Iowa, to different organizations and persons, and which varied from $411,000,000 to $464,000,000, according to the size of the mistakes which Mr. Thorne made in his figures. In an address last February, Mr. C. A. Prouty, director of valuation of the Interstate Commerce Commission, roughly estimated that the railways would cost the Government $20,000,000,000; that the interest rate that would have to be paid on this debt would be 3 per cent; that, therefore, the total interest of the Government would be $600,000,000 per annum, which would be some $72,000,000 less

than the interest and dividends paid by the railways. In his recent book on "Government Ownership of Railways," Mr. Samuel O. Dunn, after making estimates of the total amount that the Government would have to pay for the railways, and the rate of interest it would have to pay on the railway debt, concluded that the Government's maximum possible saving in cost of capital would be $120,000,000 a year. He believed, however, that the saving was likely to be substantially less than this, if, indeed, there were any at all.

Arriving at his conclusion by a different method, Sir George Paish places the maximum possible saving at $130,000,000 a year. Of this, $70,000,000 would be saved by refunding the funded debt of the railways in 3½ per cent Government bonds, provided this refunding were possible. Sir George doubts, however, whether it would be possible for years, simply because he doubts if those who hold the bonds would be willing to exchange them for Government 3½ per cent bonds.

"Thus," he concludes, "one cannot safely calculate a greater immediate profit from Government ownership than about $60,000,000 per annum"; and, of course, if there were any considerable increase in operating expenses under Government ownership this saving would speedily be more than wiped out. As a matter of fact, the greatest possible savings that could be made under Government ownership in the cost of railway capital are so much smaller than the smallest increases that it can be naturally assumed would occur in the cost of operation, that it may be regarded as certain that the adoption of Government ownership, instead of yielding profits to the Government, would speedily involve it in heavy losses.

INDUSTRY, COMMERCE AND FINANCE

Money Circulation in the United States on September 1, 1914.—The Treasury Department's monthly statement of the money in circulation and of the total stock of money in the United States, shows that on September 1 the total amount of money in circulation was $3,478,603,792, as compared with $3,367,368,930 on August 1,—an increase of $111,238,862 for the month. This increase was practically all due to the amounts of Aldrich-Vreeland Emergency Currency, issued to the public by the National banks as bank notes. The general stock of money in the United States on September 1 was $3,819,916,263, as compared with $3,735,579,397 on August 1,—an increase of $84,336,866. During the month of August there was a decrease of $42,677,982 in the country's stock of gold and an increase of $126,633,261 in the amount of bank notes (including emergency currency.) A point of interest is that, despite the heavy gold exports of the current year ($83,508,822 more than the imports up to August 1), the amount of gold in circulation on September 1, 1914, was $21,537,481 more than on the same date in 1913. The *per capita* circulation of money in the United States on September 1, 1914, was $35.03, as compared with $33.96 on August 1, 1914; $34.48 on September 1, 1913; and $34.36 on September 1, 1912.

The following tables show the amounts of the various kinds of money in circulation and the general stock of the same on September 1, 1914, with comparisons for previous months and years:

MONEY IN CIRCULATION.

	Aug. 1, 1914.	Sept. 1, 1914.	Sept. 2, 1913.	Jan. 1, 1879.
Gold coin	$632,332,591	$627,104,376	$605,566,895	$96,262,850
Gold certificates†	974,386,719	944,622,551	1,006,019,223	21,189,280
Standard silver dollars	69,981,742	70,819,085	72,519,758	5,790,721
Silver certificates†	474,601,338	481,405,174	471,796,173	413,360
Subsidiary silver	160,128,806	160,834,101	156,152,678	67,982,601
Treasury notes of 1890	2,420,019	2,402,424	2,625,805	.....
United States notes	337,003,899	339,253,744	339,244,850	310,288,511
National Bank notes	716,513,816	§852,102,337	711,930,378	314,339,308
Totals	$3,367,368,930	$3,478,603,792	$3,365,855,775	$816,266,721

TOTAL SUPPLY OF MONEY IN UNITED STATES.

	General Stock of Money in the United States.		*Held in the Treasury as Assets of the Government.	
	Aug. 1, 1914.	Sept. 1, 1914.	Aug. 1, '14.	Sept. 1, '14.
Gold coin (including bullion in Treasury)	$1,887,270,664	$1,844,602,682	$230,891,204	$228,183,437
Gold certificates†	.....	.....	49,660,150	44,692,318
Standard silver dollars	565,840,263	565,858,263	8,701,521	1,507,178
Silver certificates†	.....	.....	12,555,662	12,126,826
Subsidiary silver	182,447,433	182,819,021	22,318,627	21,924,920
Treasury notes of 1890	2,433,000	2,415,000	12,981	12,576
United States notes	346,681,016	346,681,016	9,677,117	7,427,272
National Bank notes	750,907,021	§877,540,281	34,393,205	25,437,944
Totals	$3,735,579,397	$3,819,916,263	$368,210,467	$341,312,471

*Does not include deposits of public money in National Bank Depositaries, to amount of $68,455,576.72.

†For redemption of gold and silver certificates an exact equivalent in amount of the appropriate kinds of money is held in the Treasury, and is not included in money held as assets of the Government.

‡Includes $33,190,000 Currency Certificates, Act of June 8, 1872.

§Includes additional circulating notes issued under the Aldrich-Vreeland Act.

* * *

Comparative Prices of Live Stock in the United States.—According to the weekly news letter of the Department of Agriculture, the prices paid to producers of meat animals in the United States advanced 3 per cent during the month from July 15 to August 15, 1914. This compares with an average advance from July 15 to August 15 in the past four years of 0.8 per cent. On August 15 last, the price to producers of the United States for meat animals—beef cattle, calves, hogs, sheep, lambs, and chickens—average $7.63, which compares with $7.20, the average on August 15 a year ago, $6.56 two years ago, $5.87 three years ago, and $6.67 four years ago.

The averages for the United States of prices paid to producers of live stock on dates indicated were as follows:

	August 15				July 15,
Item.	1914.	1913.	1912.	1911	1914.
Hogs ....100 pounds	$8.11	$7.79	$7.11	$6.54	$7.72
Beef cattle ....100 pounds	6.47	5.91	5.37	4.39	6.38
Veal calves ....100 pounds	8.08	7.53	6.62	5.93	7.80
Sheep ....100 pounds	4.87	4.32	4.26	3.98	4.75
Lambs ....100 pounds	6.23	5.50	5.60	5.25	6.55
Chickens ....100 pounds	13.10	12.80	....	....	13.40
Wool ....100 pounds	18.70	15.80	18.80	16.00	18.50
Horses ....each	135.20	140.70	142.00	140.80	137.00
Milch cows ....each	60.70	54.80	46.10	42.30	59.70

It will be observed that during the past four years there has been a steady advance in price of each class of meat animals and of milch cows. Horses, on the other hand, have been declining moderately in prices.

* * *

The Foreign Commerce of the Argentine Republic in 1913.—According to the official report of the Argentine statistical office, the total foreign trade of the Argentine Republic for the year 1913 was 904,857,089 pesos ($877,711,376 United States gold), represented by imports to the value of 421,352,542 pesos ($408,711,966), exports of 483,504,547 pesos ($468,999,410). The figures for the preceding year were: Imports, 384,853,469 ($373,307,865); exports, 480,391,256 ($465,979,518); total, 865,244,725 pesos ($839,287,383). There was, therefore, an increase in imports of 36,499,073 pesos ($35,404,101), and in exports of 3,113,291 pesos ($3,019,892), or a total increase in foreign trade of 39,612,364 pesos ($38,423,993).

These figures do not include coin imports and exports, of which the former amounted to 47,941,425 pesos ($46,503,182), and the latter to 43,417,484 pesos ($42,114,959), an increase in the year in coin imports of 11,863,618 pesos ($11,507,709), and in coin exports of 42,831,863 pesos ($41,546,907).

The Argentine gold peso approximates in value the United States dollar, being worth commercially about 97 cents gold. In

the table below and in other tables in this review of Argentine trade, for ordinary comparisons the peso may be treated as equivalent to the United States dollar.

ARGENTINE FOREIGN TRADE FROM 1894 TO 1913.

Year.	Imports. Pesos.	Exports. Pesos.	Year.	Imports. Pesos.	Exports. Pesos.
1894	92,788,625	101,687,986	1904	187,305,969	264,157,525
1895	95,036,438	120,067,790	1905	205,154,420	322,843,841
1896	112,163,591	116,802,016	1906	269,970,521	292,253,829
1897	98,288,948	101,169,299	1907	285,860,683	296,204,369
1898	107,428,900	133,829,458	1908	272,972,736	366,005,341
1899	116,850,671	184,917,531	1909	302,756,095	337,350,528
1900	113,485,069	154,600,412	1910	351,770,656	372,626,055
1901	113,959,749	167,716,102	1911	366,810,686	324,697,538
1902	103,039,256	179,486,727	1912	384,853,469	480,391,256
1903	131,206,600	220,984,524	1913	421,352,542	483,504,547

Imports.—The imports into Argentina by principal countries of origin in 1909, 1912 and 1913 were as follows:

	1909. Pesos.	1912. Pesos.	1913. Pesos.
United Kingdom	99,198,269	118,669,266	130,886,587
Germany	44,555,770	63,941,503	71,311,628
United States*	43,068,829	59,126,951	62,032,853
France	30,801,132	37,618,578	38,075,811
Italy	26,868,106	32,487,152	34,789,741
Belgium	13,570,074	20,370,530	21,953,910
Spain	9,326,671	11,928,307	12,389,607
Brazil	8,177,805	9,547,236	9,259,182
British possessions†	6,037,304	6,093,128	7,763,164
Austria-Hungary	2,966,802	3,476,805	5,933,444
Netherlands	2,211,110	3,441,667	4,074,104
Uruguay	2,436,611	2,436,913	3,196,403
Sweden	850,132	2,290,645	3,123,883
Switzerland	2,568,763	2,183,400	2,749,682
Paraguay	1,660,174	2,127,506	2,271,135
Norway	905,483	1,468,794	2,261,342
Canada	1,891,530	2,266,257	1,651,810
Mexico	7,949	13,720	1,353,785
Cuba	648,491	1,105,380	1,126,658
Australia	261,576	544,394	1,023,188
Japan	304,270	774,885	868,240
Chile	452,681	571,412	707,998
Portugal	298,971	503,082	585,975
China	589,833	503,847	562,645
Russia	739,915	262,859	447,845
Bolivia	154,799	430,750	252,024
Denmark	50,392	167,930	204,106
Turkey	61,090	103,501	127,026
Dutch possessions	781,709	31,140	15,899
Peru	511,440	2,360	1,342
Other countries	738,414	303,571	351,519
Totals	302,756,095	384,853,469	421,352,542

*It must be remembered that the figures in this and all other tables in this review represent valuations according to Argentine customs appraisements. According to the United States customs house appraisements, the exports of the United States to Argentina (imports above) amount to $54,980,415. The figures above, valuing the peso at 97 cents, would show Argentine imports from the United States as $59,861,703. The difference due mainly to the different standards of appraisement and also to transshipments would therefore be $4,881,288. What is said of the statistics of the United States is also true for all the other countries given in the table above.

†Does not include Australia and Canada.

The percentage that the imports from the eight leading countries bear to the total Argentine imports for the last five years are shown in the following table:

Countries.	1909. Per Cent.	1910. Per Cent.	1911. Per Cent.	1912. Per Cent.	1913. Per Cent.
United Kingdom	32.8	31.1	29.6	30.8	31.1
Germany	14.7	17.4	18.0	16.6	16.9
United States	14.2	13.8	14.3	15.4	14.7
France	10.2	9.6	10.4	9.8	9.0
Italy	8.9	9.0	8.0	8.5	8.3
Belgium	4.5	5.6	5.3	5.3	5.2
Spain	3.1	3.1	3.1	3.1	2.9
Brazil	2.7	2.6	2.3	2.5	2.2

Of the total Argentine imports in 1913, 293,731,546 pesos were dutiable and 127,620,996 pesos duty free.

Exports.—The exports from Argentine, by principal countries of destination were, in 1909, 1912 and 1913, as follows:

	1909. Pesos.	1912. Pesos.	1913. Pesos.
United Kingdom	80,745,066	121,373,358	120,367,811
Germany	41,353,332	53,995,175	57,915,843
France	38,936,004	36,052,009	37,718,537
Belgium	41,306,799	37,258,225	32,731,869
Brazil	16,628,413	22,646,362	24,309,114
United States*	26,066,790	32,391,148	22,894,809
Netherlands	6,052,385	16,027,223	22,623,773
Italy	12,635,710	21,147,962	20,038,893
Uruguay	1,363,901	4,714,480	6,300,568
Spain	3,200,259	3,582,495	4,818,289
Austria-Hungary	1,254,599	2,896,798	3,245,869
Chile	2,671,567	2,456,280	1,944,477
Paraguay	150,478	1,219,925	1,903,804
Bolivia	438,773	930,384	1,131,594
Norway	421,081	1,804,741	1,078,113
Sweden	770,738	1,496,050	1,073,976
Denmark	1,511,550	861,587	732,801
British possessions†	1,274	568,994	696,901
Cuba	543,958	782,741	638,230
Russia	241,985	376,643	607,951
Portugal	266,032	567,019	535,973
French possessions	2,612	74,106	306,972
South Africa	111,972	147,128	163,362
On orders	117,837,922	114,903,510	117,716,237
Other countries	2,717,328	2,116,813	2,008,781
Totals	397,350,528	480,391,256	483,504,547
In United States gold	$385,430,012	$465,979,518	$468,999,410

*These valuations are according to Argentine customs appraisements. According to the United States custom house appraisements the imports of the United States from Argentina (exports above) amount to $25,575,667. The figures above, valuing the peso at 97 cents, would show Argentine exports to the United States as $22,093,491. The difference, due to the different standards of appraisement, would therefore be $3,482,176. What is said of the statistics of the United States is also true for all the other countries given in the table above.

†Does not include Australia, Canada and South Africa.

The exports above classified by countries include only such exports as are shipped to a definite destination. The shipments "on orders," which, as is seen from the above table, comprehend in 1913 over 24 per cent, are shipments subject to cable or mail orders as to final destination. Nearly all of these "on order" shipments ultimately reach the Western European countries and in about the same proportion as the direct shipments to these countries, as given in the table above. It will be seen, therefore, that such countries as the United States, Brazil and Chile occupy a rank above that to which they are in reality entitled if these "on order" shipments could be apportioned to final destination. However, in 1913, there were small "on order" shipments of beef to the United States.

The percentages that the exports to the eight leading countries and "on orders" bear to the total Argentine exports are shown in the following table:

Countries.	1909. Per Cent.	1910. Per Cent.	1911. Per Cent.	1912. Per Cent.	1913. Per Cent.
United Kingdom	20.3	21.7	28.3	25.3	24.9
Germany	10.4	12.1	13.3	11.3	12.0
France	9.8	10.1	12.2	7.5	7.8
Belgium	10.4	8.2	11.0	7.8	6.8
Brazil	4.2	4.7	5.5	4.7	5.0
United States	6.6	6.8	7.5	6.7	4.7
Netherlands	1.5	1.2	2.0	3.3	4.7
Italy	3.2	2.8	4.2	4.4	4.1
On orders	29.7	27.8	11.2	23.9	24.4

* * *

Production of Iron and Steel Merchant Bars in 1913.—The production of iron and steel merchant bars in 1913, according to the American Iron and Steel Institute, amount to 3,957,600 tons, against 3,697,114 tons in 1912, an increase of more than 7 per cent. Of the total in 1913 about 1,026,632 tons were iron and 2,930,977 tons were steel. Pennsylvania made 48.7 per cent of the total in 1913, against 50.8 per cent in 1912.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.
Notes on Insurance, American and Foreign.
Items of Insurance News.

IT would, at first sight, appear inevitable that all the departments of insurance which have been conducting their business in any or all of the countries in Europe which are belligerents in this most destructive, murderous and awful of all the wars known to history, must have been thrown into such complete confusion, have already suffered such dreadful losses and have been brought face to face with such incalculable risks for the future, that abandonment of the field, for the present at least, would be the only possible remedy. Yet such is not the case. As the European mails begin to reach this country a little more regularly, we find that all our old friends among the chronicles of insurance are reaching us, whether from Germany and Austria, or from the countries of the Triple Entente. We find, further, that not one of these journals indicates any cessation of the writing of insurance of every kind, even life insurance, most affected of all the insurances by the war, going on in almost its customary manner. In fact, Continental life insurance is actually continuing its beneficent work with so little sign of trepidation that it is doing its best to provide indemnity for the very lives exposed to shot and shell. Calm science, applied with courage and determination, is doing its utmost to alleviate the horrors of war.

During the past week, this paper has received from Germany the August 13th issue of the excellent German insurance journal, "Annalen des gesamten Versicherungswesens." It is the first to come through since the outbreak of the war; and in it are found two paragraphs indicating what is being done in Germany with regard to the sudden great addition to the risk of mortality in a population, all of whose males from early manhood to middle age have been summoned to bear arms. A translation of these paragraphs may well interest life insurance men in the United States. They run as follows:

Life Insurance and the War Risk.—The world war that has so unexpectedly broken out has led many of those under the obligation of military service who have already been called to the colors, and also of those who may expect hereafter to be called, to take out life insurance policies, with the inclusion of protection against the war risk, partly entirely new policies and partly, in cases where life insurance policies were already being carired, in the shape of a war risk clause added to these already existing policies. For this inclusion of the war risk it is only natural that corresponding additional premuims should be asked. The rates, however, at which the various companies undertake this coverage of the war risk vary very sharply. One South German Mutual life insurance company holds itself out as furnishing life insurance with inclusion of the war risk, without any extra premium at all. Other companies appear to provide such insurance preferably with an extra premium proportionate to the size of the policy; others increase this extra premium in the way of requiring old policies, long outstanding, to pay not only the extra premium, but also the interest on this extra premium from the time when the policy of life insurance was originally issued. Another South German institution undertakes war life insurances at the flat premium rates of 10 per cent for officers, 8 per cent for members of the reserve and the second reserve and 4 per cent for members of the Landsturm and the medical service. The variation of the conditions under which the various companies will undertake the war risk is, accordingly, very marked. It would perhaps have been better, if the Association of Life Insurance Companies could have decided upon a uniform method of procedure.

War Mortality.—The statistics of war mortality are very fragmentary; and, as we find it stated in a recent number of the "Austrian Insurance Times (Oesterreichische Versicherungs-Zeitung)", those statistics we possess are almost entirely confined to the losses of the victorious and not of the conquered armies. In addition to this primary fact, there must be taken into account the peculiar circumstances of each war, which are so various that really comparable statistics are scarcely afforded by them. The earliest compilations with regard to war mortality had to do with the Crimean War (1854-1856), and chiefly only for the English and the French Armies. The French army had in the Crimean an effective strength of 309,268 men, and losses in killed and in deaths from sickness no less than 30.9 per cent of its total numbers. The losses from the English Army, consisting of 97,864 men amounted to 22.7 per cent of the entire force. In the Prussian-Danish war of 1864 the losses of the Prussian Army, with 63,500 men in the field, were only 1.6 per cent of the effective strength of the army. In the war of Prussia against Austria in 1866 the Prussian losses were only 2.7 per cent of the effective strength of the army. In the Franco-Prussian war 1,451,952 men were mobilized in Germany; and of these 1,113,254 men crossed the French frontier. On battle-fields and through sickness 41,210 men died, being 3.7 per cent of the army that crossed the frontier. As regards the Russo-Turkish war again we have available only the loss figures of the victorious (Russian) army, which reached 16.3 per cent of the total number of Russian troops engaged. It is not until we come to the Japanese-Russan war that we find ourselves in possession of statistical information from both belligerents. The armies engaged in this war stood about 1,200,000 Japanese against 1,650,000 Russians. The Russians lost of their army on battle-fields about 34,000 men; while the Japanese lost 58,900 men. The Russians lost 9,300 men through disease, and the Japanese 37,200 men. The total loss of the Russians accordingly amounted to 3.2 per cent of their effective strength; that of the Japanese to 7.2 per cent. According to the detailed material of Dr. Dumas ("L'Assurance du risque de guerre," Berne, 1911), it is a phenomenon found universally in wars that the relative number of the officers falling on the field of battle is greater than that of the common soldiers taken by themselves; while the latter have suffered much more from sickness than have the officers. Thus, in the Crimean War there fell on the battle-field 4 per cent of the officers, compared with 2.8 per cent of the rank and file. In the Prussian-Austrian war of 1866 the proportions of those who fell were 2.9 per cent of the officers and 1.5 per cent of the rank and file.

It is a further fact, though one but little realized, that the mortality of the civil population of countries at war undergoes a very considerable increase. Thus, at the time of the war between Prussia and Denmark in 1863, we find the Danish mortality (for the civil population) running as follows: 18.3 per 1,000 in the year 1863; 23.3 per 1,000 in 1864 and 23.2 per 1,000 in 1865. Coming next to the effect of the Franco-Prussian war upon the mortality of the civil population in Germany, it appears that in 1869 this had been 28.5 per 1,000, but in 1870 it was 29 per 1,000; in 1871, it was 31 per 1,000; and even as late as 1872 it was still 30 per 1,000. On the side of France, the general (not military) mortality was 23.5 per 1,000 in 1869; 28.4 per 1,000 in 1870; 35.1 per 1,000 in 1871; but in 1872 it had fallen to 22 per 1,000. In general, it may be said that in the past it has been primarily the sickness and plagues accompanying war that have made it so frightful in its destruction of human life. It is, however, precisely upon this side that improvement is to be expected in the future.

THE RESPONSIBILITY OF A LIFE ASSURANCE COMPANY FOR THE ACTS OF ITS AGENTS

By Robert Thodey, F. I. A.*

IN its broadest sense, the word "agent" covers all persons connected with an assurance company, whether as administrators or employes. It includes the directors, officers, clerks, outdoor staff (whether on salary or remunerated by commission), and, in certain circumstances, the company's bankers and solicitors would also be considered as agents. With the exception of the outdoor staff, however, all the "agents" named are constantly within the control of those responsible for the management of the company, while any act performed by them is, generally, clearly governed by well-understood rules laid down for ready guidance in nearly every case. The members of the outdoor staff, however, are not under such continuous supervision, and, moreover, they are engaged in duties which, at some points, do not permit of the enforcement of the stringent rules which control the activities of the indoor staff—I refer more particularly to the acquisition of new business. This paper, therefore, will be confined to a discussion of the responsibility of a life assurance company for the acts of agents engaged either as canvassers for new business or as collectors, or in both capacities,—gentlemen who, in common parlance, are styled life assurance agents.

Canvassing agents, as we know them best, are employed by the various companies to solicit proposals for new assurances. Speaking generally, the work of such an agent ceases with the obtaining of the proposal. For the rest, he necessarily does what he can to facilitate the work of the office he represents in securing completion of the business, and, although it is to his pecuniary advantage to secure completion, he has but little to do with the actual work after lodging the proposal, with, in some cases, a provisional collection on account of the first premium. Again, in the country districts agents are sometimes employed whose duties include the collection of renewal premiums, but who usually have but a limited authority to act on behalf of their company. When we come to the industrial agent, however, we have a man whose duties are more extensive. He is expected to obtain proposals for new assurances and revivals of lapsed policies, also to collect regularly on existing business, while many other matters which ordinarily would be attended to wholly within the office itself, are, at least in their earlier stages, in his hands. The proposal form he uses is a more elaborate document than that put in the hands of his ordinary department confrere. It contains many questions relating to the present and past personal history of the proponent, and also his family history, while it usually ends with a formal declaration warranting the truth of the statements set down, and making the proposal and declaration the basis of the contract. The proposal form for an ordinary department policy is a relatively simpler document, although where such assurances for smaller sums are granted without medical examination, the agent is often entrusted with obtaining the completion of a statement of the proponent's personal and family history.

So long as the agent acts honestly within the scope of his authority all should be plain sailing. The company clothing him with that authority is alone to blame if anything goes wrong, and if some unanticipated effect presents itself, since it is naturally to be presumed that those responsible for the management of the company knew what they were doing when the agent's instructions were framed.

It is, however, not difficult for an agent, sometimes no doubt unwittingly, to exceed his authority, or act outside the scope of his instructions, and the question then at once arises, How far is the company bound to accept responsibility for his unauthorized acts? A somewhat similar question occurs should the agent neglect his duties, thereby possibly causing detriment to the persons assured through his agency or forming part of the clientele on his agency register.

The agent writes out a proposal form, which the proponent signs. This proposal contains misrepresentations of material facts sufficently serious to vitiate the contract. In such a case, is the agent, the employe of the company, acting for the company or the proponent? In other words, at what point does the agent cease to represent his company and become the agent of the proponent? An agent may be trusted by the proponent to properly answer the questions in the proposal, and, in doing so, withholds information with which he has been supplied. Is the company liable to recognize the contract, completed on the faith of that proposal, as valid? An agent may attract proponents by misrepresenting the position of his company. Is the penalty for such misrepresentation to be held at the door of the company? Again, an agent may make use of literature not authorized by his superiors in endeavoring to beat a rival company for business. How far is the office employing him responsible? Libels may actually be published in the guerilla warfare that occasionally arises between the agents of competing offices. Can the companies be brought to book for such practices, which they are hardly likely to confirm?

At all points in our discussion we are confronted with a consideration of the law governing the rights of third parties when dealing with a principal through the instrumentality of an agent, and it is not consoling to have to acknowledge that a perusal of various text-book pronouncements on the subject of agency does not present the law on this important matter as being too clearly defined,—at least, so it seems to the layman. Misrepresentation is the most common complaint laid at the agent's door, and for which in many cases it has been sought to make the employing company liable. Several extracts from the text-books may be quoted here with advantage. In one place it is stated (Anson on Contracts, 8th edition, p. 428): "If the agent commits a fraud in the course of his employment, he is liable, and so is his principal. If he commits a fraud outside the scope of his authority he would be liable, but not his principal."

The interpretation to be placed upon these two sentences appears to be governed by the meanings attachable to the phrases, "in the course of his employment" and "outside the scope of his authority" respectively, and it would seem, judging by the tenor of various legal decisions, that an agent making misrepresentations while obtaining a proposal is acting in the course of his employment, while attempts are often made to prove that he is acting within the scope of his authority, so as to make his principal liable.

There are a couple of cases which will be of interest and to which attention may be called. In one (Wilson v. Mutual Life Association of Australasia—1902—Supreme Court of New South Wales) it was decided that a country agent authorized to solicit proposals for new policies, collect premiums on existing policies and interest on mortgage loans, was not an agent empowered to receive repayment of principal moneys due under mortgage, and that the agent's fraudulent representation that he had the extended authority could not bind the company in the face of the express stipulation in the mortgage deed requiring repayment of the principal in Sydney. The court was of opinion that the agent had clearly acted outside the scope of his authority, and refused to hold the association liable in an action instituted to recover principal money paid to the agent. In the other (the Russo-Chinese Bank v. Li Yan

*A paper read before the Insurance Institute of New South Wales.

Sam—1910—Privy Council) a Chinese official, employed by the Russo-Chinese Bank to assist Chinese customers in securing proper attention to their wants, acted, to the knowledge of the customer, in excess of his authority, and the bank, on appeal, was held not liable for a loss sustained by the customer. The Privy Council made it evident in their judgment that where a person knows he is dealing with an agent whose authority is limited he is practically put on inquiry as to the extent of the agent's power to bind his principal. In both these cases the limited authority of the agent was clearly known to, or readily ascertainable by, the person concerned, but, in insurance business, it is not always easy for the prospective assurer to learn whether or not the agent, employed by the company, is exceeding his authority, and hence, no doubt, the number of court cases in which the companies are made to suffer for the wrongful acts of their agents.

In yet another case (Bannantyne v. MacIver and Co., 1905) it was sought to make defendants, who were shipbrokers, liable for a loan contracted by their agent in excess of his authority, he having induced the plaintiff to make the loan on the representation that it was required for defendant's business. It was successfully pleaded that borrowing money was not part of the usual business of a shipbroker, and, moreover, that the agent had no express authority to borrow. Where, however, "it was incidental to the business that bills should be drawn and accepted from time to time by the manager," it was held that the principal was liable on bills drawn by his manager, although the latter had been forbidden to do so. (Bushell v. Jones, L. R., 1 Q B., 97.) This last case is interesting as showing how a principal may be liable for acts of his agent performed in the ordinary course of the business in which he is employed, and that a secret reservation is no protection to the principal unless the person dealing with the agent is aware of the reservation.

The responsibility of the principal for the representations of his agent is also put by another authority as follows (Pollock on Torts, 5th Edition, pp. 291-2):

"The principal knows the contrary of the representation to be true, and it is made by the agent in the general course of his employment, but without specific authority.

"Here, if the agent does not believe his representation to be true, he commits a fraud in the course of his employment and for the principal's purposes, and, according to the general rule of liability for the acts and defaults of an agent, the principal is liable.

"If the agent does believe the representation to be true, there is a difficulty, for the agent has not done any wrong, and the principal has not authorized any. Yet the other party's damage is the same. That he may rescind the contract, if he has been mislead into a contract, may now be taken as settled law.

"If the principal does not expressly authorize the representation, and does not know the contrary to be true, but the agent does, the representation being in a matter within the general scope of his authority, the principal is liable, as he would be for any other wrongful act of an agent about his business. And as this liability is not founded on any personal default in the principal, it equally holds when the principal is a corporation."

We have also (per Broom's Legal Maxims, 6th Edition, pp. 751-2):

"If an agent is guilty of fraud in transacting his principal's business the principal is responsible. The fraud of the agent who makes the contract is the fraud of the principal, and, with respect to the question whether a principal is answerable for the act of his agent in the course of his master's business, and for his master's benefit, no sensible distinction, it has been observed, can be drawn between the case of fraud and the case of any other wrong. The general rule is that the master is answerable for every such wrong of the servant or agent as is committed in the course of the service and for the master's benefit, though no express command or privity of the master be proved."

Later on in the same work (p. 755), the following, however, appears: "To make out fraud, some wilful misrepresentation must be shown, and * * * a mere untruth innocently told is not sufficient," from which it would seem that a misrepresentation must amount to fraud to entitle the aggrieved party to claim relief from the principal.

The foregoing extracts probably represent the law, which requires to be fitted to each fresh set of facts, and is applicable more particularly to the agent as a new business writer. It is, however, necessary to point out that in discussing any phase of a contract it is essential to remember that there can be no valid contract unless the object of such contract be legal. In connection with life assurance transactions this distinction was brought into prominence some years ago in England, owing to the practice that had apparently grown up among the industrial classes of assuring the lives of their relatives although having no insurable interest therein. Had there been no question of misrepresentation by the companies' agents the plaintiffs in these actions would invariably have lost their cases, as policies obtained in contravention of the Life Assurance Act of 1774 (the Gambling Act) are absolutely void. But in nearly every case it was alleged that the policy would not have been effected but for the representations and persuasions of the company's agent, and it was accordingly sought to make the companies liable by compelling a rescission of contract and refund of premiums paid. A large number of the actions never got beyond the county courts, and a perusal of the decisions of the various judges presiding over these courts gives food for wonderment and evidences that the saying "quot homines tot sententiae" is as applicable to lawyers as to other folk. Being courts of co-ordinate jurisdiction, they are not bound by one another's decisions, of which necessarily there is an abundant variety. The fact that the plaintiffs were generally people of a class not readily understanding legal matters and therefore more easily misled, no doubt, might have had a good deal to do with the varied decisions recorded.

In two well-known cases divergent views were taken of a company's responsibility for the act of its agent in persuading people to effect illegal insurances. In the first (British Workman's Assurance v. Cunliffe, 1902), the agent was held to have fraudulently misrepresented that such an assurance would be legal, and the company was ordered to refund the premiums. This decision was in conflict with an earlier one (Howard v. Refuge Friendly Society, 1886), refusing a refund of premiums in the case of a similar illegal insurance, but in this case the question of the intervention of the company's agent did not arise. Again, in 1904, it was decided, on appeal (Harse v. Pearl Life Company), that where the agent had made an innocent misrepresentation regarding the legality of the insurance the person effecting the policy was not entitled to recover the premiums. This last decision was only registered on appeal, for the low court held that the agent should have had such knowledge of his business as would have prevented him from soliciting proposals for illegal insurances. From an article in the "Insurance Record" (London) for 1908, p. 218, it appears that the decision in the last-mentioned case was approved by the Appeal Court in "Brown v. the Britannic" (of which, however, I have not been able to see a proper report), where it was also laid down that persons claiming refunds of premium would require to show a fraudulent intent on the part of the agent. The case of Johnson v. Refuge Assurance Company, decided last year in the Court of Ap-

peal, is interesting, inasmuch as, although the jury "decided that the policy was not induced by fraud, but by statements made by the company's agent recklessly," the company was compelled to repay the premiums on account of its agent's "reckless" action, thus treating recklessness in the same manner as fraud.

It will be noted that all the cases quoted above concerned friendly societies and industrial companies. The sums at stake in every case were very small, and there is no doubt that opportunities for the considerable amount of litigation that did take place would have been wanting had the policies been effected with ordinary companies whose custom it is, usually, to ask for some proof of insurable interest before issuing a policy. Although the insurances in question transgressed the law regarding insurable interest, they were usually effected for the bona fide purpose of covering funeral expenses, and as such were duly honored. The stream of litigation, however, was so serious that the companies concerned arranged for the insertion of a clause in the Assurance Companies Act of 1909 to make existing assurances of this nature legal. Section 36 of that Act permits assurances with industrial companies for funeral expenses of a parent, grandparent, grandchild, brother or sister, and also legalizes assurances, effected before the passing of the Act, to provide a sum to meet funeral expenses in such cases as the insured had a bona fide expectation of being called upon to incur such expenses, the amount assured to be not unreasonable for the purpose. A further stipulation subjecting companies to a penalty for issuing policies outside the scope of their legal powers is also included in Section 36, so that the abuse which did exist, and which was probably to some extent fostered by the agents, has been checked in England, where agents are not now likely to be permitted to render their companies liable for penalties by persuading the public to effect illegal insurance of the nature indicated. The proposed Commonwealth legislation on insurance includes a clause somewhat similar to Section 36 of the English Act.

In a case in the Appeal Court last December (Tofts v. Pearl Life Assurance Company) it was laid down that Section 36 in the Act of 1909 would not prevent an action for refund of premiums being sustained if the agent act fraudulently in representing that policies not supported by a recognized insurance interest were valid. The policies in question were effected in 1902 on the life of the plaintiff's father, and his contention was that the agent acted fraudulently in persuading him to effect them. The decision of the court was not unanimous, but if it be upheld in future cases of similar character, the companies will not yet be quite free from the old trouble caused by speculative solicitors encouraging litigation for rescission of contract.

(To be Continued)

ACTUAL EXPERIENCE OF AMERICAN LIABILITY INSURANCE COMPANIES WITH WORKMEN'S COMPENSATION IN 1913

THE New York "Journal of Commerce," in its issue of September 8, has published a review of the actual experience in 1913 of all the more important liability and casualty insurance companies, in respect of the workmen's compensation business done by them in 1913. According to the "Journal of Commerce," this review has been prepared by a prominent actuary, and is based upon the statements of the companies for the year 1913. The important point is brought out that the business, as shown by the statements, showed on underwriting loss of 1.1 per cent; inasmuch as the amounts set up as statutory reserves are in the opinion of all students of the subject inadequate to meet the actual losses that will finally have to be met against the business of 1913, and as not all companies are as yet setting up reserves greater than the statutory requirements, it may be taken as certain that the ultimate underwriting loss on the 1913 business of all the companies together will be considerably in excess of the 1.1 per cent here shown. The following is the statement of the actuary quoted by the "Journal of Commerce":

"As an insurance student, interested particularly in workmen's compensation, I have noted the rapid development of the movement to force down the rates for compensation insurance, apparently regardless of the results. I have heard and read with great interest the comments, criticisms and positive statements of State boards, commissions, investigating committees and inspired statesmen, all to the effect that the insurance companies are reaping great profits from workmen's compensation. So much has been written and said on the subject and so many positive statements have been made by those knowing little about it, that the average person now feels that insurance companies are making far too much money from workmen's compensation. If all these general statements were anything like correct it would seem that of course the compensation rates were too high and therefore it would seem that the experience of the companies as regards workmen's compensation would show large profits. I find, however, that such is far from being the case.

"I have just finished going over the attached compilation of the experience of practically every insurance company, with about one or two exceptions, doing compensation business in the United States. From such experience, collated by an independent organization, I find that in the year 1913 nearly $12,000,000 in compensation premiums were written in the States having compensation laws, and on that business the general average of result is the loss of one and one-tenth per cent on the premiums written. In other words, for every dollar of premiums written the companies will pay $1.11. This shows a serious situation and one which should be remedied by proper rates. However, remarkable to relate, it seems the agitation for still lower rates since 1913 has been successful in some States and may be successful in other States. The results for 1913 as shown are decidedly unfavorable to the companies and yet it looks as though the situation may be made worse by rate reductions, even though at the rates in 1913 the companies instead of making even a small profit lost money.

"The results for 1913, as shown by the figures, is not a matter of argument. It seems simply a cold statement of facts. The companies do not make their showing any worse than they can possibly help. The general tendency is to make the reports as glowing as possible, so much so that the experience here and abroad has shown that estimates for outstanding compensation losses are nearly always too low and that the companies have had to pay more for such outstanding losses than they expected. Insufficient rates mean danger, not only to the companies, but to the general public in every phase of industry. Insurance companies are far too necessary in our economic industrial life to be allowed to ruin themselves against their better judgment, and yet this is what seems probably will result.

"From the complaints of brokers and agents and from newspaper articles from time to time, it would seem that the companies are trying hard to reduce their expenses to the lowest possible point, and yet in spite of that the combined experience for 1913 is bad.

"There is some excuse for those not in the insurance business to consider that rates are too high, but the companies have known of this 1913 experience for a number of months, and yet a number of the companies are agitating still lower rates and trying to get them put in force, although why they do that is more than I can

understand. Surely they do not want to deliberately ruin themselves and ruin all liability insurance companies, and yet to a disinterested person standing to one side watching the figures and noticing the experience and watching the efforts of the companies it would almost seem that some of the companies are bent on ruining themselves, either to allay unthinking criticism or to offer themselves as a horrible example of the results of inadequate rates. Why, with the figures of 1913 in mind, is there talk of reducing the rates instead of increasing them?"

UNITED STATES WORKMEN'S COMPENSATION BUSINESS EXPERIENCE IN 1913, TAKEN FROM PUBLISHED DETAIL STATEMENTS OF INDIVIDUAL COMPANIES.

Company.	Premiums Written	Losses and Claim Expense Paid	Ratio to Premiums	Commission and Brokerage	Ratio to Premiums	Pro Rata Share of all Other Underwriting Expense	Ratio to Premiums	Ratio Total Underwriting Expense to Premiums	Difference Between Premiums and Disbursements	Ratio to Premiums	Increase (+) or Decrease (—) of all Underwriting Liabilities	Underwriting Profit or Loss	Ratio to Premiums
Aetna Life, Hartford	$906,231	$283,339	31.3	$127,101	14.0	$149,416	16.5	30.5	$345,875	38.2	+ $340,559=37.6%	+ $5,316	+ .6
American Indemnity, Texas	38,658	1,948	5.0	3,886	10.0	6,203	16.0	26.0	26,621	68.9	+ 29,456=76.2%	+ 2,835	— 7.3
Casualty Company of America	595,510	137,050	23.0	65,751	11.0	58,205	9.8	20.8	334,504	56.1	— 16,603= 2.8%	+ 351,107	+58.9
Commercial Casualty	126,124	40,663	32.2	13,476	10.7	23,145	18.3	29.0	48,840	38.7	+ 68,780=54.5%	— 19,940	—15.8
‡Employers' Liability	.....	.....	....	.....	....	.....	....	....	.....	....	.....	.....	....
European Accident Ins. Co	9,518	.....	....	20	.2	232	2.4	2.6	9,266	9.7	+ 7,036=73.9%	+ 2,230	+23.4
Fidelity and Casualty	948,335	344,126	36.3	127,984	13.5	154,721	16.3	29.8	321,504	33.9	+ 513,130=54.1%	— 191,626	—20.2
Fidelity and Deposit	339,742	95,815	28.2	4,417	1.3	73,099	21.5	22.8	166,411	49.0	+ 182,881=53.8%	— 16,470	— 4.8
Frankfort General Accident	284,968	107,388	37.7	42,909	15.0	39,115	13.7	28.7	95,556	33.5	+ 80,160=28.0%	+ 15,396	+ 5.4
General Accident	431,474	111,145	25.8	132,925	30.8	68,599	15.9	46.7	118,805	27.5	+ 179,354=41.5%	— 60,549	—14.0
Globe Indemnity	448,267	138,691	30.9	57,764	12.9	78,768	17.6	30.5	173,044	38.6	+ 280,177=62.5%	— 107,133	—23.9
Kansas City Casualty	5,276	1,600	30.3	158	3.0	2,464	46.7	49.7	1,054	20.0	+ 5,150=97.6%	— 4,096	—77.6
London & Lanc. Guar. & Accident	103,279	14,898	14.3	6,930	6.7	30,231	29.1	35.8	51,760	49.8	+ 71,378=68.7%	— 19,618	—18.9
London Guarantee & Accident	1,059,414	315,965	29.8	143,397	13.5	101,161	9.5	23.0	498,891	47.1	+ 519,636=49.0%	— 20,745	— 2.0
Maryland Casualty Co	589,849	210,013	35.6	82,612	14.0	84,366	14.3	28.3	212,858	36.1	+ 157,708=26.8%	+ 55,150	+ 9.3
*Massachusetts Bond. & Ins. Co	.....	.....	....	.....	....	.....	....	....	.....	....	.....	.....	....
New Amsterdam Casualty	30,386	10,484	34.5	3,269	10.8	6,635	21.8	32.6	9,998	32.9	+ 18,632=61.3%	— 8,634	—28.4
New England Casualty	391,953	86,739	22.1	48,061	12.3	60,143	15.3	27.6	197,010	50.3	+ 245,234=62.6%	— 48,284	—12.3
Ocean Accident & Guarantee	742,305	220,485	29.7	99,361	13.4	87,322	11.7	25.1	335,137	45.1	+ 209,558=28.2%	+ 125,579	+16.9
Pacific Coast Casualty	2,583	49	1.9	500	19.4	904	35.0	51.4	1,130	43.7	+ 2,197=85.0%	— 1,067	—41.3
Prudential Casualty	104,329	21,541	20.6	16,841	16.1	18,064	17.3	33.4	47,883	45.9	+ 68,826=65.9%	— 20,943	—20.0
Royal Indemnity	387,300	125,933	32.5	42,743	11.0	63,760	16.5	27.5	154,864	40.0	+ 95,757=50.5%	— 40,893	—10.6
Southwestern Surety	112,486	26,342	23.4	31,273	27.8	20,188	17.9	45.7	34,683	30.8	+ 48,486=43.1%	— 13,803	—12.3
Standard Accident	536,263	165,910	30.9	62,949	11.7	92,467	17.2	28.9	214,937	40.1	+ 357,673=66.7%	— 142,736	—26.6
Travelers Insurance Co	3,005,584	846,913	28.2	361,549	12.0	525,850	17.5	29.5	1,271,272	42.3	+ 1,241,705=41.3%	+ 29,567	+ 1.0
Union Casualty	181,145	8,605	4.8	10,239	5.6	46,849	25.9	31.5	115,452	63.7	+ 114,273=63.0%	+ 1,179	+ .7
United States Casualty	183,693	77,552	42.2	23,016	12.5	30,638	16.7	29.2	52,487	28.6	— 5,842= 3.1%	+ 58,329	+31.7
United States Fidelity & Guar	177,621	93,365	52.6	14,405	8.1	50,015	28.2	36.3	19,836	11.2	+ 64,387=36.3%	— 44,551	—25.1
Zurich General Acci. & Liability	176,781	28,141	15.9	35,354	20.0	20,468	11.6	31.6	92,818	52.5	+ 106,215=60.1%	— 13,397	— 7.6
Totals	$11,919,674	$3,514,700	29.5	$1,558,950	13.0	$1,893,028	16.0	29.0	$4,952,496	41.6	+$5,086,963=42.7%	—$134,467	— 1.1

‡Compensation business not separated from liability business in figures available.

THE COMPLETE AND FINAL TEXT OF THE WAR RISK INSURANCE ACT

BELOW is given the complete and final text of the War Risk Insurance Act, as it was signed by President Wilson and became law. Owing to the fact that, in the course of the passage of legislation by Congress, final amendments which are adopted and incorporated in a bill, whether in the two Houses of Congress or by a Conference Committee of the two Houses, are not embodied in a fresh reprint of the bill, but appear only in the engrossed copy submitted to the President and, after the President's signature is affixed, in the comparatively little known Public reprint of the Act, it frequently happens that an act is in some respects inaccurately published by the press. This has happened in more than one publication in the case of the present Act. The true and final text of this law, which makes an important new precedent in American legislations, is accordingly reprinted below, as signed by President Wilson on September 2, 1914.

* * *

[PUBLIC—No. 193—63D CONGRESS]
[S. 6357.]

AN ACT to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department.

Whereas the foreign commerce of the United States is now greatly impeded and endangered through the absence of adequate facilities for the insurance of American vessels and their cargoes against the risks of war; and

Whereas it is deemed necessary and expedient that the United States shall temporarily provide for the export shipping trade of the United States adequate facilities for the insurance of its commerce against the risks of war: Therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is established in the Treasury Department a bureau to be known as the Bureau of War Risk Insurance, the director of which shall be entitled to a salary at the rate of $5,000 per annum.

Sec. 2. That the said Bureau of War Risk Insurance, subject to the general direction of the Secretary of the Treasury, shall, as soon as practicable, make provisions for the insurance by the United States of American vessels, their freight and passage moneys, and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, whenever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure adequate war risk insurance on reasonable terms.

Sec. 3. That the Bureau of War Risk Insurance, with the approval of the Secretary of the Treasury, is hereby authorized to

adopt and publish a form of war risk policy, and to fix reasonable rates of premium for the insurance of American vessels, their freight and passage moneys and cargoes against war risks, which rates shall be subject to such change, to each port and for each class, as the Secretary shall find may be required by the circumstances. The proceeds of the aforesaid premiums when received shall be covered into the Treasury of the United States.

Sec. 4. That the Bureau of War Risk Insurance, with the approval of the Secretary of the Treasury, shall have power to make any and all rules and regulations necessary for carrying out the purposes of this Act.

Sec. 5. That the Secretary of the Treasury is authorized to establish an advisory board, to consist of three members skilled in the practices of war risk insurance, for the purpose of assisting the Bureau of War Risk Insurance in fixing rates of premium and in adjustment of claims for losses, and generally in carrying out the purposes of this Act; the compensation of the members of said board to be determined by the Secretary of the Treasury, but not to exceed $25 a day each, while actually employed. In the event of disagreement as to the claim for losses, or amount thereof, between the said bureau and the parties to such contract of insurance, an action on the claim may be brought against the United States in the District Court of the United States, sitting in admiralty, in the district in which the claimant or his agent may reside.

Sec. 6. That the Director of the Bureau of War Risk Insurance, upon the adjustment of any claims for losses in respect of which no action shall have been begun, shall, on approval of the Secretary of the Treasury, promptly pay such claim for losses to the party in interest; and the Secretary of the Treasury is directed to make provision for the speedily adjustment of claims for losses and also for the prompt notification of parties in interest of the decisions of the bureau on their claims.

Sec. 7. That for the purpose of paying losses accruing under the provisions of this Act there is hereby appointed, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $5,000,000.

Sec. 8. That there is hereby appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the Bureau of War Risk Insurance, including the payment of salaries herein authorized and other personal services in the District of Columbia, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $100,000.

Sec. 9. That the President is authorized whenever, in his judgment, the necessity of further war insurance by the United States shall have ceased to exist, to suspend the operations of this Act in so far as it authorizes insurance by the United States against lass or damage by risks of war, which suspension shall be made, at any event, within two years after the passage of this Act, but shall not affect any insurance outstanding at the time or any claims pending adjustment. For the purpose of the final adjustment of any such outstanding insurance or claims, the Bureau of War Risk Insurance may, in the discretion of the President, be continued in existence a further period not exceeding one year.

Sec. 10. That a detailed statement of all expenditures under this Act and of all receipts hereunder shall be submitted to Congress at the beginning of each regular session.

Sec. 11. That this Act shall take effect from and after its passage.

Approved, September 2, 1914.

The Bureau of War Risk Insurance in the Treasury Department has been formulating rules of procedure and will shortly issue instructions governing fully the issuance of war risk policies. It is understood that Collectors of Customs will be the agents for writing insurance in each port. Upon application to the local Collector, he will wire to the Bureau at Washington the facts covering the ship, cargo and destination, and the Bureau will wire back the rate.

The basis upon which rates will be made will naturally be the degree of risk involved. Thus a fast ship will command a lower rate than a slow ship; a cargo of salt a lower rate than a cargo of coal; and a ship destined for South America a lower rate than one destined for Liverpool. It is stated that in no case will war risk insurance be issued to an amount in excess of the marine insurance taken out upon the vessel and cargo subject to the application.

Up to the present time, it is said, the number of inquiries for war risk insurance does not indicate that there will be a particularly large amount of business. It is suggested in Washington that the bulk of vessels flying the American flag will seek South American ports for the reason that they are thus reasonably assured of return cargoes, whereas in carrying goods to European ports they run the risk of returning empty. This, of course, is entirely aside from the question of the really hazardous character of voyages in European waters, and the added cost of war risk insurance.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Fire Losses in August.—The fire loss of the United States and Canada for the month of August as compiled from the records of "The Journal of Commerce" shows a total of $11,765,650, a very great reduction from the August, 1913, figures. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912, together with the monthly record for the balance of those years:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
April	16,349,400	16,738,250	17,700,800
May	21,013,950	17,225,850	15,507,800
June	16,103,450	24,942,700	23,348,000
July	15,219,100	20,660,900	17,539,800
August	14,158,800	21,180,700	11,765,650
Total eight months	$163,750,350	$160,037,250	$162,323,700
September	$13,779,300	$17,919,300	.....
October	13,651,650	14,932,750	.....
November	16,172,300	15,207,600	.....
December	17,967,000	16,126,450	.....
Total for year	$225,320,900	$224,723,350	.....

* * *

Telegraphists' Cramp as an Industrial Disease.—The "Insurance Observer," of London, recently called attention to a kind of industrial disease which, so far as we know, has thus far never been registered in the United States. We quote as follows:

"It was stated by a delegate at the recent congress of the International Federation of Postal and Telegraph Servants that telegraphists' cramp was increasing in England at an alarming rate. So long ago as 1911 this occupational disease, which arises from the use of the Morse instrument, was inquired into by a departmental committee. It was then found that about 4.4 per cent of the telegraphic operators were affected. The increase of the complaint is attributed by the operators themselves to the system of speeding up which has been recently introduced into the telegraphic service.

"The committee of inquiry found that the disease called 'tele-

graphists' cramp' is seated in the central nervous system and is a weakening or breakdown of the cerebal controlling mechanism in consequence of musculant strain. A telegraphist suffering from this malady in an advanced stage can expect no cure unless he or she is removed completely from the service. The forearm, hand, and fingers become numb and cease to answer to the nerves and muscles. In some cases the power to hold a knife and fork is lost.

"If a sufferer takes to using his left hand to relieve the other in the manipulation of the Morse instrument, that hand will sooner or later become affected. There is also a danger of the cramp spreading to other limbs. The first sign of the disease is an inability to form one or another of the letters of the Morse alaphabet. The number of letters which the operator cannot transmit increases until there is not one which he is capable of sending. To overcome the difficulty the operator will alter the method of working the instrument, but eventually he will exhaust all the different ways in which he can send a message.

"The operator in transmitting a message at twenty words a minute makes 150 different movements, and at times of great pressure the muscular effort increases. Nor is the effort so expended only muscular and nervous."

* * *

Workmen's Compensation Business in France in 1913.—The French insurance journal, "L'Argus," has recently compiled figures for amount of workmen's compensation business written in France in 1913, whether by private liability companies or by mutual companies and employers' syndicates or associations. Under the French law, as is well known, the insurance of employes against industrial accidents is compulsory, but the employer may take out insurance with any one of the above kinds of insurance carriers. In the statistics of "L'Argus" for 1913, the amount of the accrued losses is not given, the figures not being yet available. Nevertheless, the amount of wages insured, the premiums collected and the number of accidents (evidently including hold-over cases), for virtually all of the carriers of workmen's compensation in France are decidedly interesting. The figures are given in the following table [franc = 19.3 cents]:

WORKMEN'S COMPENSATION BUSINESS IN FRANCE IN 1913.

	Wages Insured (Francs).	Workmen's Compensation Premiums (Francs).	No. of Accidents Compensated.	Total Premiums of all Kinds (Francs).
18 French stock companies	3,944,925,053	80,081,980	419,192	170,226,871
6 foreign stock companies	1,245,557,921	25,530,383	134,646	147,604,540
24 French mutual companies	1,443,863,787	37,540,459	235,620	55,318,101
14 French syndicates	223,512,756	4,805,525	28,145	?
Totals	6,857,859,517	147,958,347	817,603	373,149,512

It will be observed that the ratio of the workmen's compensation premiums collected to the total amount of wages insured was 2.15+. This is the highest premium ratio as yet attained under the French workmen's compensation law. Inasmuch as the companies and associations writing this insurance in France are required to set up each year proper actuarial reserves, this percentage, 2.154+, represents the true average premium cost for the year, and does not, like the German 1.75 per cent, represent merely what has to be paid out during the current year, without provision of reserves to meet future payments of pensions, etc., arising from the current and past years' accident experience. In conclusion, it may be remarked that it is a decidedly interesting fact that the accident and liability premiums, other than those for workmen's compensation, for all the companies operating in France in 1913, amounted to no less than 225,200,000 francs, or some 78,000,000 francs more than the workmen's compensation premiums proper.

* * *

The Decision in the Kaye Case.—"Safety Engineering," New York, has published an analysis of the case of People vs. Kaye by Albert de Roode, Assistant Corporation Counsel of New York City. It will be remembered that Fire Commissioner Adamson brought suit against one Kaye for the cost of fighting a fire in Kaye's establishment on the ground that previous to the fire Kaye had been instructed by the Board of Fire Commissioners to install an automatic sprinkler system but had failed to comply with these instructions. Mr. de Roode's analysis is as follows:

* * *

The gist of the decision by the Court of Appeals in the case of People vs. Kaye is that the fire commissioner has authority to require the installation, in a proper case, of automatic sprinklers in certain classes of buildings, including factories, specified in the ordinance of December 19, 1911. A failure to comply with an order issued by the fire commissioner constitutes a misdemeanor. By proper procedure any person served with such an order may contest the reasonableness of it in court.

The main point involved in the case was whether the expression "fire hose, fire extinguishers, buckets, axes, fire hooks, fire doors and other means of preventing and extinguishing fires" used in the ordinance included so extensive an equipment for extinguishing fire as an automatic sprinkler system. On this point the court stated:

"The words of section 762, which speak of certain kinds of fire extinguishing apparatus, are not exhaustive, and the comprehensive words 'other means of preventing and extinguishing fires' which follow should be held to include other means of the same general character and purpose as those particularly enumerated. Now, automatic sprinklers, though they may cost a little more than the articles specifically mentioned in the section, are of the same general character and are intended for the same purpose as those articles."

The history of this ordinance is interesting. The Consolidation Act of 1882 contained a provision, section 454, that in certain buildings there should be "such means for communicating alarms and extinguishing fires" as the Board of Fire Commissioners should provide. This section came down from a law passed in 1871. By Chapter 703 of the Laws of 1892 the expression "such means of communicating alarms and extinguishing fires" was elaborated to the present language of the ordinance, and in the Greater New York Charter of 1897 what had been section 454 of the Consolidation Act became section 762. By the Amendatory Act of 1901 section 762 was continued in force only until the Board of Aldermen should pass ordinances covering the subject matter of that section. On December 19, 1911, the Board of Aldermen enacted an ordinance in the same wording as section 762, tacking on to it a provision allowing standees in theatres.

The general principle involved in the Kaye case, it seems to me, is that the Legislature has the right to confer upon an administrative officer the power to require adequate means of protecting buildings from the dangers and hazards of fire, and that the general rule governing the exercise of administrative discretion applies in such cases. This rule is that the exercise of administrative discretion, particularly affecting property interests, must not be arbitrary, capricious or unreasonable. Whether in a particular case the installation of a sprinkler equipment is a reasonable requirement depends upon the facts. Where the facts justify the sprinkler equipment no court will interfere. The difficulty will arise in what may be called border line cases, where there is an honest difference of opinion as to whether the conditions require a sprinkler equipment or not.

In all such cases the benefit of the doubt, so to speak, will be given by the court to the order of the fire commissioner.

INSURANCE NEWS IN THE WEST

Ill-feeling in Illinois Over Action of Superintendent Potts.—There is considerable bitter feeling among fire underwriters over the action of Superintendent Potts, of Illinois, in starting suit against the fire companies at this time. It is not to be presumed that the companies would take it kindly at any time, but they object especially to being made defendants when they already are carrying so heavy a load on account of financial conditions. With stock markets closed it is impossible to place an exact valuation on their assets. This gives oportunity for the timid or unfriendly to suspect that their condition is not as good as it is. Add to this the uncertainty as to the amount of reinsurance being carried in unauthorized foreign companies about whose condition little is definitely known and the well-grounded fear of what would happen to some companies in case of a great conflagration, and underwriters think the companies have enough to contend with without being attacked just at this juncture by a State official.

The course pursued by Superintendent Potts may be making political capital for the administration of Governor Dunne. It is also making enemies and very bitter ones. There is talk in some quarters of attempting to prevent the confirmation of Mr. Potts by the State Senate when the new Legislature goes into session. He was appointed during recess. The next State Senate may be unfriendly to the Governor. There are two good chances that it will be. One is that the Democrats will not control it at all, and the other is that the Democrats elected will be largely of that section of the party whose chief the Governor has been attacking. Should an effort be made to prevent the confirmation of Mr. Potts as Superintendent of Insurance, his opponents will not be merely those who have been incensed at his bringing these suits at this time. His attitude towards other stock insurance companies has been unfriendly, as shown by various actions favorable to inter-insurers.

* * *

Support for Girardin for Life Underwriters' Presidency.—Chicago friends of Jules Girardin, general manager of the Phoenix Mutual Life in this city, are talking of him as a candidate for the presidency of the National Association of Life Underwriters. While he has not entered the lists, his friends think he would make a good dark horse should the avowed candidates fail of election. There is no question among those who know Mr. Girardin that he would make a great president if elected. He was one of the principal organizers of the General Managers' Association of the Phoenix Mutual Life and its first president, and he did splendid work in that capacity. He was president of the Chicago Association of Life Underwriters and it made long strides during his administration. Those who attended the Chicago meeting of the National Association in 1911 remember with pleasure his handling of the entertainment features of that gathering. He is one of the best fellows in the business. He was at one time a special agent of a large fire general agency in Texas and he has the qualities of a "mixer" that fire insurance field work develops in so many men who engage in it. He has a fine vein of humor, is a good presiding officer, has made a success of life insurance and is a strong worker in the organization movement.

* * *

Federation Movement Strong in the West.—The insurance federation movement is showing considerable strength in the West. It started in Ohio after the liability business had been largely destroyed by workmen's compensation with exclusive State insurance and fire insurance was threatened with adverse legislation. Last year, after the fire insurance troubles in Missouri, that field was ripe for the organization of a federation and the one that was started has done some very effective work. At the recent meeting of the National Association of Insurance Agents, at Minneapolis, President W. S. Diggs, of the Ohio Federation, was one of the speakers and what he told of conditions in Ohio, especially in the casualty business, impressed his hearers. All classes of insurance men have a fight on their hands in Wisconsin to prevent the adoption of the constitutional amendments which would permit the State to enter the insurance business generally, and conditions there are right for the introduction of the federation idea. While Minnesota is not immediately threatened with State insurance, it has Wisconsin on one side and on the other North Dakota, which already has a public form of hail insurance and attempted to have a State bonding fund, which was prevented only by the Supreme Court's declaring the law unconstitutional. With such sentiment in the neighborhood, leaders in all classes of the insurance business in Minnesota have considered organization of a federation before their business is threatened instead of waiting till it may be attacked. A call for a conference at Minneapolis on Friday of this week was issued some days ago, with a view to organizing a federation if it should be decided to be advisable. The aim of these federations is to combine insurance men generally, fire, casualty and life, to look after the interests of all.

* * *

Workmen's Compensation in Oklahoma.—From Oklahoma comes word that lively contest is expected there this Winter over workmen's compensation. The belief is held by some that it will be impossible to enact the sort of a law that is wanted without first amending the Constitution. An effort was made to do this in 1913, but it failed. Now it appears that considerable State insurance sentiment has developed in the State, particularly among the organized laboring men. The employers are said to be opposed to this plan for the most part. It is predicted that efforts will be made to eliminate a compensation law with State insurance, to enact one without State insurance and to get one initiated and put up to the people themselves for action.

* * *

Liability Troubles in Texas.—A question of considerable importance has been before the Attorney General of Texas. Homer R. Mitchell, general manager of the Texas Employers' Insurance Association, has contended that the policies issued by his organization and also by the stock companies cover common law liability as well as workmen's compensation. The insurance department is reported to have taken an opposite view. If Mr. Mitchell's contention should eventually be sustained, it would make the way of the liability companies even harder than it is now. When the insurance department designated the rates which it would approve if the Texas Employers' Insurance Association would file them, they were promptly filed and became the standard rates of the State, more than which no company could charge, except as they might be modified by a merit rating system. They were so low that a number of the companies refused to write business at them and retired from the workmen's compensation field. Those that remained, however, charged the standard rates for workmen's compensation only, with an additional rate for the common law or statute liability to which employers might be exposed although under the compensation law. The sum of these two rates is said usually to have been equal to the old rates which the companies themselves filed last Fall and which were in force until Spring. It has been Mr. Mitchell's aim to get the rates so low as to drive the casualty companies out, leaving a clear field for his institution. If

he could make them cover employers' liability as well as compensation for the standard compensation rates, he would have made another long step towards the accomplishments of his purpose.

LA SALLE.

Chicago September 11, 1914.

ITEMS OF INSURANCE NEWS.

Commissioner Winship, of Michigan, is opposed to policy loans and in favor of the enactment by the Michigan Legislature of the bill drafted by the National Convention of Insurance Commissioners providing that no policy shall be issued by any legal reserve company unless it gives the company the right to defer the granting of a policy loan or cash surrender value for a period of sixty days within the State in which the bill has been enacted.

Deputy Insurance Commissioner Hodgkins, of Massachusetts, last week defined the congested district of New York on which he requires information as to amounts at risk of property insured therein by the various companies as follows: Beginning with the Battery, north along the Hudson River to Twenty-third Street; east through Twenty-third Street to Broadway; south through Broadway to the Bowery and Delancey Street; east through Delancey Street to the East River; along East River to original starting point.

Governor Blease, of South Carolina, has signed the Lawson-Harper-McCravy vital statistics bill, and it now becomes a law. Some of the provisions of the measure are that the Secretary of the State Board of Health shall be State Registrar of Births and Deaths and that the State Board of Health shall establish a bureau of vital statistics. The measure further provides that the State shall be divided into registration districts and local registrars be appointed, to record births, deaths, etc.

Governor Dunne, of Illinois, has set apart October 9 as Fire Prevention Day in that State, while Governor Ralston, of Indiana, has initiated a new movement by appointing October 2 as Disease Prevention Day.

Governor Ferris, of Michigan, has appointed Thomas B. Gloster, of Detroit, a member of the State Industrial Accident Board to succeed Ora E. Reaves, whose term of office has expired.

Edward A. Woods, president of the Edward A. Woods Agency, Inc., of the Equitable Life Assurance Society, proposes to carry to the Supreme Court of the United States the ruling of the Treasury Department that general agents' renewal commissions, if received during the period of March 1 and December 31, 1913, are subject to the income tax. Mr. Woods endeavored to secure the co-operation of other life insurance men to test the ruling of the Treasury Department, but failing in this, he has determined to test the point himself.

As but 25 per cent of the business establishments of Montreal are equipped with sprinklers for fire protection, Chief Tremblay will recommend to the committee on legislation that means be taken to have all business houses fitted up with these sprinklers. Chief Tremblay states that in many American cities it was left to the discretion of the fire department to order the installment of sprinklers and he would suggest something of the kind for Montreal.

Superintendent Hasbrouck, of the New York Insurance Department, has issued a statement calling attention to the unnecessary delays, due to lack of method and carelessness on the part of the insurance companies, in payments under the workmen's compensation act and urging their immediate remedy.

The executive committee of the Chicago Board of Underwriters has made a reduction of 2½ cents in all sprinklered risks in the congested value district, except fireproof buildings.

Many companies have arrived at their net figures in the congested district of Boston and the inquiry of the Insurance Commission of Massachusetts has already resulted in a number of managers notifying their Boston agents to drop lines in the congested district there. One strong institution intends to cut its congested amount at risk over 60 per cent, and others will make drastic reductions. It is very clear that in the immediate future the surplus line companies can secure more Boston business than they can digest at 10 or even 7½ per cent commission, and that in course of time they can safely demand more than the at present inadequate tariff rates.

Companies in Kentucky writing tobacco hail insurance agree that the results of the 1914 season, as in 1913, have been unprofitable. The experience of this season, in spite of careful adjustment, has shown that the rates are too low, and a fifty per cent increase is now being discussed. Some of the companies state that unless the increase is put into effect they will discontinue writing this class.

The action of the Aetna at Fort Worth, Tex., in withdrawing its discount of 50 per cent from manual rate on automobile insurance, effective September 1, is believed to have ended the automobile rate war, as all of the other larger companies had already withdrawn the reduced rates.

Plate glass underwriters are much disturbed over the New York situation, which has become rather worse since the fact has been forcibly brought out that there are many more instances of excess commission being paid than was formerly admitted. The practice of appointing "agents" as a means of circumventing the 25 per cent brokerage rule has become more prevalent and it is charged that uncancellable contracts are being made right along.

A general ruling with regard to short term policies has been issued by the Compensation Rating Board, of which Leon S. Senior is manager, to the effect that in the case of workmen's compensation policies that are written in substitution of existing employers' liability policies for the unexpired term of such liability policies it is proper to pro-rate the minimum premium on policies which are subject to minimum premium charge.

Chief Engineer A. M. Schoen, of the South-Eastern Underwriters' Association, with his assistant, F. G. Tupper, and inspectors Jenkins, Cates and Rutsler, met with the authorities and a committee of the Board of Trade of Birmingham in that city Tuesday morning of last week to complete arrangements for a thorough investigation of conditions, looking to recommendations that it is expected will be of great service in decreasing the fire waste of that city. Mr. Schoen said that it was strictly an engineering proposition and that the investigation would be a thorough one, including the inspection of all mercantile, factories, schools, churches, etc., and the water works and fire department. The authorities and the committee of the Board of Trade promised full co-operation with the associations. Four inspectors of the association are now engaged on the work, which may require several weeks to complete.

The Insurance Society of New York has announced a series of thirty lectures on loss adjustment which will extend over a period of two years. They will be held monthly throughout the Fall, Winter and Spring on the second and fourth Tuesday of the month in the assembly room of the New York Board of Fire Underwriters. Allen E. Clough, secretary of the loss committee of the New York Board, has charge of the series and has assisting him a committee familiar with adjustment work.

George L. Cutter has begun suit in the Supreme Court to restrain the New York Fire Insurance Exchange from depriving him of his membership in the Exchange and also to restrain three fire insurance companies which he represented in this city from depriving him of the agency. Mr. Cutter has been accused by the Exchange of increasing commissions paid to agents for business in violation of the rules of the Exchange. He denies these charges, and declares that no formal charges ever were served on him.

Fire insurance agents have long been objecting to banks or officers of banks being licensed as local fire insurance agents, especially in the large cities. One of the provisions of the National Reserve Bank Act excludes officers and employes of banks which are members of the reserve bank from accepting fees for any business carried on by the bank. This provision will not prevent officials of such banks from acting as agents for insurance companies, but they will not be permitted to accept commissions on business owned by the bank or controlled by it. Most of the bank insurance agencies are in the State banks, and an amendment to the National Reserve Bank Act is now pending permitting membership to State banks having a capital of $15,000 or more. Should this be carried it would materially affect the insurance agency situation.

Several new interpretations have been placed on clauses of the accident insurance policy, as a result of a recent decision of the Supreme Court of Arkansas in the case of Maloney vs. Maryland Casualty Co. of Baltimore, Md. The court held that where a policy required that notice of death or disability be given the company within a reasonable time, the beneficiary is entitled to recover, upon giving the required notice after the death of the policyholder, although the assured was living and conscious for a considerable period following the injury and gave no notice of the accident. The court held that there was no claim under the policy until death, and consequently, notice after death was within reasonable time. The court further held that where an injury is designedly brought about by another party, not the assured, it constitutes an accident under the terms of the accident policy.

A tabulation has been made of the experience for 1913 of the fire insurance companies operating in Western Union territory. The premiums were $109,182,281, written by 193 companies, with a loss ratio of 55.45 per cent, as against 53.02 per cent in 1912. The Union companies wrote 74.36 per cent of the total business, as compared with 73.62 in 1912, 70.30 in 1911 and 66.56 in 1910. The Bureau companies wrote 21.55 per cent of the business, as compared with 21.31 per cent in 1912, and 18.17 per cent in 1911. The non-affiliated companies showed a falling off, writing 4.09 per cent, as against 5.13 per cent in 1912, and 11.53 per cent in 1911. The loss ratio of the Union companies was 55.95 and of the Bureau companies 54 per cent, both showing an increase, and of the non-affiliated companies 53.96 per cent, also showing an increase.

The reports of twenty-seven companies to the New York Insurance Department show that, on the business of hail insurance, $1,710,607 was collected in premiums, with losses to the amount of $703,945, or a loss ratio of 41.2 per cent.

FINANCE AND COMMERCE

Financial and Commercial Review.
Banking Situation at Home and Abroad.
Statistics of Cotton and Coffee.
Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

INDICATIONS have been furnished in the last few days that a good deal of initiative has been taken by a group of international financial interests in the direction of making peace between the warring nations of Europe. The circumstances are interesting as showing what a recoil against war has been caused by the Old World catastrophe and as a reminder of the power of finance to procure a termination of hostilities which it was not able to prevent. One of the chief reliances felt for years in the preservation of Europe's peace was the assurance that the bankers would be able to impose their will on governments. This reliance was, as usual, found illusory when the contributory circumstances of belligerency had been provided. On the other hand, it cannot be disputed that finance has more than once demonstrated its ability to bring combatants to their sense and end a conflict even prematurely. By many competent observers it has always been believed that precisely such a premature peace was effected in the Russo-Japanese war, but if so the fact is all the greater tribute to the banking power.

It is a question, however, if commercial and financial calculations can admit to the present reckoning any probable early success of peace measures which may be set afoot. Every friend of the human race will aid in every way possible to bring about an effective peace, and it is to be hoped that efforts for peace will be unceasingly exerted at every stage of the war. President Wilson's finely phrased proclamation of a day of prayer is a splendid expression of American aspirations and is representative of the influences which are operating for the restoration of sanity in Europe. Nevertheless, it is more than doubtful if any such point has been reached in the war as promises immediate reward for pacific negotiations. The new agreement signed between Great Britain, Russia and France holding the allies to unity of action in effecting peace suggests that mediation, intervention and everything else leading to a peace treaty are likely to be utterly futile until more decisive results have been achieved in the war itself.

Without entering into any detailed or summary consideration of the conflicting points of view of the warring countries, it suffices to say that the intelligent opinion of Europe, as of the rest of the world, will be reconciled only to a peace which has some prospect of permanency, because it is founded in war-compelled contracts that insure the elimination of the causes of the war now raging. Much, if not most, of the current discussion of the origin of the conflict, the attributions of responsibility and so forth is idle. The common sense view is more nearly the correct one, and according to this view a situation had been created in Europe which rendered war increasingly inevitable in the past decade. While it is true that a factitious advantage might apparently be gained to-day by the announcement of willingness on the part of one side to entertain peace proposals, thus seeming to throw the onus of blame for a continuation of the war on the other side, it is still more true that in the very nature of the war no peace can issue from it unless it is a more or less enduring setltlement, humanely speaking.

If dynastic ascendancies are to be perpetuated by a peace treaty, carrying with them the rule of a quasi-autocratic military caste animated by mediaeval conceptions of national policy, only temporary peace can be the outcome. If this war is to solve anything, its solution must be such as shall convert Europe into something else than an armed camp in time of peace. It must safeguard the national integrity of neutral States and must leave the door of opportunity open to different peoples to preserve a national life free from external political aggressions of any sort. Only in that way can the peace of the world be assured and the economic rehabilitation, which is the goal of commercial and financial desire, be guaranteed.

British finance has in the last few days had the satisfaction of witnessing the auspicious workings of its plans for a resumption of those money market activities on which depend as much international trade as is now possible in all lands. One cannot praise too much the sureness and intelligence with which the British Government and British bankers have co-operated to right conditions in the London money market. When the economic history of the war comes to be written it is likely, as appears now, that a principal part of it will be devoted to an examination of the successive steps adopted in London to revive international financial dealings and sustain foreign and domestic trade movements. The latest weekly return of the Bank of England shows further convincing evidence of the progressive improvement in the London discount market, and, unless the fortunes of war make havoc of the plans of British finance, it may fairly be assumed that further headway will be made in bringing about at least a partial renewal of all operations which the outbreak of the war paralyzed to some extent or altogether, including of course the business of dealing in securities without which there can be only a crippled re-establishment of the money markets.

So far British financial endeavor has had American assistance. It has been recognized on this side that on account of our debtor relation abroad and the lack, which will be repaired in time when our new banking system has been thoroughly incorporated in the country's economic structure, of facilities for providing a world money market, we would have to look to London for financial leadership in the war crisis. Unanimity does not yet obtain among American bankers and business men about the desirability of placing American resources at the service of international finance for the benefit of our own country, as well as of others, while the hazards of war make it risky to trust too much the ability of British finance to keep going. Moreover, there is a feeling here that opportunity offers for a concerted effective employment of American resources in ways that at no distant date will constitute this country the banker of the world. Yet on the whole assent has been given to the proposition that it is wise just now to see what can be done in setting up the machinery of finance and commerce which was broken down by the declaration of war abroad. Accordingly, energies have been engaged here in contriving processes which would make American gold available in reasonable quantity not only for the discharge of American foreign indebtedness, but to aid in restoring international dealings, financial and commercial, so that there might be an accelerated creation of those credits by which debts are ordinarily settled. The banking agreement entered into to lend the City of New York $100,000,000, of which 80 per cent should be forthcoming in gold if necessary, to take up the city's notes maturing abroad in the balance of the year was a big factor in relieving strain in the foreign exchange market and starting a decline in sterling bills.

Whether or not relaxation is maintained or increased will be very largely determined by the response made to the proposition

emanating from the Federal Reserve Board banking conference at Washington a week ago that the banks of the country underwrite a supply of $150,000,000 gold, to be employed to restore the international exchanges to something like normal equilibrium. There is no doubt that an honorable regard for our foreign obligations requires us to use American resources to pay them on the nail. Nor is there any doubt that as we do so the exhibition of American commercial principle will conduce immensely to our benefit and make it all the more probable that in the years ahead the world's financial and commercial leadership will tend to be asserted here. The mere certainty that America is not going to hoard its gold will also militate against foreign demands for the release of any large quantity of it and will induce foreign dispositions to accept American credits in lieu of cash at foreign centres. The matter is of the utmost moment because all our desires for a recovery of trade volumes, domestic and international, and for a maintenance of American values are vain unless there is a warrant of financial provisions to accommodate them.

Another of the great American problems of the day was formally posed at Washington on Wednesday, when representatives of the leading railroad systems in all parts of the country had a conference with President Wilson on the tremendous difficulties in which the war has involved the common carriers. As compared with the danger of a widespread embarrassment of railroad credit because of insufficient earnings to preserve it and to permit the refinancing, if not new financing, which must be done, the troubles of the cotton growers which have occupied so much governmental attention are almost insignificant. Concrete recommendations as to the course which Government, National and State, might pursue toward the railroads in the present emergency were not offered at the conference, but there are various ways in which public support can be given to railroad values and if such support is not afforded disaster unmistakably impends. The circumstances of the railroads must moreover be resolutely dealt with before energies can be directed to the problem of a resumption of regular dealings in the securities markets. Huge potential pressure on the securities markets can be averted if it is demonstrated that railroad credit is not going to be generally impaired and the necessity of resuming business in securities as soon as possible is additional reason for the prompt definition of a public policy of protection for railroad investment.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Aug. 1, 1914			Week Aug. 8, 1914		
	Banks.	Trust Cos	Both.	Banks.	Trust Cos.	Both.
Loans	1,425.7	630.4	2,056.1	1,464.5	620.6	2,085.1
Deposits (net)	1,454.5	481.2	1,935.8	1,433.6	475.3	1,908.9
Cash reserves	374.0	70.3	444.4	324.2	62.3	386.5
Reserve ratio (%)	25.7	16.6	22.9	22.6	13.3	20.2

Actual Status.

	Week July 25, 1914			Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,431.7	625.7	2,057.5	1,422.4	635.3	2,058.7
Deposits (net)	1,479.1	478.7	1,958.3	1,422.7	488.7	1,911.5
Cash reserves	392.6	74.2	467.8	344.3	67.1	411.5
Reserve ratio (%)	26.6	15.5	23.8	24.2	13.9	21.5

Actual Status Non-Member Institutions.

	1914			
	July 18.	July 25.	Aug. 1.	Aug. 8.
Loans	578.9	573.0	570.8	569.7
Deposits (net)	578.5	573.7	567.6	563.1
Cash reserves	53.1	52.5	53.2	54.3
Other reserves	83.1	83.5	83.8	68.5
Reserve ratio (%)	25.8	26.0	26.4	24.1

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914			
	July 11.	July 18.	July 25.	Aug. 2.
Loans	2,665.2	2,657.2	2,629.5	2,629.5
Deposits (net)	2,542.3	2,522.7	2,532.6	2,479.1
Cash reserves	503.7	512.9	520.3	464.7

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	100.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.63

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
August 29	1,640	1,151	2,755	.....	.....	2,065
August 22	1,483	1,266	2,749	.....	.....	2,214
August 15	1,198	1,592	2,790	820	1,378	2,199

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
September 10	3	4	5¾	8	8	7
September 3	3½	4	5¼	8	10 nom.	8
August 27	2½	3¾	5½	8	10 nom.	7

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Aug. 20.	Aug. 27.	Sept. 3.	Sept. 10.
Deposits	121,767	147,777	262,494	155,110
Circulation	37,186	35,571	35,287	35,221
Gold	37,959	43,473	47,772	47,508
Securities	120,766	139,682	149,844	142,669
Reserve ratio (%)	15¾	17.00	19.00	19.81
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,049.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 2.	July 9.	July 17.	July 25.
Gold and silver	1,586.8	1,596.4	1,681.6	1,722.7
Loans and discounts	1,284.3	1,026.0	867.3	801.0
Circulation	2,407.1	2,192.0	1,994.5	1,890.8
Discount rate (%)	4	4	4	4

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	April.	May.	June.	July.
Loans on call	208.4	197.1	204.5	193.9
Loans, other	924.4	927.5	925.5	888.1
Deposits, demand	350.5	340.7	355.0	346.8
Deposits, other	767.0	759.3	767.7	766.9
Circulation	93.0	97.7	99.1	94.8
Cash reserves	113.2	113.3	113.3	113.3

THE COUNTRY'S COMMERCE

	June		July	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$131,245,877	$157,772,973	139,281,227	$160,178,133
Exports	163,404,916	157,119,451	160,515,941	154,082,225
Specie.				
Gold—Imports	3,386,974	3,817,112	7,859,463	3,391,715
Exports	569,315	48,107,064	8,653,448	33,669,424
Silver—Imports	2,365,170	1,822,305	2,796,190	1,238,104
Exports	4,731,557	4,639,077	4,936,456	3,952,956

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	53½	53½	54¾	54¾	55	55¾
London	24½	24½	24 15-16	24 15-16	25	25 3-16

COTTON

September 12, 1914.

THE cotton exchanges of the world remain closed, and consequently there is nothing to report of the operations of the cotton trade upon them; and their quotations of the price of cotton are still lacking to the multitude of persons,—producers, manufacturers, dealers in yarn and goods, etc.,—who have been accustomed to rely upon these quotations in the conduct of their several businesses. The distress on this account in various directions becomes more acute with every passing day, and loud demands are beginning to be heard, even from persons previously extreme in their denunciation of these institutions, that they should re-open at once and perform their function. There is, however, small indication that the re-opening will come in the very near future, because too many problems must first be solved in some fashion. The outbreak of the European War caught the members of all the cotton exchanges, at home and abroad, with a large sum of open commitments for customers from one end of the world to the other; many of these commitments were for German or Austrian merchants and manufacturers, who cannot even be heard from, and about whom it is impossible to say whether they are alive or dead. Then the virtual stoppage of international business in cotton goods, owing to the tie-up of exchange and the prohibitive cost of marine insurance, has compelled manufacturers, even in countries not closed by the war, to reduce their operations to the lowest possible point and to buy what small amount of cotton they could spin, from day to day and with no commitments for the future at all. Many of these manufacturers had begun in a small way, before the war broke out, to contract for cotton for delivery next Winter and Spring; and the violent decline in the market has required all the available capital of these manufacturers to protect such contracts, precluding all possibility of their entering into new ones. For the first time in the memory of those now in the cotton trade a great decline in the price of cotton has served to diminish, rather than to increase buying. Consequently, the members of the cotton exchanges, before they can consider re-opening those institutions, must find ways of adjusting and so far as possible liquidating these ante-bellum contracts. This they are making considerable progress in doing, but they are still far from having the slate so clear that they can without assuming undue risks for themselves (and, of course, for their customers through them) open the doors to new trading, with all its uncertainties about the willingness of buyers and the urgencies of sellers. Nor is it, in the long run, for the best interest of the cotton producers that all restraints should be removed from their selling their cotton as and when they like or must. The fact cannot be blinked that at the moment the amount of cotton which the South has to sell from day to day is far greater than spinners are prepared to take. It is true that the holding movement has spread fast and far among the farmers, and that for the time being there is little pressure of cotton offered for sale in the Southern markets. Such campaigns as that known as the "buy-a-bale" campaign are also having their effect. But the time of trial is just ahead of us, not actually here. The ginnings of August and September after all make no very heavy load of cotton. It is when the October and November ginnings, millions upon millions of bales, are upon us that the true test will come of the capacity of the South to hold cotton to a sufficient extent to prevent a severe decline in prices, and a spread of demoralization among those who have carried their cotton home or have "bought a bale." It is true that the promoters of holding cotton are making much of a prognosticated large decrease in next year's acreage in cotton in the United States; but next year is a long time ahead and its possibility of reduced acreage is not the strongest kind of support for a present holder of cotton who sees the market declining to new low levels with each successive week. Then, too, there is the skpeticism, quite as prevalent in the South as elsewhere, as to the possibility of procuring an actual reduction of acreage of more than a trivial amount, when the next crop comes to be planted. The truth is, of course, that the only trustworthy way of maintaining the price of cotton this season at a level that does not mean general ruin through the South, is to give the freest opportunity and the most resolute assistance to the cotton trade, in order that it may use its machinery of the cotton exchanges to spread the unrequired portion of the present crop over a whole series of succeeding years. There are in the world a multitude of spinners and other persons who can be brought by the cotton trade to contract for cotton for delivery in future years. There is no conceivable way in which these spinners can be enabled so to contract except through the use of the system of future contracts made upon cotton exchanges. In 1911-1912, when the surplus of cotton was almost as large as it promises to be this year, the weight of it was distributed over years as far ahead as 1920. The same result could be obtained this year, were it not that the officers of the Government at Washington and Congress itself, instead of calling the cotton trade into co-operation in the remedial measures under discussion, are continually showing both the trade as a whole and the cotton exchanges that their help is not required or desired. Thus all the beneficent activities of the trade and of its instrumentalities are pushed aside, while utterly unsound and in the long run certainly pernicious projects are evolved by political powers that prefer darkness to light. As it is we shall be fortunate if we escape the longest and most costly valorization scheme that has ever been tried by man.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	.....	.....	9.90	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	32 points below January		
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.20	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
Opening	} 25 points over J-F					
12:30 p. m.						
Close						
Aug.-Sept.—						
Opening	} 15 points over J-F					
12:30 p. m.						
Close						
Sept.-Oct.—						
Opening	} 6 points over J-F					
12:30 p. m.						
Close						
Oct.-Nov.—						
Opening	} 4 points over J-F					
12:30 p. m.						
Close						
Nov.-Dec.—						
Opening	} 1 point under J-F					
12:30 p. m.						
Close						
Dec.-Jan.—						
Opening	} 1 point under J-F					
12:30 p. m.						
Close						
Jan.-Feb.—						
Opening	}	5.90	5.90	5.70	5.70	5.70
12:30 p. m.						
Close						
Feb.-Mar.—						
Opening	} 1 point over J-F					
12:30 p. m.						
Close						
Mar.-Apr.—						
Opening	} 3 points over J-F					
12:30 p. m.						
Close						
April-May—						
Opening	} 3½ points over J-F					
12:30 p. m.						
Close						
May-June—						
Opening	} 4 points over J-F					
12:30 p. m.						
Close						
June-July—						
Opening	} 2½ points over J-F					
12:30 p. m.						
Close						

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight.

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	....	....	....	....	....	....
Galveston	....	....	....	....	....	....
Mobile	....	....	....	.....	.....	.....
Savannah	8⅜	....	8	good mid. 8c	good mid. 8c	good mid. 8c
Charleston	....	....	....	....	....	....
Wilmington	....	....	....	....	....	....
Norfolk	....	....	....	....	....	....
Baltimore	....	....	....	....	....	....
Augusta	....	....	7 9 16	....	7⅞	7⅞
Memphis	....	....	....	....	....	....
St. Louis	....	....	....	....	....	....
Houston	....	....	....	....	....	....
Little Rock	....	....	....	....	....	....

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	....	....	....	7.04
Good middling	....	....	....	....	....	6.55
Middling	6.20	6.20	6.00	6.00	6.00	6.00
Low middling	....	....	....	....	....	5.52
Good ordinary	....	....	....	....	....	4.56
Estimated spot sales	.....	2,600	2,700	3,100	3,000	4,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	233,944	197,445	217,790	49,113
Overland to mills and Canada	1,405	1,761	2,505	1,316
So. mill takings, est., exclusive of takings from Southern ports.	40,000	40,000	40,000	15,000
Gain of stocks at interior towns	27,353	20,758	32,033	22,141
Brought into sight for week	302,702	259,964	292,328	87,570
Total Movement—				
Port receipts	704,543	550,903	624,307	121,770
Overland to mills and Canada	11,498	13,781	21,753	5,451
Southern mill takings	127,032	100,873	139,796	23,000
Stocks at interior towns in excess of July 31	53,203	38,622	9,896	22,141
Brought into sight thus far this season	896,276	704,211	795,752	172,362

The total crop movement is respectively for 46 days, 44 days, 43 days and 42 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	115,677	283,547	128,487	26,689	64,414	51,574
New Orleans	8,352	19,819	23,069	2,527	9,253	48,639
Mobile	4,685	4,883	9,833	1,825	2,771	3,601
Savannah	50,702	55,344	44,395	11,468	21,287	19,350
Charleston	12,875	12,875	17,240	1,649	2,963	3,239
Wilmington	3,494	3,494	7,928	811	1,134	8,074
Norfolk	1,028	1,351	5,101	1,059	3,570	13,347
Baltimore	509	13,747	2,916	35	522	3,086
New York	26	44,956	21,292	.....	50	84,780
Boston	11	909	3,538	149	1,156	3,168
Philadelphia	.....	150	4,451	.....	510	1,376
Newport News	.....	.....	.....	813	4,625	.....
Brunswick	8,400	8,655	3,937	500	500	500
Pensacola	.....	.....	.....	.....	.....	.....
Port Arthur	.....	825	.....	.....	.....	.....
Pacific ports	676	924	.....	.....	4,850	2,084
Texas City, etc.	10,958	31,634	14,215	1,288	3,481	4,621
Jacksonville, etc.	397	397	380	205	580	63
Georgetown	.....	.....	.....	.....	.....	.....
Totals	217,796	483,526	286,782	49,009	121,666	247,502

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	3,221	15,459	2,350	1,878	665	1,640	43	1,925
Dallas	1,984	3,574	838	3,094	1,079	1,191	734	741
Shreveport	3,734	5,572	2,009	4,604	1,186	1,310	143	4,347
Little Rock	533	946	154	3,276	69	290	115	4,794
Helena	190	210	12	257	290	329	.....	1,196
Vicksburg	122	190	32	866	84	115	8	679
Columbus, Miss.	620	943	238	684	221	312	8	400
Natchez	96	466	100	857	308	455	.....	1,374
Memphis	1,713	7,448	1,596	10,855	2,111	4,915	2,574	14,222
Nashville	13	29	47	18	.....	.....	....	.....
Selma	7,433	14,509	6,818	3,742	4,191	7,241	963	6,478
Montgomery	8,295	14,628	5,936	7,081	4,627	8,440	1,252	9,216
Eufaula	1,620	3,415	1,183	2,022	1,319	2,378	477	1,828
Columbus, Ga.	1,180	1,695	1,125	4,046	2,475	3,942	1,750	2,677
Macon	723	919	516	652	1,094	1,440	427	1,003
Albany	2,631	7,364	2,540	1,973	1,500	3,630	939	3,500
Atlanta	331	916	330	282	158	285	178	675
Rome	409	786	200	1,710	65	251	50	2,661
Augusta	12,312	20,346	6,131	12,876	9,501	15,970	2,970	16,742
Columbia	1,854	10,614	1,854	.....	691	2,256	691	.....
Newberry	347	1,386	347	.....	241	317	241	.....
Charlotte	33	225	53	.....	16	25	16	.....
Raleigh	190	463	150	70	15	23	10	8
St. Louis	793	8,163	1,115	5,537	1,086	5,599	1,164	13,909
Houston	117,977	305,891	100,274	60,618	29,249	91,569	24,880	37,968
Meridian	521	987	62	2,096	249	491	5	1,690
Cincinnati	718	6,924	763	20,406	626	5,599	658	5,359
Yazoo City	298	420	82	2,207	299	372	85	1,356
Totals	169,901	534,606	136,855	151,747	63,418	160,498	40,321	134,748

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	38,852	23,946	2,056
France	1,304	.....	.....
Continent	30,773	70,794	2,597
Mexico	.....	2,030	.....
Japan	.....	976	2,766
Totals	70,929	97,746	7,419
Since August 1.			
Great Britain	119,954	119,464	8,374
France	47,851	52,153	.....
Continent	98,387	201,188	17,233
Mexico	53	4,631	.....
Japan	.....	3,049	2,766
Totals	266,245	380,485	28,373

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	35,000	40,000	.....
Since September 1	58,000	53,000	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	1,500	4,000	4,750	5,250	.....	.....
To Manchester	.....	2,250	.....	.....	.....	.....
To Continent	5,000	7,750	3,500	5,000	.....	.....
To America	900	2,900	600	900	.....	.....
Total exports	7,400	16,900	8,850	11,150	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	7,000	16,000	.....	.....
Exports to Great Britain	.....	1,000	.....	.....
Exports to Continent	6,000	37,000	.....	.....
Exports to Japan and China	5,000	5,000	.....	.....
Afloat in harbor	10,000	.....	.....	.....

Exchange, 1s. 4 5-16.

Receipts exclusive of ——— American this week, —— this season; —— this week last year, 1,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	496,000	319,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses	25,000	11,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	3,000	.....	.....
Bremen	78,000	76,000	.....	.....
Havre	54,000	47,000	.....	.....
Other ports—Continent	22,000	10,000	.....	.....
Alexandria	65,000	.....	.....	.....
Bombay	379,000	.....	.....	.....
U. S. interior towns	151,747	151,747	.....	.....
U. S. ports	286,782	286,782	.....	.....
Afloat for—				
Liverpool	120,000	80,000	.....	.....
London	.....	.....	.....	.....
Continent	298,000	196,000	.....	.....
Afloat in Bombay harbor	10,000	.....	.....	.....
Coastwise to New York	25,000	25,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	2,032,529	1,205,529	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 104,613. Increase in American visible supply for the week, ———, against increase last year, 119,613.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	795,752	.....
Total supply	2,127,892	.....
Less visible supply, American, to-day	1,205,529	.....
World's takings, American, to-day	922,363	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	.....
Receipts at United States ports to date	624,307	121,770
Total supply at ports	785,596	374,971
Deduct.		
Stocks at ports to-day	286,782	247,606
*Exports to date	405,485	43,373
Southern mill takings from ports	6,548	13,575
Burnt at ports	.....	.....
Totals	698,815	304,554
To Northern mills from ports	86,781	70,417
Overland to Northern mills	21,753	5,451
Total Northern mill takings	108,534	75,868
Southern mill takings	146,344	36,575
Total American mill takings, including Canada	254,878	112,443

*Includes ——— in transit between Southern ports and New York, against 25,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	67,969	67,969	.....	.....
Great Britain	53,946	53,946	.....	.....
Continent	47,794	47,794	.....	.....
Mexico	2,030	2,030	.....	.....
Japan and China	976	976	.....	.....
Totals	172,715	172,715	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	37,000	45,000	13,000	20,000
Sales, American	29,000	27,000	11,000	16,000
Sales, speculation	1,000	2,000	.....	.....
Sales, exports	1,000	1,000	1,000	1,000
Forwarded	57,000	70,000	21,000	26,000
Imports, all kinds	27,000	42,000	20,000	16,000
Imports, American	15,000	17,000	3,000	.....
Actual exports, all kinds	5,000	10,000	1,000	4,000
Stock, all kinds	534,000	496,000	881,000	867,000
Stock, American	387,000	319,000	600,000	577,000
Afloat for Great Britain, all kinds	143,000	120,000	31,000	.....
Afloat for Great Britain, American	96,000	80,000	4,000	.....

* * *

NEW YORK COTTON EXCHANGE REVISION OF DIFFERENCES FOR THE GRADES OF COTTON.

At a meeting of the Committee on Revision of Quotations of Spot Cotton, held on Wednesday, September 9, the differences, or valuations for delivery purposes, of the grades of cotton other than Middling, were considerably reduced for the grades above Middling, but left unchanged for the grades having a lower value than Middling. The following table gives the revised differences, the old differences, and the number of bales of the several grades in the New York stock on September 8:

Bales in N. Y. Stock.	Grade.	Old Differences. Cents.	Revised Differences. Cents.
.....	Fair	1.75 on	.70 on
5	Strict middling fair	1.50 on	.63 on
16	Middling fair	1.30 on	.56 on
5	Strict good middling	.90 on	.42 on
1	Fully good middling	.78 on	.35 on
1	Good middling	.65 on	.28 on
8	Barely good middling	.48 on	.21 on
146	Strict middling	.32 on	.14 on
201	Fully middling	.16 on	.07 on
1,057	Middling	Basis	Basis
927	Barely middling	.25 off	.25 off
6,744	Strict low middling	.50 off	.50 off
11,165	Fully low middling	.85 off	.85 off
19,122	Low middling	1.25 off	1.25 off
16,155	Strict good ordinary	2.00 off	2.00 off
1,244	Good ordinary	3.00 off	3.00 off
19	Strict good middling tinged	.45 on	.14 on
522	Good middling tinged	Value of Mid.	Value of Mid.
2,983	Strict middling tinged	.20 off	.20 off
6,182	Middling tinged	.40 off	.40 off
4,546	Strict low middling tinged	1.25 off	1.25 off
447	Low middling tinged	3.00 off	3.00 off
339	Middling stained	1.25 off	1.25 off
71,835	Total stock of certificated cotton in New York.		

* * *

New York Cotton Exchange Statistics of the Commercial Cotton Crop of the United States in 1913-1914.—The New York Cotton Exchange has issued its preliminary figures for the Commercial Crop of Cotton (not the growth or the amount ginned) of the

WILLIAM RAY & CO.
Successors to Geo. Copeland & Co.
COTTON BROKERS
43 Cotton Exchange Building, New York
Members of New York Cotton Exchange
Associate Members of Liverpool Cotton Ass'n
Cotton for Spinners' Use.

United States for the season September 1, 1913, to August 31, 1914. The figures, with comparisons for 1912-1913, are as follows:

	1912-1913. Bales.	1913-1914. Bales.
Port Receipts	10,147,465	10,502,880
Overland Movement	1,109,496	1,184,689
Southern Mill Takings, less Takings from Ports	2,846,796	2,864,887
Total Commercial Crop	14,103,757	14,552,456

* * *

UNITED STATES CENSUS BUREAU'S ESTIMATE OF THE WORLD'S PRODUCTION OF COTTON IN 1913.

The Bureau of the Census has just issued the results of its annual inquiry as to the amount of cotton produced in all the cotton-producing countries of the world for the crop year 1913,—the same furnishing the supply of cotton for the statistical season of 1913-1914. It should be borne in mind that the figures for the various countries are not estimates of the Census Bureau itself, but are based upon the best estimates obtainable from governmental reports (including United States Consular Reports), statistics gathered by associations and individuals conversant with the subject, trade journals, etc. According to the statement of the Bureau of the Census accompanying the statistics: "The statistics for the United States were collected by this Bureau. Those for other countries have been compiled from a number of sources, among them being: 'The Cotton Gazette,' Liverpool; Mitsui and Company, Osaka; Reinhart and Company, Alexandria; Commercial Intelligence Department of the Indian Government; Russian Department of Agriculture; E. T. Craig (Mexico City); Pan American Union; and the United States Consular Reports."

The following table gives the statistics of the Bureau of the Census, by countries and in total, for the crop year 1913, with comparisons for the four previous years:

COTTON PRODUCTION OF THE WORLD FOR CROP-YEAR 1913.
(In bales of 500 pounds, net weight.)

Country.	1913.	1912.	1911.	1910.	1909.
United States	13,545,000	13,113,000	15,013,000	11,104,000	9,566,000
India	3,801,000	3,328,000	2,270,000	2,722,000	3,414,000
Egypt	1,470,000	1,432,000	1,463,000	1,506,000	1,000,000
China	1,200,000	1,074,000	625,000	775,000	600,000
Russia	1,004,000	917,000	939,000	981,000	785,000
Brazil	420,000	315,000	275,000	280,000	225,000
Mexico	150,000	140,000	130,000	147,000	125,000
Peru	110,000	110,000	100,000	95,000	107,000
Persia	140,000	137,000	120,000	117,000	116,000
Turkey	130,000	115,000	124,000	105,000	108,000
All other countries	285,000	235,000	210,000	195,000	195,000
Totals	22,255,000	20,976,000	21,269,000	18,027,000	16,241,000

The amounts for India do not include cotton used in home manufacture, although such cotton is included in the reports of cotton produced, compiled by the Indian Government.

(For Further Items on Cotton See Page 352.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3⅜	3⅜
Gray goods, 38 in., standard	4-4¼	4
Brown sheetings, Southern standard	7½	7½
Denims, 9-ounce	11-17	11-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	21½-22	21½-22
Southern 2-ply skeins, 60s	44	44
Southern single skeins, 20s	18	18
Southern single chain warps, 20s	18	18
Southern 2-ply chain warps, 20s	18-18½	18-18½
Southern frame cones, 20s	19¼	19¼
Southern frame cones, 30s	22-23	22-23
Eastern carded cops, 20s	22½	22½
Eastern carded cops, 30s	26¾	26¾
Eastern carded peeler warps, 30s	29	29
Eastern carded peeler warps, 50s	46	46

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	September High.	September Low.	December High.	December Low.	May High.	May Low.
September 12	1.21	1.19	1.24½	1.21¾	1.32	1.28¾
September 14*	....	....	....	....	....	....
September 15	1.16½	1.14	1.21½	1.16	1.29	1.24
September 16*	....	....	....	....	....	....
September 17	1.15½	1.11¾	1.19¼	1.14½	1.26	1.22
September 18	1.12½	1.10	1.16	1.12¾	1.23½	1.20¼

CORN (New Contract).

	September High.	September Low.	December High.	December Low.	May High.	May Low.
September 12	82¾	81¼	76⅝	75⅞	79⅜	78¼
September 14*	....	....	....	....	....	....
September 15	81	78⅞	76½	74¾	78⅝	77¼
September 16*	....	....	....	....	....	....
September 17	78¾	76	74⅝	72½	77¼	75⅜
September 18	77⅜	76	73⅜	71⅜	76⅛	74¼

OATS.

	September High.	September Low.	December High.	December Low.	May High.	May Low.
September 12	51½	51	54¾	54	58⅛	57¼
September 14*	....	....	....	....	....	....
September 15	51	49½	54⅜	52½	57½	55¾
September 16*	....	....	....	....	....	....
September 17	49⅝	47¼	53¼	50⅛	56¼	53¼
September 18	47⅞	46	51⅛	49⅞	54¼	52¼

LARD.

	September High.	September Low.	October High.	October Low.	January High.	January Low.
September 12	10.17½	10.07½	10.27½	10.17½	11.02½	10.92½
September 14*	....	....	....	....	....	....
September 15	....	....	10.20	10.05	10.95	10.75
September 16*	....	....	....	....	....	....
September 17	9.82½	9.17½	10.02½	9.25	10.75	10.05
September 18	....	....	9.45	9.30	10.22½	10.00

RIBS.

	September High.	September Low.	October High.	October Low.	January High.	January Low.
September 12	12.45	12.40	12.15	12.12½	11.82½	11.70
September 14*	....	....	....	....	....	....
September 15	12.35	12.35	12.02½	12.00	11.77½	11.52½
September 16*	....	....	....	....	....	....
September 17	12.20	12.00	11.95	11.60	11.52½	11.05
September 18	....	....	11.60	11.50	11.12½	10.75

PORK.

	September High.	September Low.	October High.	October Low.	January High.	January Low.
September 12	....	....	....	....	23.05	22.80
September 14*	....	....	....	....	....	....
September 15	....	....	....	....	23.00	22.42½
September 16*	....	....	....	....	....	....
September 17	....	....	....	....	22.55	21.20
September 18	19.20	19.00	....	....	21.45	20.70

*Holiday.

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	*....	*....	5.80	5.75	5.85	6.00
September	....	....	5.85	5.82	5.86	6.03
October	....	....	5.93	5.96	5.99	6.08
November	....	....	5.88	5.90	5.95	6.07
December	....	....	5.93	5.95	6.02	6.09
January	....	....	6.02	6.05	6.12	6.20
February	....	....	6.03	6.05	6.15	6.20
March	....	....	6.12	6.16	6.26	6.35
April	....	....	6.14	6.16	6.26	6.36

*Holiday.

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot	7⅝ nom.	....	7½	7⅜	7¼	7

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Last sale.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	79
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O	
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*	
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	99
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	98⅞
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*	
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O	
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	95½
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*	
120⅜	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-C*	
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	64
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	91
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	92¼
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov	
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	100¾
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	90½
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S	
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	87¼
91¾	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	89½
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	87⅞
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	98
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*	
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	100
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	99¾
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N	
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S	
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*	
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	96
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	116⅜
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J	
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	90½
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N	
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	70
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*	
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	37⅛
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	92½
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	95
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	95
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N	
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	68
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	95
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*	
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J	
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*	
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	81¾
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	19½
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	66
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D	
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*	
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	71
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*	
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	89½
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N	
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A	
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	98
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N	
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	75½
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	
73	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	52½
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*	
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*	
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J	
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	67½
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	63½
90	Jan	20	85¾	July	23	Erie (Pa) col 4s	1951	*F-A	88¾
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-O	
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*	
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*	
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	105¼
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O	
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O	
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*	
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	91
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	43
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	72½
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	97½
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	100½
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J	
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S	
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D	
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S	
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	71
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O	
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O	
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F	
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J	
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*	
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D	
93½	Sept	8	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	90

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Thursday, July 30. Close.
92⅝	Feb	3	88	Dec	20	Lake Shore deb g 4s	1931	*M-N	
89⅛	Feb	19	84	Aug	9	Long Island unified 4s	1949	*M-S	
94	Jan	4	86	July	17	Long Island gen 4s	1938	*J-D	
96	Apr	23	89½	Aug	22	Long Island ref 4s	1949	*M-S	
99½	Jan	13	91½	June	11	Louis & Nash unified 4s	1940	J-J*	93¼
95	Jan	14	86½	July	1	Manhattan con 4s	1990	*A-O	
95½	Jan	22	87¾	June	19	Man Ry 4s stpd tax exempt.	....	....	
95¼	Jan	8	86½	Oct	22	M K & T 1st 4s	1990	*J-D	81⅝
81¾	Jan	8	71	Nov	21	M K & T 2d 4s	June 1990	F-A	57
99⅜	Sept	11	95½	Nov	12	M K & T ext g 5s	1944	M-N*	
77½	Feb	3	67¼	June	23	M K & T ref 4s	2004	M-S*	
87	Jan	2	79½	July	7	M K & T gen 4½s	1936	*J-J	
100¼	Jan	17	97	Aug	26	M K & T of Tex 5s	1942	M-S*	
100	Feb	18	95	Dec	1	Mo Pac col tr 5s	Jan 1917	M-S	
99⅜	Jan	13	91	July	14	Mo Pac col tr 5s	1920	F-A*	85½
70⅜	Jan	9	62	Dec	29	Mo Pac 4s	1945	*M-S	39½
85⅞	Jan	14	79⅝	Dec	16	Mobile & Ohio gen 4s	1938	M-S*	
78	Jan	7	73	Dec	9	Nassau Electric 4s	1951	*J-J	
88½	Jan	4	52	Dec	17	Nat Rys of M per lien 4½s	1957	J-J*	
78	Jan	9	76¼	Dec	28	Nat Rys of M con 4s	1977	A-O*	
108½	Feb	11	104½	Nov	8	Nash Chatt & St L con 5s	1928	*A-O	
103	Jan	6	96½	Dec	17	N Y Air Brake con 6s	1928	*M-N	97
87¼	Jan	30	80	Dec	10	N Y Central ref 3½s	1997	J-J*	79¾
91½	Jan	9	83	Dec	29	N Y Central deb 4s	1934	*M-N	
83	May	14	76½	Dec	23	N Y Central L S 3½s	1997	J-J*	
80	May	22	71	Dec	5	N Y Central M C col 3½s	1998	*F-A	
99½	Jan	2	93½	July	18	N Y C & St L 1st 4s	1937	A-C*	93½
86½	Jan	10	80	Nov	5	N Y G E L H & P 4s	1949	*F-A	
103⅜	Sept	29	100⅝	June	14	N Y G E L H & P col tr 5s	1948	J-D*	104
126	Jan	3	102¾	Dec	17	N Y N H & H con deb 6s	1948	*J-J	99
87	Jan	23	68	Nov	12	N Y N H & H deb 3½s	1956	*J-J	
92¼	Jan	20	84	Dec	23	N Y Ont & W 1st ref 4s	June 1992	M-S	81
79	Jan	10	72½	June	10	N Y Rys ref 4s	1942	J-D	72
61	Dec	30	51⅞	June	10	N Y Rys adj 5s	1942	J-D	45
99	Jan	31	88	June	11	N & W con 4s	1996	A-O*	
92¾	Jan	10	87	Dec	20	N & W div 1st lien 4s	1944	J-J*	
104⅞	May	26	102¼	Nov	5	N & W conv 4s	1932	*J-D	
92	Jan	13	83	June	23	N & W P C & C joint 4s	1941	J-D*	
98⅝	Jan	10	91½	July	7	North Pac prior 4s	Jan 1997	Q-J	92
68⅝	Sept	20	63½	June	5	North Pac gen 3s	Jan 2047	Q-F	67¼
94	Feb	25	86	Nov	6	Oregon Ry & Nav 4s	1946	*J-D	
112⅛	Jan	14	108½	July	17	Oregon Short Line 1st 6s	1922	*F-A	
109	Jan	16	103½	June	19	Oregon Short Line cons 5s	1946	J-J*	
93⅛	Jan	7	86½	June	13	Oregon Short Line ref 4s	1929	J-D*	89½
101½	Feb	3	98	July	16	Pacific Coast 1st 5s	1946	*J-D	
101	Jan	11	95	June	11	Pacific Tel & Tel 5s	1922	*J-J	
102¾	Feb	5	98	Nov	29	Penn con 4s	1948	M-N*	99
97½	Jan	7	95⅞	July	18	Penn con 3½s	Oct 1 1915	J-D	98¼
89	Jan	2	79	June	27	Peoria & E 1st 4s	1940	*A-O	
49¾	Feb	20	35	June	4	Peoria & E income 4s	Apr 1990	Ann.	21
97½	Jan	25	90⅜	Dec	19	Reading gen 4s	1997	*J-J	93
96¾	Mar	12	91½	June	16	Reading Jersey Cent col 4s	1951	*A-O	
103	Oct	11	102	Sept	30	Rep Iron & Steel col 5s	1934	A-C*	104
85¼	Jan	13	78	Oct	15	Rio Grande W 1st 4s	1939	J-J*	
81	Jan	23	67½	Dec	17	Rio Grande W col tr 4s	1949	*A-O	
84	Jan	31	75¼	Dec	10	St J & G I 1st 4s	1947	*J-J	
106	Jan	10	100	June	26	St L & I M gen 5s	1931	*A-O	
82⅝	Jan	31	74	Dec	22	St L & I M ref 4s	1929	J-J*	
83½	Jan	3	76½	Dec	9	St L & I M Riv & G Div 4s	1933	*M-N	
76¾	Jan	8	65	May	29	St L & S F R R ref 4s	1951	J-J*	63⅝
82¼	Jan	7	50½	July	18	St L & S F R R gen 5s	1927	*M-N	
90	Jan	6	83¼	Dec	22	St L S W 1st 4s	1989	M-N*	81⅛
80	Jan	3	78	Feb	17	St L S W 2d income 4s	Nov 1989	J-J	
81	Jan	7	75	Nov	26	St L S W consol 4s	1932	*J-D	
104½	Jan	13	100¼	July	16	St P M & M con 4½s	1933	J-J*	
96¼	Apr	4	92	July	21	St P M & M Mont ext 4s	1937	*J-D	95¼
85¾	Jan	2	75	Nov	19	San Antonio & A P 4s	1943	*J-J	
79	Jan	13	72½	Oct	15	Seaboard A L ref 4s	1950	A-O*	
86	Jan	23	79½	July	7	Seaboard A L stamped 4s	1950	A-O*	85
77¼	Jan	20	66½	June	12	Seaboard A L adj 5s	1949	F-A*	72
94⅛	Feb	4	87	June	12	So Pac ref 4s	1955	*J-J	89
98	Feb	7	87⅞	June	27	So Pac col 4s	Aug 1949	J-D	
93⅝	Feb	1	84	June	10	So Pac conv 4s	June 1929	M-S	80½
107⅛	Jan	10	101	June	24	So Ry 5s	1944	J-J*	102
78½	Jan	2	72¼	Dec	1	So Ry col tr 4s	1956	*A-O	67¾
86½	Jan	21	78½	June	20	So Ry M & O Div 4s	1938	M-S*	
88½	Jan	8	79⅛	Aug	12	So Ry St L Div 4s	1951	*J-J	
103	Jan	11	96	Dec	18	Tenn Coal & Iron gen 5s	1951	*J-J	
89¾	May	10	88	Oct	16	Term Ass'n St L ref 4s	1953	*J-J	
107¼	Jan	3	99	Nov	24	Texas Pac 1st 5s	2000	*J-D	
82⅝	Jan	10	77½	June	10	Third Av ref 4s T R ctfs std	2000	*J-J	
81½	Dec	31	80	Dec	18	Tol St L & W 3½s	1925	J-J*	
60	Aug	29	47½	June	9	Tol St L & W 1st 4s	1950	*A-O	44⅛
96	Sept	26	92½	May	13	Underground London 4s	1947	J-J*	
99⅜	Jan	14	94	Dec	2	Union Pacific 1st 4s	1933	*J-J	97
97	Jan	2	86⅝	June	12	Union Pacific conv 4s	1927	J-J*	86
95½	Jan	7	87⅞	June	19	Union Pacific ref 4s	June 2008	M-S	93½
67	Jan	3	50½	Nov	24	United Rys San Fran 4s	1927	*A-C	
89	Jan	10	79	Nov	29	U S Realty & Imp 5s	1924	J-J*	
27	May	8	25	Jan	2	U S Reduc & Ref 6s	1931	J-J*	
103¾	Feb	8	100	Mar	13	U S Rubber 6s	1930	*M-N	102
102	Jan	7	96⅝	June	10	U S Steel 5s	1939	*F-A	101¼
98	Jan	13	90¼	July	1	Va-Car Chemical 1st 5s	1918	J-D*	96¼
106½	Jan	9	101	June	5	Wabash 1st 5s	Apr 1936	M-N	
99½	Jan	14	92½	Dec	2	Wabash 2d 5s	1939	J-D*	
64⅞	Jan	2	46½	June	12	Wabash ref & ext 4s	1956	J-J*	41¼
27½	Jan	2	10	Dec	19	Wab-Pitts T 1st Cen tr c	1954	*J-D	6¾
3	Aug	18	½	June	13	Wabash-Pitts T 2d tr c	1954	*J-D	
83⅞	Feb	6	75	June	11	West Maryland 4s	1952	A-O*	58
107¼	Feb	11	103	Sept	8	West N Y & P 1st 5s	1937	*J-J	
102½	Feb	4	95	Nov	22	West Union col tr 5s	1938	*J-J	
96½	Jan	15	87½	Dec	4	West Union R E 4½s	1950	*M-N	
88¼	Jan	13	90	Nov	22	West Shore 4s	2361	*J-J	
94	Jan	7	87	Dec	18	Westinghouse E & M 5s	1921	*J-J	93
80⅝	Jan	29	70	July	17	Wheeling & L E con 4s	1949	M-S*	
91⅝	Jan	11	84	June	25	Wisconsin Central 4s	1949	J-J*	86

*Denotes month of maturity.

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Last sale.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	917/8
24¾	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	19⅛
9	Dec	26	7⅝	Dec	16	Allis-Chalmers	..	.....	6
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	32½
80½	Sept	16	61⅝	June	10	Amalgamated Copper	6	Q May	49½
57	Jan	3	41¼	Sept	5	Am Agr Chemical	4	Q Jan	50⅛
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	.....
50½	Jan	2	19¾	June	10	Am Beet Sugar	..	.....	19
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....
96¼	Jan	4	89½	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....
136⅝	Jan	6	127¾	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....
46⅞	Jan	31	21	June	11	Am Can	..	.....	19½
129½	Jan	30	80½	June	10	Am Can pfd	7	Q Jan	80
56⅜	Jan	2	36½	June	10	Am Car & Fdry	2	Q Jan	44¾
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	112
48¾	Jan	6	33¼	July	2	American Cities	..	.....	.....
78½	Jan	2	60¼	June	28	American Cities pfd	6	Jan-July	59½
57⅜	Jan	2	33½	June	12	Am Cotton Oil	..	.....	32
98	May	6	92½	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	100
5⅛	Jan	3	3½	July	9	Am Hide & Leather	..	.....	3¼
28¼	Feb	10	15⅛	June	10	Am Hide & Leather pfd	..	.....	17
27¾	Apr	4	17	June	10	Am Ice Securities	..	.....	19⅝
12⅛	Nov	7	6⅞	June	10	Am Linseed	..	.....	7½
33⅜	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	25
44½	Jan	6	27	June	10	Am Locomotive	..	.....	20[illegible]
106¾	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....
13	Jan	3	5¼	Oct	17	Am Malt	..	.....	.....
61½	Jan	3	41⅞	Oct	24	Am Malt pfd	4	May-Nov	32
86	Jan	9	79½	June	12	Am Smelting pfd B	5	Q Jan	.....
74¾	Jan	30	58½	June	10	Am Smelting & Refin	4	Q Jan	52½
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	97½
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	153
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan	.....
40½	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	27½
118	Jan	31	99⅞	Dec	9	Am Sugar Ref	7	Q Jan	100
116⅝	Jan	28	110⅛	June	12	Am Sugar Ref pfd	7	Q Jan	108
66⅛	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	114
294¾	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar	215
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	104
23½	Sept	27	15	Dec	1	Am Woolen	..	.....	12
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....
32¼	Jan	2	11⅞	Nov	14	Am Writing Paper pfd	..	.....	.....
41½	Jan	2	30⅞	June	10	Anaconda Copper	3	Q Jan	25
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....
43¼	Feb	19	42¼	Jan	30	Associated Oil	6	Q Jan	.....
106¾	Jan	6	90¼	Nov	10	Atch Top & Santa Fe	6	Q Mar	89⅝
102¼	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	97¾
133¾	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	114
52½	Jan	8	36½	Dec	13	Baldwin Locomotive Co	2	Jan-July	41
105½	June	6	100¼	June	25	Baldwin Locomotive Co pfd	7	Jan-July	105¾
106⅜	Jan	22	90⅝	June	10	Baltimore & Ohio	6	Mar-Sept	72
88	Jan	10	77¼	June	18	Baltimore & Ohio pfd	4	Mar-Sept	72½
41½	Jan	9	25	June	10	Bethlehem Steel	..	.....	30
74	Aug	12	62¼	June	10	Bethlehem Steel pfd	5	Q Jan	81
92¾	May	26	83¾	June	10	Brooklyn Rapid Transit	6	Q Jan	79½
137⅞	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	.....
116	Jan	30	100½	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....
56½	Feb	3	16	Oct	22	California Petroleum	..	.....	16¼
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	50
63	Feb	13	58½	May	13	Canada Southern	3	Feb-Aug	.....
266¾	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	157½
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....
30⅛	Feb	5	17	June	10	Central Leather	2	Feb	28
97¼	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	96¼
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	.....
80	Jan	2	51¼	July	11	Chesapeake & Ohio	4	Q Mar	41½
18	Jan	2	7½	June	12	Chicago & Alton	..	.....	.....
25¾	Feb	25	17¼	Aug	21	Chicago & Alton pfd	..	.....	.....
17⅞	Jan	9	10⅛	June	4	Chicago Great Western	..	.....	9¼
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	27⅛
116¼	Jan	9	96¾	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	85¼
145	Jan	30	131½	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	126
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	127½
188	Mar	3	171⅛	Nov	19	Chicago & N W pfd	8	Q Jan	.....
125	Mar	8	119½	Aug	25	Chicago St P M & O	7	Feb-Aug	.....
150½	Jan	21	130½	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....
47⅝	Jan	2	30¾	June	10	Chino Con Copper	$3	Q Jan	32
54	Jan	21	34⅞	Aug	26	C C C & St L	..	.....	.....
94¾	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....
41½	Feb	3	24½	June	10	Colorado Fuel & Iron	..	.....	21½
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....
33	Jan	3	23¾	June	12	Colorado Southern	..	.....	20
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....
65⅛	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....
102¼	Feb	25	102¼	Feb	25	Consolidation Coal	6	Q Jan	.....
142¾	Jan	9	125⅛	June	10	Consolidated Gas	6	Q Mar	116½
17⅛	Jan	31	7⅜	June	10	Corn Products Ref Co	..	.....	7⅛
79¼	Jan	31	61½	June	10	Corn Products Ref Co pfd	5	Q Jan	58⅛
100⅛	Jan	16	91½	Dec	27	Deere & Co pfd	7	Q Mar	92½
167	Jan	8	147½	June	11	Delaware & Hudson	9	Q Mar	140
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	390
23⅛	Jan	9	13⅜	June	11	Denver & Rio Grande	..	.....	.....
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	8⅞
30⅖	Feb	4	67½	June	3	Detroit United Railway	6	Q Mar	.....
21¼	Jan	2	9¾	June	10	Distillers' Securities	..	.....	11

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Close.
8½	Jan	2	4	Dec	19	Duluth S S & Atl.....	..	.....	.....
16¼	Jan	2	10	July	11	Duluth S S & Atl pfd.....	..	.....	.....
32½	Jan	6	20¼	June	10	Erie	..	.....	20½
49½	Jan	30	33½	June	10	Erie 1st pfd	..	.....	32
41	Jan	30	28¼	June	10	Erie 2d pfd.....	..	.....	26¼
18	Jan	22	11	Dec	17	Federal Min & Smelt.....	..	.....	10
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd..	6	Q Mar	29½
185⅛	Apr	23	175	Jan	14	General Chemical	6	Q Mar	.....
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	.....
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	139
40	Aug	18	25	May	15	General Motors	..	.....	58⅞
81¾	Sept	30	70	May	8	General Motors pfd.....	7	May-Nov	79¾
180	Jan	11	150	May	19	Geo W Helme Co.....	..	.....	.....
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co.....	..	.....	20
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd.....	7	Q Jan	88
132⅝	Jan	9	115½	June	10	Great Northern pfd.....	7	Q Feb	114
41¼	Jan	3	25½	June	10	Great Northern Ore ctfs..	..	.....	23
52¾	Jan	7	40¾	July	11	Guggenheim Exploration ..	3½	Q Jan	40½
87	Feb	6	80	Oct	17	Havana Electric Ry.....	5	Q Feb	.....
96	Jan	8	90	Nov	5	Havana Electric Ry pfd....	6	Q Feb	.....
125	June	4	125	June	4	Hocking Valley	8	Q Mar	.....
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly	110
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	106
39	Jan	11	5	June	6	Inter Agricultural Corp....	..	.....	.....
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	20¾
19⅝	Jan	30	12⅜	June	4	Interborough-Met	..	.....	11
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	52
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	84
114¾	Sept	19	111	May	12	International Harv pfd...	7	Q Mar	117
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	.....
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd.	..	.....	.....
12⅝	Jan	30	6½	Oct	9	International Paper	..	.....	6¾
48½	Jan	30	32⅛	Oct	15	International Paper pfd....	2	Q Jan	30½
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	.....
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd....	..	.....	.....
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	.....
23	Jan	2	13	June	6	Iowa Central pfd.....	..	.....	.....
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd..	4	Q Jan	.....
110	Jan	2	106½	Oct	10	Kansas City Southern.....	..	.....	21⅛
78	Jan	7	53½	Sept	9	Kan City Southern pfd....	4	Q Jan	55
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co.....	6	Q Jan	.....
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd..	7	Q Feb	.....
83	Sept	15	58	June	9	Kresge (S S) Co..	6	Jan-July	.....
102	Jan	4	97	June	10	Kresge (S S) Co pfd.....	7	Q Jan	.....
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	..	.....	26½
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	85
11½	Feb	5	7	May	2	Lake Erie & Western.....	..	.....	.....
35	Jan	6	16	Nov	10	Lake Erie & Western pfd..	..	.....	.....
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July	121
235	Mar	6	195	June	6	Liggett & Myers.....	12	Q Mar	.....
116½	Jan	23	106½	July	22	Liggett & Myers pfd.....	7	Q Jan	.....
43⅛	Jan	6	30	June	10	Long Island	..	.....	31
200	Jan	28	150	June	13	Lorillard (P) Co.....	10	Q Jan	160
116½	Jan	22	103	June	10	Lorillard (P) Co pfd.....	7	Q Jan	115
142¼	Jan	10	126¼	June	11	Louisville & Nashville	7	Feb-Aug	127
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	61
69	Apr	7	62	Dec	17	Mackay Companies pfd.....	4	Q Jan	.....
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	128¼
76⅞	Jan	2	65	Oct	14	May Department Stores....	5	Q Mar	.....
105½	Jan	2	97½	June	10	May Dept Stores pfd.....	7	Q Jan	99½
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..	.....	53
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd ...	..	.....	.....
26½	Jan	4	20⅜	June	10	Miami Con Copper	50c	Q Feb	17½
23¼	Jan	2	12	June	11	Minn & St. Louis.....	..	.....	.....
47	Jan	29	30	Dec	4	Minn & St. Louis pfd.....	..	.....	.....
142¼	Jan	9	115¼	June	11	M St P & S S M.....	7	Apr-Oct	102
145	Apr	8	131	Nov	12	M St P & S S M pfd.....	7	Apr-Oct	.....
83½	Mar	5	81½	Dec	10	M St P & S S M I'd line.	4	Apr-Oct	.....
29⅛	Jan	7	18⅛	June	10	Missouri Kan & Tex.....	..	.....	10¼
64½	Apr	11	52	June	10	Missouri Kan & Tex pfd...	..	.....	27⅛
43⅝	Jan	9	21¼	Dec	23	Missouri Pacific	..	.....	8
.....	.....	.....	.....	.....	.....	Montana Power	2	Q Jan	43½
.....	.....	.....	.....	.....	.....	Montana Power pfd.....	7	Q Jan	.....
170	Jan	14	132½	June	9	Nashville Chatt & St L....	7	Feb-Aug	135
130	Sept	13	104	June	11	National Biscuit Co.....	7	Q Jan	120
124⅞	Jan	8	116	June	4	National Biscuit Co pfd..	7	Q Feb	125
19¼	Jan	30	9	June	5	National Enameling	..	.....	.....
92¼	Jan	30	74¼	Oct	21	National Enameling pfd...	7	Q April	.....
56¼	Jan	2	43	Oct	20	National Lead Co.....	3	Q Mar	41⅝
107¾	Oct	4	102	Oct	31	National Lead Co pfd.....	7	Q Mar	.....
59	Mar	3	31	Dec	8	Nat Rys of Mex 1st pfd...	..	.....	.....
27½	Jan	2	8¾	Dec	26	Nat Rys of Mex 2d pfd...	..	.....	7⅛
20	Jan	2	13	June	10	Nevada Con Copper	37½c	Q Mar	10¼
82¼	Jan	8	56	July	16	New York Air Brake	6	Q Jan	58
109¾	Jan	30	90⅜	Dec	15	New York Central	5	Q Jan	77
62¼	Jan	15	47	Dec	31	N Y Chicago & St L.....	..	.....	.....
10	Oct	14	8	Nov	10	New York Dock.....	..	.....	.....
129⅞	Jan	10	65⅝	Dec	12	N Y N H & Hartford.....	..	.....	51
33⅞	Jan	11	25⅛	June	11	N Y Ontario & West.....	..	.....	18¼
47½	Apr	5	39	Dec	19	Norfolk & Southern	½	Jan	.....
113½	Jan	3	98	June	10	Norfolk & Western.....	6	Q Mar	97½
87	Feb	13	80¼	Aug	16	Norfolk & Western pfd....	4	Q Feb	.....
81½	Jan	9	60	June	9	North American	5	Q Jan	66
75¾	Jan	15	54	Dec	27	Northern O Tr & Light....	5	Q Mar	.....
122⅝	Jan	6	101¾	June	10	Northern Pacific	7	Q Feb	97
31½	Jan	10	16	June	10	Pacific Mail	..	.....	17½
46	Jan	4	22	Nov	18	Pacific Tel & Tel.....	..	.....	20
96	Feb	19	82	Dec	4	Pacific Tel & Tel pfd.....	6	Q Jan	.....
123¾	Jan	7	106	Dec	13	Pennsylvania Railroad.....	6	Q Feb	106

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

Range for 1913 High.		Range for 1913 Low.		Stocks.	Annual Div. Rate.	When Payable.	Thursday. July 30. Close.
129¾	Sept 23	104	June 10	Peoples' Gas & Coke.....	8	Q Feb	 106
99⅞	Jan 29	85	Sept 12	Philadelphia Co.....	7	Q Feb	....
104	June 11	77⅛	Dec 11	P C C & St Louis.....	3	Q Jan	..... 65¼
100	June 25	100	June 25	P C C & St Louis pfd.....	4	Q Jan	....
24⅜	Jan 2	14½	June 11	Pittsburgh Coal.....	..	.....	..... 16½
95	Jan 9	73	June 11	Pittsburgh Coal pfd	5	Q Jan	 82
100	Jan 6	90	Nov 12	Pittsburgh Steel pfd	7	Q Jan	....
36	Jan 7	18½	June 10	Pressed Steel Car	3	Q Mar	 34
101⅛	Jan 7	88½	June 10	Pressed Steel Car pfd	7	Q Feb	....
118	Jan 21	105	Dec 12	Public Service Corp N J ..	6	Q Jan	....
165	Jan 2	149	Sept 5	Pullman Co.....	8	Q Feb	..... 153⅞
4⅜	May 16	1	Dec 11	Quicksilver Co	..	.....	 1
8	May 17	2	Dec 11	Quicksilver Co pfd.....	..	.....	..... 1½
35	Jan 9	22¼	June 11	Railway Steel Spring	..	.....	..... 19¾
100	Jan 13	90¼	June 10	Railway Steel Spring pfd..	7	Q Mar	....
22	Jan 2	15	June 10	Ray Consol Copper	37½c	Q June	..... 16¼
171¾	Dec 26	151⅜	June 10	Reading	8	Q Feb	 140
92½	Apr 10	82½	Oct 14	Reading 1st pfd	4	Q Mar	....
95	Apr 10	84	June 10	Reading 2d pfd	4	Q Jan	 82
28⅜	Jan 31	17	June 10	Republic Iron & Steel	..	.....	..... 18½
92¼	Sept 13	72	June 11	Republic Iron & Steel pfd..	7	Q Jan	 78
24⅞	Feb 4	11⅝	Oct 17	Rock Island	..	.....	..... ⅞
44¾	Jan 2	17½	Oct 17	Rock Island pfd	..	.....	..... 1⅝
92¼	Jan 7	14	Nov 24	Rumely (M) Co.....	..	.....	 8
99¾	Jan 4	33	Dec 18	Rumely (M) Co pfd.....	..	.....	 22
20¾	Apr 1	14½	June 10	Seaboard Air Line.....	..	.....	 15
49⅜	Sept 23	38	June 12	Seaboard Air Line pfd.....	4	Q Nov	..... 47⅜
19¾	Jan 11	2¾	June 17	St L & San Fran	..	.....	..... 2⅛
59	Feb 11	13	June 28	St L & San Fran 1st pfd...	..	.....	....
29	Jan 11	5½	June 17	St L & San Fran 2d pfd....	..	.....	....
96½	May 15	96½	May 15	St L & S F C & E I pf ctf..	..	.....	....
35½	Jan 13	20	Dec 19	St Louis S W.....	..	.....	....
75	Jan 9	56¼	Dec 20	St Louis S W pfd.....	2	Q Jan	....
213½	Jan 2	154¾	June 12	Sears-Roebuck	7	Q Feb	..... 170¼
124½	Jan 2	116	June 19	Sears-Roebuck pfd.....	7	Q Jan	 122
45½	Jan 28	23	July 8	Sloss-Sheff St & I Co.....	..	.....	..... 19½
93¼	Feb 8	88	Apr 30	Sloss-Sheff St & I Co pfd..	7	Q Jan	....
110	Jan 30	83	Nov 10	Southern Pacific	6	Q Jan	..... 84⅞
28⅝	Jan 2	19⅛	June 12	Southern Railway	..	.....	..... 17¼
81½	Mar 26	72	June 10	Southern Railway pfd.....	5	Apr-Oct	..... 67½
40½	Jan 31	31	Dec 9	Standard Milling	3	June	 33
66⅞	Feb 4	52½	May 1	Standard Milling pfd.....	5	Apr-Oct	....
36	Feb 6	15¾	Dec 1	Studebaker	..	.....	..... 27½
93¼	Jan 13	64½	Nov 10	Studebaker pfd.....	7	Q Mar	..... 82¾
39½	Jan 4	26¾	June 10	Tennessee Copper	75c	Q Mar	..... 24¾
132½	Dec 31	89	June 10	Texas Co	10	Q Mar	 113
22⅝	Jan 28	10¼	June 4	Texas Pacific	..	.....	 12
97	Jan 18	93	June 4	Texas Pacific Land Tr....	..	.....	 95
43⅜	Sept 23	27⅞	June 10	Third Avenue R R.....	..	.....	 33
3	Jan 14	2	June 4	Toledo Railways & Light..	..	.....	....
13	Jan 9	7¼	July 9	Toledo St L & W.....	..	.....	....
29¾	Jan 9	15¼	June 4	Toledo St L & W pfd.....	..	.....	....
109	Sept 6	101⅛	June 6	Twin City Rap Tran.....	6	Q Jan	..... 94⅞
7¾	Jan 3	4	Nov 14	Union Bag & Paper Co....	..	.....	 4
41¾	Jan 3	18½	Nov 20	Union Bag & Paper Co pfd	..	.....	..... 18½
99½	Jan 3	78	June 10	Underwood Typewriter	4	Q Jan	....
113	Jan 21	104	July 10	Underwood Typewriter pfd	7	Q Jan	....
162¾	Jan 6	137¾	June 11	Union Pacific	8	Q Jan	..... 113½
93½	Jan 6	79¾	June 10	Union Pacific pfd.....	4	Apr-Oct	 79
50½	Feb 7	40¼	June 10	United Cigar Mfg Co.....	4	Q Nov	..... 40¼
103	May 7	96	Sept 3	United Cigar Mfg Co pfd..	7	Q Mar	....
101	Jan 8	87	July 2	United Dry Goods.....	..	.....	....
105½	Jan 14	95	Dec 16	United Dry Goods pfd....	..	.....	....
35½	Jan 3	16	June 11	United Rys Invest Co.....	..	.....	....
63½	Jan 3	30	June 11	United Rys Invest Co pfd..	..	.....	 22
16¾	Jan 30	9¼	June 10	U S Cast Iron Pipe.....	..	.....	 9
56¾	Jan 31	40	Dec 31	U S Cast Iron Pipe pfd....	4	Jan	....
44	Jan 6	25	June 9	U S Industrial Alcohol	..	.....	....
97	Mar 4	85	June 18	U S Industrial Alcohol pfd.	7	Q Jan	....
77	Jan 9	49¾	Nov 28	U S Realty & Improv.....	5	Q Feb	....
1⅞	Jan 16	½	Sept 25	U S Reduc & Refin.....	..	.....	....
4	Jan 10	3	Apr 25	U S Reduc & Refin pfd....	..	.....	....
69½	Apr 4	51	Nov 10	U S Rubber	6	Q Jan	..... 45¾
109¾	Apr 9	98	June 10	U S Rubber 1st pfd.....	8	Q Jan	 97
81½	Jan 9	78¾	Feb 13	U S Rubber 2d pfd.....	6	Q Jan	....
69⅛	Jan 2	49⅞	June 11	U S Steel	5	Q Mar	..... 51⅞
110¾	Jan 30	102½	June 10	U S Steel pfd.....	7	Q Feb	..... 108½
60⅝	Jan 2	39⅝	June 10	Utah Copper	75c	Q Mar	 46
43⅛	Jan 3	22	July 1	Va-Car Chemical	..	.....	 21
114	Jan 3	93	June 30	Va-Car Chemical pfd.....	8	Q Jan	 96
54	Jan 28	36	Dec 15	Va Iron Coal & Coke.....	..	.....	 37
58	Feb 13	51	Jan 7	Va Ry & Power.....	3	Apr-Oct	....
90¾	Dec 11	89	July 24	Va Ry & Power pfd.....	6	Jan-July	....
21¾	Jan 24	11¼	Aug 8	Vulcan Detinning	..	.....	....
90	Jan 6	49	Oct 1	Vulcan Detinning pfd.....	..	.....	....
6	Aug 12	2	June 11	Wabash	..	.....	....
17⅛	Aug 13	6¼	July 8	Wabash pfd	..	.....	....
123	Jan 6	85¼	Dec 18	Wells-Fargo Express.....	6	Jan-July	 80
46	Jan 2	28⅞	Dec 12	Western Maryland Ry.....	..	.....	..... 13¼
65	Jan 27	53½	June 18	Western Maryland Ry pfd.	..	.....	 30
75⅛	Jan 9	54⅛	Dec 22	Western Union Tel.....	4	Q Jan	 54
79¼	Jan 2	53⅝	June 10	Westinghouse E & M.....	4	Q Jan	..... 65½
119¾	Jan 7	107¾	June 13	Westingh'se E & M 1st pfd	7	Q Jan	 119
8	Jan 3	3¾	Oct 24	Wheeling & L E.....	..	.....	..... 2½
28⅛	Jan 13	13	June 11	Wheeling & L E 1st pfd...	..	.....	....
14	Jan 3	5⅝	Dec 19	Wheeling & L E 2d pfd....	..	.....	....
58½	Apr 23	40⅛	June 11	Wisconsin Central	..	.....	..... 20¾
112	Jan 2	81½	June 20	Woolworth (F W) Co.....	6	Q Feb	 90
115½	Jan 3	109	June 14	Woolworth (F W) Co pfd..	7	Q Jan	 116

[Until the re-opening of the New York Stock Exchange we shall quote the closing prices for stocks on Thursday, July 30.]

c Ex. dividends. e Ex. rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Cables	500	.....	498¼	499½	498¾	499¾
Demand	.....	.....	.....	.....	.....	.....
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Francs—						
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Reichsmarks—						
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....

BRITISH BOARD OF TRADE OFFICIAL EXPORT FIGURES

The preliminary figures for the August exports of cotton yarns and cloths from Great Britain have been received by cable by the New York Cotton Exchange. We give them below, with the completed figures of the months since September 1, 1913:

	Yarns, Pounds.		Cloth, Yards.	
	Month.	Since Jan. 1.	Month.	Since Jan. 1.
1913.				
1913—September	15,734,400	154,761,700	548,972,500	5,350,278,900
1912—September	18,999,500	185,099,300	569,622,300	5,123,124,900
1913—October	19,959,100	174,720,800	630,937,100	5,981,216,300
1912—October	22,515,500	207,614,800	666,185,300	5,789,310,200
1913—November	18,247,000	192,968,400	563,650,100	6,544,866,100
1912—November	18,025,000	225,640,000	568,945,600	6,358,255,800
1913—December	17,207,100	210,175,500	530,692,300	7,075,558,400
1912—December	18,314,300	243,954,300	554,370,000	6,912,625,800
1914.				
1914—January	19,056,000	19,056,000	688,105,100	688,105,100
1913—January	19,093,300	19,093,300	648,912,700	648,912,700
1914—February	18,074,100	37,130,100	583,451,600	1,271,556,700
1913—February	16,761,100	35,854,400	563,606,400	1,212,519,100
1914—March	19,824,300	56,954,400	590,375,000	1,861,931,700
1913—March	17,212,600	53,067,000	560,905,000	1,773,424,100
1914—April	18,992,500	75,946,900	531,908,600	2,393,840,300
1913—April	18,578,600	71,645,600	587,552,800	2,360,976,900
1914—May	20,234,500	96,181,200	572,913,100	2,966,753,400
1913—May	17,746,700	89,422,300	606,254,300	2,967,231,200
1914—June	17,233,000	113,414,200	498,504,900	3,465,258,300
1913—June	16,986,700	106,409,000	615,557,600	3,582,788,800
1914—July	19,866,300	133,280,500	628,770,100	4,095,028,400
1913—July	16,620,200	123,029,200	638,971,100	4,221,759,900
1914—August	8,000,000	141,280,500	313,000,000	4,408,028,400
1913—August	15,998,100	139,027,300	579,546,500	4,801,306,400

* * *

FIRST REPORT OF SEASON OF COTTON GINNING.

At 10 a. m. on September 8 the Bureau of the Census published the report of cotton ginned prior to September 1, 1914. There were ginned up to then 475,455 bales as compared with 799,099 last year and 730,884 in 1912. Particulars by States follow:

GINNED TO SEPTEMBER 1.

	1914.	1913.	1912.
Alabama	46,754	44,562	12,824
Arkansas	514	1,293	81
Florida	5,223	2,960	1,832
Georgia	136,079	72,352	34,526
Louisiana	3,743	7,449	1,724
Mississippi	2,693	2,052	442
North Carolina	970	177	674
Oklahoma	356	5,106	272
South Carolina	14,864	7,264	4,260
Tennessee	31	9	.....
Texas	264,200	655,871	674,249
Other States	28	4	.....
United States	475,455	799,099	730,884

* * *

Cottonseed Products in India.—Considerable attention has recently been given in India to the possibility of further developing the cottonseed oil industry, writes Consul General James A. Smith, of Calcutta. India, as is well known, is the largest cotton growing country after the United States. The average area sown with cotton for the three fiscal years ending March 31, 1913, was slightly over 22,040,000 acres, and the average annual output 3,845,333 bales of 400 pounds each. Indian cotton yields about 30 per cent lint and 70 per cent seed. On this basis the average stock of ginned cottonseed in India during the three years mentioned was about 1,602,000 gross tons. About 138,000 tons are said to be required for sowing purposes, and the remainder, 1,464,000 tons, is available for crushing, export, cattle feed, etc. Exports of seed show an average for these years of about 633,000 tons, leaving a balance of 831,000 tons, which at present is largely used as cattle feed, a comparatively small portion being pressed for the oil or used as manure. Being mainly fed to cattle the unassimilable excess of oil in the seed is wasted. It is clear, therefore, that only a small portion of the seed is profitably utilized. At present it is said that there are only five mills in India that are understood to be crushing cotton seed. Statistics as to the production of oil are not available, but apparently the quantity is not so large as the available seed remaining in the country and unprofitably utilized in other ways would appear to warrant.

QUOTED PRICES OF STOCKS OF NEW YORK INSURANCE COMPANIES

American Surety	*170	176	Metropolitan Life	*160	...
Commonwealth	300	...	National Surety	185	193
Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...	*Per cent price.		

The Cotton-Mill Situation in France.—French cotton textile industry (7,400,000 spindles) is chiefly located in Vosges districts around Lille, says a cablegram from Consul General A. M. Thackara, at Paris, and, to a smaller extent, in Normandy. Vosges factories have already largely ceased working; Epinal stopped immediately; similar action in other large fortified cotton manufacturing cities. Work in non-fortified towns and villages is seriously affected for Vosges and Eastern France; only 25 per cent of spindles running. Further decrease is probable and resumption of work is doubtful until after declaration of peace.

Most Roubaix district mills are running half, owing to lack of workmen, raw materials and money. Output is already less than half, with prospect during the war of quarter normal production resuming. French cotton textile production is now 25 to 35 per cent capacity, with prospects of further reduction and complete stoppage if war is prolonged.

[One-fifth of the French spindleage is normally employed on Egyptian cotton, and the balance on American cotton. French mills used 1,025,000 bales of cotton during the cotton year ended August 31, 1914.]

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United States Statement, Jan. 1, 1914

Assets	$2,578,165.43
Surplus in United States	1,053,388.67

New England Mutual Life Insurance Co.

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Liabilities	61,182,456.00
Surplus	$4,986,246.53

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WE suppose that, had it not been for the intense preoccupation of the public mind with the daily chronicle of the vicissitudes of the European War, much more attention would have been given, both by the press and by people in general, to the extraordinary service which has been rendered to the City of New York by Messrs. J. P. Morgan and Company, Messrs. Kuhn, Loeb and Company, and the other New York bankers whom these great banking firms have allied with themselves in caring for the City's maturing obligations of over $80,000,000, in London and Paris. The lessons to be learned from the operation, both in itself and in respect of the causes that made it necessary, are highly instructive, not only for the citizens of New York City, but also for those of the whole country. Particularly should they be pondered by those public officials and chosen representatives of the community whose duty it is to devise and to carry through the sound and provident financing of the greater municipalities of the United States. For many years past the City of New York has been what may be called one of the pests and plagues of the financial markets of the world, and of late years it has come to be at times a real menace to all the larger financial interests of the country. Growing greater and richer every year; confident in its ability to meet any charges it might see fit to incur; eager for the immediate possession not only of necessary public improvements, but also of a multitude of civic embellishments, conveniences and provisions for the health and comfort of its citizens; heedless about accumulating debt; until recently governed by officials who for the most part were utterly incompetent as business men, the City of New York has managed to run up a debt which is greater than that of most of the nations of the earth and indeed vies with that of the United States as a whole. Not only is this so, but the City has pursued no consistent policy either with the creation of its debt or with the placing of it in such wise as to make it advantageous to administer and to provide for. Politics, in the sense of a care for what will immediately strike the mass of citizens as flattering to their prejudices, rather than steadfast holding to the ultimate good of the mass of citizens, has characterized the arrangements which the City's governors and officers have made when obtaining the money required or desired. Superficially clever, instead of permanently reliable, methods of floating loans have been too often preferred. There has been little consideration given to the effects upon the whole fabric of our internal and external finances resulting from the manner in which the huge offerings of the City's securities were made or the provisions for payment of interest and the repayment of principal were arranged. When the popular hue and cry has been directed against our own bankers, on the ground that they get too much for their services, the City's financial managers have thought it a mark of political shrewdness on their part to pass our local bankers by, and of their own initiative to deal direct with bankers in the financial centres abroad, unregardful of the fact that they were thus making it impossible for our local bankers to co-ordinate the international indebtedness thus created with the general mass of the international obligations, debit and credit, public and private, of New York and of the country as a whole.

A result of all this has been that for the past generation a regular accompaniment of every financial crisis or panic in the United States, or in the world at large, has been that the City of New York suddenly appears on the scene with a great mass of maturing obligations, chiefly international, which somehow must be met, which the City's officials have made no real preparation to meet, which they have no proper machinery for meeting, owing to the sporadic and experimental character of their engagement, and which the bankers of the City are called upon to take care of somehow, lest the City's credit be ruined, a wide disturbance created, and a worse thing happen. This was the case in the height of the panic of 1907; and now again, in the midst of the confusions of this year of fate for the great nations of Europe, the same situation is found. New York is found to have floated in London and Paris, chiefly through bankers who owe no permanent duty to the City in bad times as well as good, a staggering mass of obligations, saving thereby perhaps a small amount in the way of bankers' commissions and perhaps also having shaved down a little the rate of interest paid; but when the maturity of the obligations approaches and something must be done about meeting them, lest everybody suffer, it is discovered that for the sake of the actually insignificant, though politically useful, savings just mentioned, financial prudence and foresight have been completely neglected, and that the bankers who had been given to understand that New York City can look out for itself must manage somehow to take the payment of these obligations in charge, provide the funds wherewith to meet them and strain their own resources and those of the community, not of New York but of the whole country, in order that the credit of New York and all the interests that would be unfavorably affected by an impairment of the credit of New York, may be saved from the consequences of the incompetence and improvidence of those to whose hands the government of New York has been entrusted by its citizens.

After criticism so severe as we have just felt obliged to

use in regard to the general civic unthrift and slovenliness, —not to say indifference to consequences, provided a political end was gained,—which had brought the City of New York to the pass of being the greatest single disturbing element in a financial situation more strained than any living man has ever seen, it is only fair to say that within the past few years very great advances have been made in the direction of a more orderly and a more provident conduct of the City's financial affairs. A decade ago it was literally true that no living person could approximate to the City's true financial situation within millions and even tens of millions of dollars. Money was borrowed, money was spent; taxes were levied and applied to the payment of civic expenses or to maturing obligations or to whatever use seemed most pressing; floating indebtedness accumulated here, there and everywhere. When the situation grew too difficult to cope with, more money was borrowed. Today, this is all in large part changed. The introduction of a sound accounting system and of the annual budget, in place of a system of disjointed and uncorrelated appropriations, has at last given the City's authorities knowledge and control of its internal financial affairs. The credit for this is largely due to the very men who now constitute the Board of Estimate and who have had to deal with the inexcusable present embarrassment in which the City has found itself. They have done much and they are entitled to due credit for it, both from the citizens of New York and from the holders of the City's obligations.

But it was to the bankers they had to turn to help them out of the predicament in which they found themselves by reason of the nearly a hundred millions of obligations maturing abroad and calling for payment, no matter what the international financial situation might be. The issue of these obligations had been made with the idea that there are never times of trouble, that the foreign exchange market is always open to everybody, and particularly to so great a customer as New York City, that sums of a hundred millions can be dealt with freely at all times between New York and London or Paris, that bankers and their machinery are of secondary importance and may be used as mere conveniences,—in short, that experts and masters of one of the greatest departments of human affairs can easily be superseded by amateurs, provided only the latter have in their hands business enough to make their custom desirable.

As in 1907, the great New York bankers have postponed attention to their own troubled international affairs, in order to help the City of New York out of the embarrassments into which its own financial authorities had brought it. At a time when the whole world is clamoring for the liquidation or reduction of outstanding obligations, and when both industry and commerce are held in shackles, as it were, until this process can be accomplished to the point of safety, the City of New York has been tided over its crisis, one hundred million dollars have been found for it, its foreign obligations have been cared for. The vast risks involved in the operation have been assumed by men whose burden was already almost greater than human flesh can endure, and who realize perfectly that their main business as servants of the country is not to see that the credit of New York City is maintained, but to set in motion the streams of commerce, domestic and foreign, to provide for the needs of industry, and to bring about a sufficient activity to enable the country's population to earn wages upon which to live. It is true that, as things now are, a collapse of the credit of New York City would have far-reaching consequences as regards all the outstanding credits of the country, and that for this reason a technical advantage was given to the financial officers of the City. No doubt, the bankers took this into consideration, when they assumed the at first sight insoluble problem of doing for New York City that which they would never have dared to undertake for themselves. There is, none the less, only one phrase to describe the venture and its outcome,—it was a magnificent achievement.

We have little doubt that in the years of peace to come there will be found those who, for political or other effect, will again raise the cry that in their dealings with New York City, the bankers charge exorbitantly for their services and that the present operation is a glaring example of this. The City, for the first time since shortly after the Civil War, has had to pay 6 per cent for the money it had to have, and it has also had to agree to rates of exchange of $5.035 for each pound sterling and 20 cents for each franc, remitted to London and Paris for the discharge of the 80 millions of the City's obligations maturing in those markets. If the bankers make a profit out of the exchange operations, they are to retain it, but not beyond 2 per cent of the $80,243,040.47 required to be remitted. These are high prices, both for interest and for exchange; but, on the one hand, the conditions of the market warrant them, and, on the other, those who are called upon to repair the mistakes of amateurs and incompetents are entitled to almost and charge they may make, especially when the risks involved are so huge.

It is well that the City of New York should have this bitter lesson and should learn by experience how expensive a policy it is in the long run to leave aside those who know their business and who have the machinery of their business all in their own hands. In the end the experts must be resorted to and their services must be had at a price commensurate with the service which they, and they alone, can render. And perhaps this is not an unfitting place to say that these troublous times appear not unlikely to bring the masters of finance, industry and commerce into their own again. For some years past they have been held up to the hate or scorn of the public, and every politician has thought his best political capital was to be found in attacking them. Unfortunately for the politicians, they and they alone know their business. In days of peace and confidence it is easy to get a hearing for the doctrine that they are getting too high a remuneration for what they do, and that society can do it all for itself and save its money. But peace and confidence, unhappily, are not uninterrupted in this world we live in. War and battles come. Then people begin to think of the masters of finance and industry in some such terms as the Greek historian, Xenophon, used in describing the Lacedemonian general, Clearchus: "In time of peace no soldier would willingly serve under Clearchus, for he was stern, rough of voice, harsh of countenance. But when the battle was raging, every soldier sought to get under the command of Clearchus; for then his stern way, his rough voice and the harshness of his countenance seemed to have something saving in them."

Arthur Richmond Marsh

THE PRINCIPLES UNDERLYING THE REVIVAL OF THE AMERICAN MERCHANT MARINE

THERE is one perennially interesting American controversy which seems almost never to be regarded from an economic viewpoint. We refer to the merchant marine of the United States. To such an extent is this the case that the average American to-day finds it hard, even if he desires so to do, to think in economic terms about the subject himself or to remember hearing or seeing any economic discussion of it. The phrases that rise to one's mind in connection with it are vague and indeterminate, even though appealing, like "Trade follows the flag," or "The Sea Power in History," and the like. Politicians find it convenient to draw distressing parallels between the former greatness of the American mercantile marine and its present decadence; and these parallels stir (and are intended to stir) patriotic emotions, but certainly not economic analysis, or cool calculation of a business kind. Hence even thoughtful persons, whose inclination is to give really serious consideration to the problems that concern them, often fail to arrive at clear conceptions of this particular problem. Illustrations of this are all too numerous. Thus the Treasurer of the United States Merchant Marine Association, an organization formed "to educate the public on the need of a merchant marine," is quoted as follows in a recent morning paper:

"The granting of a direct subsidy to shipping is distasteful to me. What we will eventually advocate after the public has been fully acquainted with shipping conditions of the merchant marine of this country is doubtful. We have not given consideration to this subject. We will lend all our efforts to secure conditions that will tend to aid in the growth of our shipping."

Thus, also, "The Outlook" falls short of any definite suggestions. It states editorially:

"Above all, what is needed is the formulation of a definite policy which the United States can follow in the building up of its merchant marine, so that this Nation will not again find itself in its present predicament of dependency upon belligerent nations for transportation of passengers and goods across the seas."

It is especially unfortunate that a subject which many people believe to be of so great moment in our national development should not be more exactly stated in concrete terms, so that it can really be reasoned about. It may be profitable, therefore, at a time when the Government's proposal to enter the foreign carrying trade has brought the question into fresh prominence, to examine the causes underlying the rise and the decline of our foreign shipping. Thus we may be able to determine whether the conditions underlying the decline have been removed, and to conclude whether a healthy revival of our merchant marine is possible, with or without the interposition of the Government.

In the first place let us see exactly what the facts of the matter are. It appears from the reports of the Commissioner of Navigation that in 1913 the total tonnage of sailing and steam vessels in the United States was 7,886,551. The tonnage of United States vessels engaged in foreign trade was, in the same year, 1,019,165. This was 9.1 per cent of our total foreign trade conducted in vessels. In 1859 the proportion in American-owned ships was 66.9 per cent. It appears, then, that we have a healthy coastwise carrying trade of 6,817,013 tons, which is increasing annually. And we find that Congress has restricted our coastwise enrollment to American vessels. A corresponding aid to our vessels engaged in foreign trade would take the form of a subsidy, as it would be economically impossible to restrict our foreign shipping wholly to American vessels. In the present tariff act an attempt was made to refund 5 per cent of the duties on goods carried in American bottoms; but it was found necessary to abandon this because it infringed our commercial treaty obligations. Are there sound reasons in favor of granting Government aid to our overseas shipping?

In the Colonial era our merchant marine was a thriving industry. The early settlers found a wealth of timber ready to their hands. Between 1700 and 1750 ship-timber was one of the chief articles of export. In the construction of ships a high degree of skill was developed, and the American ships built up to the time of the Civil War were a just source of pride to the country. The maximum was reached in the decade ending in 1861 when 3,600,748 tons were constructed in American yards, an average of 360,000 a year. By 1880 this had declined to approximately 100,000. The average tonnage built in the United States during the ten years ended with 1913 was 366,000; but this includes canal boats and barges, and the increasing number of enrolled vessels already referred to which are engaged in our protected coastwise trade. Our present concern is with vessels engaged in foreign trade, in which there has been a great decline in numbers. From 66.9 per cent in 1859 the proportion of our trade carried in American vessels declined to 39.2 per cent in 1867; 25.7 per cent in 1873; 17.6 per cent in 1879; 9.4 per cent in 1890, and in 1898 to 5.9 per cent, the lowest point reached.

The success of the American shipping in all its branches up to the time of the Civil War no doubt stands out in sharp contrast to the present status. And it affords splendid opportunities, which have been generously seized for works which are more exhortative than analytical. And it is not our purpose to criticise a writer for praising his country's past. There is so much being written, however, like the following that we quote it as typical:

"The present exclusion of America from the deep sea is only for a time, and now only for a brief time. No race like ours, with a grasp upon two oceans and the mingled blood of Viking and pioneer can long be cheated of its birthright."

The point we feel it important to emphasize is at once suggested by this quotation, namely, that the active cause of the early strength of our merchant marine was not the "mingled blood of Viking and pioneer," but the high return which capital in those days could obtain in maritime industries. We are not insensible to the thrill which is carried in the story of our early packets and clippers, our East Indiamen or our New Bedford whalers; but we are constrained to stress the point that the hardy merchants and mariners of those days were in business because it was economically profitable for them. It will be interesting to substantiate this often-neglected fact by examination of the entertaining book from which we quoted above, "The American Merchant Marine," by Mr. W. L. Marvin.

Considering first the whale fisheries, Mr. Marvin says, "nowhere except in gold or diamond mining could so much money be so readily made as by fortunate ships like the 'Uncas' of Falmouth, which arrived in 1831 from a voyage of two years and eight months with 3,468 pounds of sperm oil, valued at $88,000, or the 'Loper' of Nantucket, which took a $50,000 catch in fourteen months." He goes on to instance typical cases of successful voyages: the "Gen. Pike" and the "Adeline" of New Bedford, made a profit of $5,000 each on a single day's catch; in 1849, the "South America," of Providence, representing an investment of $40,000, returned from a two years' voyage with a cargo which netted $89,000; and the "Coral" of New Bedford, in a three years' voyage, brought home oil which sold for $126,000.

The same high profits attended the ventures of successful merchantmen. Mr. Marvin cites the case of Capt. Richard Cleveland, an ancester of Grover Cleveland. After several sailing exploits he

purchased a small vessel in Europe and set out to barter and exchange in the principal ports of the world. He returned at length to his home: "He had started with a capital of $2,000, and now came back to Salem with $70,000, a thirty-five-fold increase in seven years. Seventy thousand dollars was then (1804) a fortune, when a Salem merchant who had accumulated a million was reckoned the richest man in the United States."

Having thus indicated that our early merchant marine, like all commerce, was primarily conducted for profit, we are now prepared to examine the causes which rendered the pursuit unprofitable, and thus contributed to its decline. These may be grouped under six heads. It may be said of the whaling industry that two special causes, the discovery of petroleum, and the increasing scarcity of whales, contributes to its decline; but in general its falling off was parallel with that of the merchant marine as a whole, and largely due to the same causes.

(1) Change from Wooden to Iron Ships.

About the middle of the last century iron began to be substituted for wood in ship-construction. England had from the outset made much better progress than the United States in the iron industry, until in 1870 the proportion of iron construction to total tonnage in this country was 3 per cent, while in England no less than 82 per cent of the tonnage built in that year was of iron. Of course one reason for the development of this severe handicap was the inopportune disturbance of our commerce by war.

(2) The Outbreak of the Civil War.

From 1861 to 1864 a severe check was administered to the building of ships, heavy taxes were imposed upon the existing tonnage, and privateers, in many cases built in England, menaced our commerce.

(3) The Withdrawal of Subsidies.

This had been further hastened by the withdrawal of Federal aid in 1858. In the ten-year period between 1847 and 1857 the Government had paid out about fourteen and a half million dollars in ship subsidies.

(4) Granting of Subsidies by Other Nations.

After the war the taxes were not speedily removed; only small subsidies were granted, and those were soon withdrawn; while England, France, Germany and Japan aided their merchant fleets with varying but substantial sums.

(5) Turning of Capital to Industry and Internal Development.

At the same time capital was enabled, behind a heavy tariff protection, to find excellent employment in industry on land; and the opening of mills and factories gave occupation to a million soldiers whose employment had presented, in prospect, a most serious problem.

(6) Best Laborers Diverted to the West.

Finally, the unifying of the nation and the opening of the West induced many of the type of men who had formally followed the sea, or engaged in ship-building, to occupy the fertile tracts where grain and cattle could be raised with gratifying profit. The cost of labor rose; and thus was presented a fundamental economic problem which has ever since stood in the way of any profitable continuance of the ancient industry in which we once excelled.

It seems only fair to conclude from this survey that the American people should be absolved from the implication that the decline of their merchant marine has been due to a weakening of their sinews or a lessening of their love of country. Even Mr. Marvin, whom we quoted above, and who is in his attitude toward this subject notably *laudator temporis acti*, is constrained to say, "National aid to shipping is potent, but it is not omnipotent. If it had not been withdrawn in 1858 by what was virtually a political crime, we should have saved our fine steam fleet on the North Atlantic even through the storm of the Civil War. If, however, a subsidy policy had been re-established in 1868 or 1870, after the lapse of a decade, it would undoubtedly have disappointed its sanguine champions, for the other essential factors in the problem were not favorable. It was (in 1870 and onward) an era of railroad building and not of shipbuilding. The energies and the money of the nation were absorbed by the urgent demands of home development. * * * No national legislation, however liberal or however strenuous, could have caused American shipping to spread or increase between 1865 and 1890."

Assuming that this is true, are the inducements for capital in the construction and maintenance of a merchant marine greater at the present time? If they are greater, are they enough greater to enable the industry to thrive without government aid? And if government aid is afforded, will it ensue a healthy marine industry now, when it admitetdly would not have done so in 1880? To get a firmer basis from which to regard these questions it will be necessary first, to examine briefly the course of government aid to our shipping in the past. The matter of mail subventions prior to 1858 has been touched upon. Congress has given further aid by restricting American registry to vessels built within the United States; restricting coastwise and domestic commerce to American vessels; permitting the importation free of duty of foreign materials when for use in the construction of vessels sold to foreigners, or for the repair of such vessels. Further favor is afforded by a lower tonnage tax upon voyages to North American ports, and by the expenditure of over $5,000,000 annually by the Government in lighthouse maintenance, a charge which is imposed upon the shipping itself in Great Britain. Finally the Government pays for the transportation of foreign mails in American ships a higher rate than foreign vessels would demand.

Thus it will be seen that there has been, in this country, no fixed principle against assisting our shipping. Here again the economic test makes itself felt. The Government aid has not been sufficient to offset the greater cost of the industry in this country than abroad. Any subsidy, to produce the desired result, must make up this difference.

In 1904, Mr. P. A. S. Franklin, vice-president of the International Mercantile Marine, estimated that an American-built ship cost 40 per cent more than a British-built ship. The two items chiefly involved in making such an estimate are cost of material and cost of labor. The material cost is not intrinsically much higher with us, but owing to the large orders obtained by British companies, much better rates are made possible; and many economies result through the regularity of employment and concentration of effort incident to the construction of several ships at a time in the same shipyard.

In this department of industry it is probable that Americans could very rapidly develop systems of work and mechanical devices not surpassed by any in the world. It is not unfair to say that they have shown native genius for labor-saving organization. Then, too, the natural conditions are favorable here for shipbuilding. There are many splendid inland bays, located near the material producing centres. And the primary need, capital, is, at least theoretically, now to be released into new fields by the lowering of the tariff wall, by the gradual completion of the railroad systems of the country, by the fuller development of the West and of the great industrial plants throughout the country.

But the most troublesome question of labor cost still remains; and it remains as an impassible barrier to a natural revival of marine construction and operation. Wages in American shipyards are from 50 to 100 per cent above wages for similar labor in Europe. The same is true of wages of ships' officers and seamen.

It is a mistake to attribute the trouble to our better laws for the care of seamen. They appear to us to be a source of pride; and they are no new product of labor union agitation. The first act to protect seamen's interest was passed in 1790. If we regard the problem purely as an economic one we are forced to conclude that we shall have no merchant marine until the American laborer can earn as a sailor at least as much as he can earn making the best shoes in the world in Massachusetts, or raising cotton in Georgia, or wheat in Iowa.

We might thus conclude our discussion were it not for the repeated statement that we ought not to rest here, even though our economic case is clear. We are told that our national defense requires a large fleet of convertible merchant cruisers, and that our navy in time of war must rely upon a naval reserve which receives its training in the peaceful pursuits of commercial navigation. We are reminded that in 1898 at the recruiting station in Gloucester, Mass., 76.5 per cent of the men examined were accepted, while in Boston only 14.5 per cent and in New York 6 per cent of those who applied were found fit. We are here confronted with a question not of economics but of national defense, and it would require a wholly different line of investigation to enable us to pass upon the question as to whether Congress should subsidize an industry which cannot stand alone in order better to prepare us for war. It is pertinent, however, to quote an expert on the subject. We take the following from Admiral Mahan's "The Influence of Sea-Power Upon History," p. 48: "If time be, as is everywhere admitted, a supreme factor in war, it behooves countries whose genius is essentially not military, whose people, like all free people, object to paying for large military establishments, to see to it that they are at least strong enough to gain the time necessary to turn the spirit and capacity of their subjects into the new activities which war calls for. If the existing force by land or sea is strong enough so to hold out, even though at a disadvantage, the country may rely upon its natural resources and strength coming into play for whatever they are worth,—its numbers, its wealth, its capacities of every kind. If, on the other hand, what force it has can be overthrown and crushed quickly, the most magnificent possibilities of natural power will not save it from humiliating conditions, nor, if its foe be wise, from guarantees which will postpone revenge to a distant future. The story is constantly repeated on the smaller fields of war: 'If so-and-so can hold out a little longer, this can be saved, or that can be done'; as in sickness it is often said: 'If the patient can only hold out so long, the strength of his constitution may pull him through.' * * * The United States has not that shield of defensive power behind which time can be gained to develop its reserve strength. As for a seafaring population adequate to her possible needs where is it? * * * It may be admitted that a great population following callings related to the sea is, now as formerly, a great element of sea-power; that the United States is deficient in that element; and that its foundations can be laid only in a large commerce under her own flag."

Here then is set forth a reason for the establishment of a merchant marine. We should naturally expect the author to advocate a subsidy for that purpose. But, on the contrary, Admiral Mahan seems to suggest that although a naval organization demands a merchant marine as its basis, yet only a healthy and self-reliant merchant marine will serve the purpose; and a healthy merchant marine is one that grows up through private enterprise, and upon a paying basis. In closing we may well quote from the same volume, at page 39: "Interest in the sea and an intelligent appreciation of the part it played in the public welfare were (in Colonial days) easily and widely spread; and a motive more influential than care for the public interest was also active, for the abundance of ship-building materials and a relative fewness of other investments made shipping a profitable private interest. How changed the present condition is, all know. The centre of power is no longer on the seaboard. * * * When the day comes when shipping again pays, when the three sea frontiers find that they are not only militarily weak, but poorer for lack of national shipping, their united efforts may avail to lay again the foundations of our sea power."

THE PROBABILITY OF INCREASED IMMIGRATION AFTER THE CLOSE OF THE EUROPEAN WAR

OF vital importance from an economic point of view to the future of the United States is the possibility of greatly increased immigration from Europe upon the conclusion of the present war. It is clear that the destruction of crops, the stoppage of industry, and the large war expenditure incident to the struggle will for a time impoverish the belligerent nations. Before prosperity can revive it will be necessary for the defeated countries to pay off the indemnities which will doubtless be imposed upon them. Large sums of money will be required at once by both victors and vanquished to repair the devastation of war, and to lay the foundations for the revival of commerce. These financial burdens must fall in the last instance upon the great body of the people in the form of taxation. And it is not unreasonable to predict as a consequence, that large numbers of them will turn their eyes to the United States as the land where millions of their countrymen have already found homes, and even more now as the one great nation not in fundamentally straightened circumstances owing to participation in the European War.

It is interesting to observe that the emigration from Germany in 1872 and 1873 was greater, relatively to population, than ever before or since. The figures for 1869 are 70,000; for 1872, 154,000, and for 1873, 134,000. This emigration, however, appears not to have had this country as its objective.

The immigration figures in the statistical abstract of the United States would seem to indicate that in Germany the full effects of the war of 1870 did not make themselves felt until some time after the conclusion of peace. In France the conditions at home seem progressively to have discouraged emigration.

IMMIGRATION INTO THE UNITED STATES OF FRENCH AND GERMANS, BY TEN-YEAR PERIODS.

	Jan. 1, 1861 to June 30, 1870.	Years Ending June 30— 1871-1880.	1881-1890.	1901-1910.
France	35,984	72,206	50,464	73,379
Germany	787,468	718,182	1,452,970	341,498

During the last five years the immigration from the countries now at war has been as follows:

IMMIGRATION FROM BELLIGERENT NATIONS, 1908-1913.

	1909.	1910.	1911.	1912.	1913.
British Isles	71,826	98,796	102,496	83,027	88,204
Russia	120,460	186,792	158,721	162,395	291,040
France	6,672	7,383	8,022	8,628	9,675
Belgium	3,692	5,402	5,711	4,169	7,405
Austria-Hungary	170,191	258,737	159,057	178,882	254,825
Germany	25,540	31,283	32,061	27,788	34,329

The total immigration into the United States from these six nations during 1913 was 685,478, out of a total immigration from Europe during that year of 1,055,855. Our total number of immigrants from all parts of the world during 1913 was 1,197,892.

It will thus be seen how large a portion of our immigrant supply is likely to be affected by the war. Indeed, if we consider Italy as within the possible sphere of influence we include the major portion of the total European influx. The immigration from Italy during 1913 was 265,542, making, with the immigration from

the six belligerent countries, a total of 951,020 out of 1,055,855 from all parts of Europe during that year.

The actual increase in the number of immigrants following the conclusion of peace must, of course, be a matter of pure conjecture. It should be observed that, on the one hand, several factors may have considerable bearing in offsetting the theory that the exodus from Europe will be heavy. For instance, it is well known that systematic efforts have been made in recent years in Germany to keep the people at home. It is not impossible that added efforts will be made after the war, owing both to the severe losses in battle, and to the need of laborers to support the unusual activity which for a time characterizes the industry of a nation recovering from the effects of war. Then again, it is not impossible that the new Russian attitude toward the Jews may have considerable bearing on what was last year our largest source of supply.

On the other hand, it is well known that the scale of wages in this country, and the demand for labor in times of great industrial activity are potent factors in determining the volume of immigration. Italians notably cross and recross the ocean, acting in a measure as a barometer of labor conditions. It is probable that the close of the war will see a period of very great activity on the part of our industries to supply the nations which have been depleted by the conflict. The result of this, of course, would be a largely augmented immigration.

There is another point to be considered which bears on the resultant of our annual movement of immigration and emigration. The number of emigrants who leave the United States for Europe now averages about 350,000 a year It is highly probable that this movement will largely cease for a number of years, thus augmenting by over a third of a million our annual increase in population.

One observation which may not be untimely, on the basis of these figures, is that in view of the possibilities of a largely increased exodus from Europe at the close of the war, the present time is a critical one for consideration by Congress of measures restrictive of immigration, if such measures are to be taken at all. The flow of immigrants is at present at low water-mark, only 71,728 having entered the country in June, 1914, as against 176,261 in June, 1913, and 34, 637 in July, 1914, as against 138,244 in July, 1913.

It may further be remarked that now is the time for the various societies devoted to the distribution of immigrants, and the organizations working for the relief of congestion in our cities, to consider the greatly increased difficulties with which they may be confronted in the not far-distant future.

WHAT ENGLAND BELIEVES SHE IS FIGHTING FOR IN THE PRESENT EUROPEAN WAR

IN deciding upon the taking of her present part in the great struggle in Europe, England has given many evidences, both through the utterances of her governing statesmen and through those of the more popular organs of her public opinion, that she has deliberately and, perhaps we may say, solemnly put her hand to the plough and means to plough the furrow through. There is the note of the same tenacious and unwavering purpose which characterized England's relentless and finally successful contest against Napoleon. There is small risk in prophesying that she cannot now be seduced or turned from her fixed aim by any fair-seeming promises or flattering offers that may be made to her by the German Emperor, any more than she could be changed from her course by the successive seductive proffers made to her by the Emperor of the French a century ago. Then she took for her motto, not the exact words of Cato the Elder, *Delenda est Carthago;* but a close adaptation of them, *Delendus est Imperator.* And that is beyond a doubt her firmly conceived intention to-day.

In the Boer War, distressing as that proved to Great Britain, there was no such deep-set purpose. That, at the start, was unquestionably looked upon as chiefly a matter of mere police-work, though, of course, something of the grandiose dreams of Cecil Rhodes may have affected English statesmen and people. That task, at any rate, was at the start thought of as easy, and it was only the development of events that brought out its serious significance. At no time, moreover, did the Boer War raise in the slightest degree the question of England's very existence, or of her continuance as one of the great nations of the earth. No deep determination on England's part to give all and suffer all for a vital principle was ever involved in the Boer War. But in entering upon the present war, England has had to face from the outset the possibility of total defeat and of the loss for all calculable time of the great prestige which she has enjoyed for centuries as a nation, as the mistress of the seas, as the leader of the world in finance, in industry and in commerce, and, above all, as the one great exemplar (except, perhaps, the United States) of orderly freedom, self-originated and self-directed, together with all the common goods that flow from such freedom. To risk all this in the present war in Europe can have meant only that England, whether of high or low degree, had come to a certain conclusion about a matter of vital importance to her very life and had determined that it was better to lose everything rather than to have triumph a principle fundamentally hostile to all she stood for.

There have, of course, been many expressions of many men and many journals in England that open to us intimations of the deeper thought and feeling of the country with regard to the dangerous and grievous course upon which it has been decided to enter,—a course, which, as has been said above, England may now be expected to follow as utterly to its end as she followed her determination about the great Napoleon. The celebrated "White Paper," recently made public, as well as the earlier nobly reserved statements of Sir Edward Grey and Mr. Asquith in the House of Commons revealed much, in spite of their dealing with specific matters, rather than with general principles. In respect of the latter, however, there has perhaps nowhere appeared a statement going more directly to the root of the matter than is to be found in an interview given a week ago by Winston Churchill, First Ford of the Admiralty, to Mr. William G. Shepperd, a staff corerspondent of the United Press, and published in the New York "Evening Sun" of August 29. Said Mr. Winston Churchill in this interview:

"In a word, it is the old struggle of a hundred years ago against Napoleon. The grouping of forces is different; the circumstances are different; the occasion is different; the man, above all, is different—happily. But the issue is the same. We are at grips with Prussian militarism. England stands right in the path of this ever-growing power."

The question of the lightening of the grievous burden of armaments and military preparation upon the populations of the nations of Europe, said Mr. Churchill, is to be determined by the result of this war.

"If we succeed and if, as a result of our victory, Europe is rearranged as far as possible with regard to the principle of nationality and in accordance with the wishes of the peoples who dwell in the various disputed areas, we may look forward with hope to a great relaxation and easement. But if Germany wins, it will not be a victory of the quiet, sober commercial elements in Germany nor of the common people of Germany, with all their virtues, but the victory of the blood and iron military school whose doctrines and

principles will then have received a supreme and terrible vindication."

"I canont understand why Germany has not been contented with her wonderful progress since the battle of Waterloo. For the last half century she has been the centre of Europe; courted by many, feared by many, treated with deference by all. No country has had such a reign of prosperity and splendor. Yet all the time she has been discontented; solicitous of admiration, careless of international law, worshipping force, and giving us all to understand that her triumphs in the past and her power in the present were little compared to what she sought in the future.

"And now the great collision has come, and it is well that the democratic nations of the world—the nations, I mean, where the people own the government and not the government the people—should realize what is at stake. The French, English and American systems of government by popular election and parliamentary debate, with the kind of civilization which flows from such institutions, are brought into direct conflict with the highly efficient imperialist bureaucracy and military organization of Prussia. That is the issue. No partisanship is required to make it plain. No sophistry can obscure it. * * *

"This war is for us a war of honor, of respect for obligations into which we have entered and of loyalty towards friends in desperate need. But now that it has begun, it has become a war of self-preservation. The British democracy, with its limited monarchy, its ancient Parliament, its ardent social and philanthropic dreams, is engaged for good or for ill in deadly grapple with the formidable might of Prussian autocratic rule.

"It is our system of civilization and government against theirs. It is our life or theirs. We are conscious of the greatness of the times. We recognize the consequence and proportion of events. We feel that, however inadequate we may be, however unexpected the ordeal may be, we are under the eye of history. And the issue being joined, England must go forward to the very end."

This, then, is what England believes herself to be fighting for in the European War in which she has engaged; this is the burden which she believes herself to have assumed. She has long seen growing up upon the Continent a power essentially anti-democratic, whatever may be the measures taken to keep the mass of the population obedient and contented; a power which in the last resort conceives of even civil society as a disciplined machine, really always to be transformed into an engine of brute force, ready to the hand of an ambitious, a jealous, a ruthless master, surrounded by a great class of persons who regard themselves not as plain citizens of a commonwealth, but as apart from and superior to the mass of mankind, entitled to employ the mass of mankind for their own ends. A military caste, on the one side, a burèaucracy, on the other,—both of these are fatally antagonistic to ordered liberty and to the whole system of government, not by men, but by laws, such as is and has been the government of the Anglo-Saxon race for centuries and such as is growing to be the government of nation after nation in Europe and all over the world. Engaged in a contest to the bitter end for such a principle, it is certain that England will be as hard to buy off by the offer of an easy and advantageous peace as she was a hundred years ago.

INDUSTRY, COMMERCE AND FINANCE

Government Ownership of Public Utilities in the United States.—Some interesting figures bearing on the question of government ownership of public utilities, says the "Railway Age Gazette," are given in a bulletin on central electric light and power stations for 1912, just issued by the Bureau of the Census. The figures include comparisons of the operations of municipal and commercial plants. The bulletin shows that during the ten-year period, 1902-1912, the total number of stations increased from 3,620 to 5,221, or 44.2 per cent, and that while the number of commercial stations increased from 2,805 to 3,659 or 30.4 per cent, the number of municipal stations increased from 815 to 1,562 or 91.7 per cent.

Municipal ownership of these utilities seems to have become rather popular. If this popularity has been justified by an increase in efficiency or by improved service it would be expected that this would be shown in the figures for income, output and expenses. But during this ten-year period the total income of commercial stations increased 254.2 per cent, and of municipal stations 233.4 per cent; the output of commercial stations in kilowatt hours increased 375.8 per cent, and of municipal stations 174.4 per cent; and the total expenses of commercial plants increased 246.1 per cent, while the increase in municipal plants was 222.5 per cent. In other words, with three times the percentage of increase in numbers the municipal plants increased both their income and their output in less proportion than the commercial plants and had an increase of 222 per cent in expenses to produce an increase of 174 per cent in output, while the commercial stations, with only a slightly greater increase in expenses, obtained over twice the increase in output.

This is not the kind of efficiency that is promised by advocates of government ownership. Reduced to units of output the expense of producing electricity in municipal plants in 1912 was 3.15 cents per kilowatt hour, while that in commercial plants was only 1.96 cents. On the other hand, the total income of municipal stations grew faster than either their expenses or their output, while the commercial plants had a gain of 254 per cent in income to pay for a 375 per cent increase in output, which enhanced their expenses by 246 per cent. This would indicate that the commercial stations had their rates reduced, but that the municipal stations not only were more successful in maintaining their rates than the commercial stations, but were more successful in making rates high than in increasing production or controlling expenditures.

The bulletin does not give statistics showing the rates charged for service, but by dividing the total income by the number of kilowatt hours of output we obtain an average rate of 2.5 cents for the commercial stations and 4.3 cents for the municipal stations. The rate of the commercial companies had been reduced from 3.4 cents in 1902, while that of the municipal plants had been increased from 3.5 cents.

Figures are not given separately in the bulletin for the wages and salaries paid, but it is significant that the number of persons employed in municipal plants is shown as 10 per cent of the total for both classes of stations, while the kilowatt capacity of their dynamos was 7.2 per cent, and their actual output was 4.7 per cent of the total. The total number of persons employed in municipal plants increased 132.4 per cent in ten years, to produce an increase of 174.4 per cent in output. In the commercial plants an increase of 165.3 per cent in the number of persons employed produced an increase of 375 per cent in output. The commercial stations also were more successful in obtaining the greatest efficiency from their plants, the kilowatt capacity of their dynamos increasing 333.7 per cent for an increase of output of 375 per cent, while in the municipal plants the kilowatt capacity of dynamos increased 225.2 per cent for an increase of output of 174.4.

Of course, central electric stations are not railroads and municipalities are not the same as the Federal Government, but it is noteworthy that the more the results of Government activities are studied, whether in relation to their own finances or to the operation

by them of postoffice, railways, telegraph, telephone, or other utilities, the more glaring becomes the showing made of the inefficiency of political management as applied to business.

* * *

The Trade of the United States With Her Non-Contiguous Territory.—At the present moment when exporters are turning their eyes to new fields, a comprehensive view of the existing state of trade is important. The following table, setting forth our trade with our non-contiguous territory, shows a reasonably steady development, both in imports and exports:

TRADE OF PORTO RICO, ALASKA, HAWAII AND THE PHILIPPINES WITH THE UNITED STATES, 1899-1913.

	From the United States.	From Other Countries.	Ratio of U.S. to Other Nations.
IMPORTS.			
1899	$29,768,812	$19,058,942	60.9
1900	32,784,892	22,815,717	58.1
1901	32,278,093	32,768,719	40.9
1902	33,517,896	33,981,386	49.9
1903	36,682,707	34,850,701	51.2
1904	37,632,770	34,951,510	51.8
1905	42,992,003	32,168,837	57.2
1906	50,462,276	28,188,630	64.1
1907	63,680,134	32,497,483	66.2
1908	59,372,921	34,436,532	63.0
1909	63,853,693	30,707,313	67.5
1910	77,103,455	35,055,212	68.7
1911	92,286,523	40,361,723	69.5
1912	103,145,250	44,579,700	63.0
1913	110,015,441	42,741,357	70.8
EXPORTS.			
1899	$29,516,210	$15,681,714	64.2
1900	20,352,539	18,670,638	52.1
1901	36,116,216	26,300,135	58.1
1902	30,800,569	22,966,694	50.7
1903	61,385,603	24,941,322	71.1
1904	58,147,996	25,294,239	69.6
1905	78,214,672	20,908,715	78.9
1906	66,846,408	25,846,503	72.1
1907	75,376,348	28,279,920	72.7
1908	75,235,084	29,702,088	71.7
1909	90,153,498	24,820,398	78.4
1910	109,461,313	23,461,792	79.3
1911	109,051,447	30,082,018	78.3
1912	141,237,312	37,017,416	79.2
1913	127,735,679	44,606,020	74.1

* * *

Where the United States Feels the Pinch of the War in Europe.—The two tabulations given below show vividly the secure character of our national wealth. The first, prepared by the American Protective Tariff League, enumerates articles for which we are dependent upon foreign countries:

Agates	Molston
Alkali	Oil, recovered
Aluminum	Oil, olive
Amber	Oil, sizing
Analine dyes	Oil, finishing
Antimony	Ozokerite
Asphaltum	Potash, crude
Barytes	Potash, carbonate of
Bearings	Potash, caustic of
Bleaching powder	Potash, hydrated carbonate of
Bronze powder	Potash, niterate of
Carbolic acid	Potash, permanganate of
Card clothing	Pumice, lumps
Chamois skins	Pumice, powdered
China clay	Potato starch
Clay marbles	Rubber blankets
Clay, washed	Salt
Cotton, Egyptian	Saltpeter
Cyanides	Scheelite concentrates
Duplex paper	Silex lining
Egg albumen	Skins, sheep and calf
Emery paper	Shellac
Epsom salts	Silk, artificial
Ferro-manganese	Snake stone pencils and bricks
Flint pebbles	Solder
Gallic acid	Sugar
Hemp	Talc
Jute	Tin, bars, blocks, pigs
Kieserite	Tin, grain or granulated
Leather skins	Tinfoil
Linen	Transfer paper
Lime, Vienna	Tungsten
Lithographic tusch	Vanadium
Magnesia	Walrus hide
Magnesite	Watch crystals
Manganese	Wind shields
Mica	Wool
Moleskins	Zinc dust

The second, compiled from the Statistical Abstract of the United States, shows the amounts, in round figures, of the leading items of our home production, together with the percentage of each in the world total:

	Amount.	Per Cent.
Corn product (bushels)	2,600,000,000	68
Wheat product (bushels)	911,000,000	20
Cotton product (bales)	14,000,000	61
Sugar product (pounds)	3,577,000,000	10
Tobacco product (pounds)	791,000,000	35
Number of cattle on farms	59,000,000	15
Coal product (short tons)	534,000,000	40
Petroleum product (barrels)	238,000,000	63
Copper product (pounds)	1,243,000,000	55
Iron ore (long tons)	57,000,000	42
Gold product	$93,000,000	20
Stock of gold	$1,880,000,000	22
Value of all farm products	$9,751,000,000	No data
Value of manufactures	$20,672,000,000	No data

* * *

Imports of Potash into the United States.—One of the most important articles of import into the United States, from the point of view of its indispensableness to various industries, particularly the manufacture of fertilizers, is potash. In total value, our annual imports of potash fall far behind many other commodities; but our dependence upon it was well illustrated some two or three years ago, when the action of Germany in compelling the formation of a potash Kartell, or trust, and the fixing of a relatively high price for all the potash exported, even when the mines belonged to American owners, led to the raising of an international question between this country and Germany. Of late, since the European War broke out, there has been much uneasiness among American users of potash as to their obtaining the requisite supply for the coming year. Germany has virtually a monopoly of the potash mines of the world and hence of the world's potash supply. It is, of course, impossible to export potash directly through German ports; but, fortunately, the regular trade route followed for years past by the potash exported from Germany has been down the Rhine in barges to the ports of Holland, and thence by seagoing vessels to its destination. The way, accordingly, appeared to be open for the United States to obtain its supply as usual, provided Holland remained neutral. Much anxiety, however, was occasioned early in August by a Dutch proclamation putting an embargo on the export of potash from Dutch ports, on the ground that its possible use in the manufacture of explosives gave it a semi-contraband character. Fortunately, this decision was at least temporarily reconsidered by Holland, largely upon representations made by the United States to the Dutch Government. Accordingly, on August 31 the American Legation at The Hague was able to cable the State Department at Washington that the embargo on the export of potash has been for the time being at least removed.

The following table shows the imports of potash into the United States for each of the three past governmental years (July 1 to June 30):

	1912		1913		1914	
	Tons.	Value.	Tons.	Value.	Tons.	Value.
Kainit	485,132	$2,399,761	466,795	$2,154,977	541,846	$2,579,619
Manure salts	192,738	1,814,071	171,802	1,794,058	261,342	2,767,241
Muriate of potash	215,957	7,235,718	201,220	6,782,056	237,916	7,915,523
Sulphate of Potash	44,476	1,826,836	42,745	1,753,485	45,139	1,897,740
Totals	938,303	$13,276,386	882,562	$12,484,576	1,086,243	$15,160,123

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

A YEAR or two ago, a sprightly contemporary of this paper, apparently perplexed that insurance should be treated by anybody as belonging to the great circle of economic activities and as having properly associated with it in the same pages others of those activities, threw a quip at us in the form of an ironic question: What has cotton to do with insurance? To-day nobody would venture to ask that question, at least in a carping sense. It is now plain enough, and in some respects only too plain that the interests of insurance and cotton are already closely interwoven and bid fair to be more so, before many months have passed. The concern of fire insurance with cotton at the present juncture has already been dwelt upon at length in these columns. The problem here does not grow easier from day to day. Without fire insurance cotton can be carried by nobody except the farmer himself, and even he is exceedingly foolish if he fails to cover the cotton in his barn or in his yard with fire insurance. Once cotton leaves the farmer's hands, however, fire insurance is absolutely indispensable to any further dealing in it or holding it. Cotton must be carried on credit, for all the actual capital in the cotton trade would not pay for 10 per cent of one cotton crop in the United States. Whoever (aside from the farmer) carries it, then, must borrow money upon it; and none will loan money on cotton unless it is insured against fire. And cotton is accumulating throughout the South in a way never known in the whole history of this country. The amount of it now being exported is so trivial, as compared with our normal exports at this time of year, that it may be said that the export of cotton does not exist. Nor is there prospect that it will begin again for weeks and perhaps months to come. Fortunately for the fire insurance companies as yet, the farmers are now for the most part compelled to carry their ginned cotton home with them, and there is no piling of it up in warehouses, compresses, terminals and the like. But this can be only temporary; out of the nearly 2,000,000 cotton farmers many must soon begin to sell their cotton, because they have got to live. Then will come the period of glutted storage places, of imperious demands upon the fire insurance companies, and of intense anxiety with regard to the moral hazard and other ills that insurers against fire have to contend with. We should hesitate to say how many million bales would probably be "sold to the insurance companies," as the saying is, if a firm cover on the basis of, say, 9 cents a pound could be obtained by the holders of cotton. There is now much enthusiasm throughout the South over the programme of "holding" the surplus cotton, until the world is at peace again, the markets are open, and the spinners have returned to their customary rate of consumption. But, as many a cotton merchant can testify from hard experiece, it is a weary thing to carry, or "hold," cotton. It does not pay its own way, like bonds or good stocks; on the contrary, the monthly bill for interest, insurance, warehouse charges, etc., which it imposes upon its owner becomes in no long time almost unbearable and his enthusiasm wanes in the same proportion as does his balance at the bank. If he resorts to arithmetic, he discovers that when he has carried it a year, he must sell at 1½ cents per pound higher than he paid for it, or else lose money. If this will not corrupt a man's morals, nothing will.

Fire insurance, however, is by no means the only form of insurance that is seriously concerned over the great cotton problem of the United States this year. The surety companies are being forced to give it an amount of attention beyond anything ever known by them before. Inasmuch as the sole thought of virtually all those who are trying to evolve a plan for dealing with the matter is to withhold the surplus cotton of this year's crop, storing it in warehouses until the price returns to a satisfactory level, the building of cotton warehouses of every kind and description is going on all over the South. And inasmuch as the validating of the warehouse receipts for purposes of collateral against bank loans involves the bonding of the warehouse companies and their officers, it is expected of the surety companies that they should stand ready to supply these bonds to such amount as may be required. Many of the warehouses will be of a flimsy and virtually temporary character, and many of the warehousemen will be inexperienced persons, unaccustomed to the difficulties attending the prevention of substitution of bales and the like; hence the risk involved in providing the cover will be far greater than is the case with well established permanent warehouses, manned by persons trained to the business. Yet there will be great indignation through the South if the surety companies show any reluctance to accept the risks or endeavor to charge rates commensurate with the risks. It has been proposed to obtain Federal supervision of all these warehouses, new and old, by means of a statute imposing a small excise tax. But nothing could be more unpopular in the South, especially at a time like this, than the imposition of any kind of a tax whose final incidence would finally be upon the cotton. Hence, no probability of adoption can be prognosticated for this suggestion. The surety companies will almost certainly be left to get along as best they may, under such State or local supervision of warehouses as is provided by the statutes of the various Southern States.

At first sight, it would seem that life insurance could not be much affected by the cotton situation, except in so far as the empoverishment of the South this year might temporarily reduce new business and cause the loss of old. In a variety of ways, however, the life insurance companies, particularly of the South, feel themselves vitally concerned. Many of them (and not a few Northern companies, too) have invested considerably in mortgages on Southern cotton lands and are apprehensive lest the farmers may be unable to pay their interest promptly, or even in some cases may be so reduced in circumstances as to be compelled to default altogether on their payments. Permanent losses to the companies on this account are little to be feared, as cotton must soon come into its own again; but temporary embarrassments and excessive foreclosures for a year or two are within the range of possibility. On the other hand, one of the younger Southern life insurance companies, the Pan-American Life, of New Orleans, has seen in the necessities of the situation an opportunity both to assist the hard-pressed cotton-producers and also to preserve and extend its own business. It has just announced that it will "extend to the

farmers the privilege of paying their life insurance premiums in notes secured by cotton in warehouses, and to further extend this facility to the farmers in the purchase of life insurance during the present money stringency."

Perhaps more striking than even this proposal, is one of President Warfield, of the Fidelity and Deposit Company, of Baltimore, to have the insurance companies actually buy and carry among their assets a certain amount of cotton. This proposal has led to a highly interesting exchange of telegrams between Mr. Warfield and the Secretary of the Treasury, Mr. McAdoo. Mr. Warfield's telegram was as follows:

Hon. William G. McAdoo, Secretary of the Treasury, Washington:

Following up my talk with you this afternoon, I respectfully ask, if this company should see fit to purchase cotton would your department, which quarterly passes upon the assets of all surety companies qualifying on bonds to the Federal Government, approve at the current or at a fixed price such an investment by this company? Should you decide to approve such investment I am sure that many other surety companies would gladly co-operate in aiding the South at this time of its great financial need.

EDWIN WARFIELD,
President Fidelity and Deposit Company of Maryland.

To this Secretary McAdoo replied, opening a wholly new vista of the possibilities of governmental action, as follows:

Edwin Warfield, President Fidelity and Deposit Company of Maryland, Baltimore:

Telegram received. If a list of the assets of your company submitted to this department should show the investment of your funds to a reasonable extent in cotton properly warehoused and insured, this department would recognize it as an available asset, at its fair market value in determining and passing upon your available resources.

W. G. McADOO, Secretary.

ANNUAL MEETING OF THE NATIONAL CONVENTION OF INSURANCE COMMISSIONERS.

THE forty-fifth annual meeting of the National Convention of Insurance Commissioners held its opening session on Tuesday of this week, at Asheville, N. C. Delegates were present from thirty-two States, there being forty-four delegates in all. A warm welcome was extended by Governor Locke Craig, who pointed out that since 1900 North Carolina had advanced from twenty-second to thirteenth place among the productive States of the Union. He spoke in eloquent terms of the progress of the South in recent years, and incidentally touched upon the war in Europe, and the fortunate position of the United States as being the only great power at peace with all the world. Other welcoming addresses were made by James E. Rankin, Mayor of Asheville; Rev. Brown, representing the Asheville Board of Trade, and James H. Southpass, formerly president of the National Association of Local Fire Insurance Agents.

The principal business undertaken on Wednesday was the hearing of papers on American restriction upon the classes of insurance written. Burton Mansfield ,of Connecticut, opened and was followed by Frank Hasbroucke, of New York, and J. W. Blount, of Maine. All three papers were referred to the committee on laws and legislation and no discussion was had, although invited.

The feature of the Thursday session was the discussion of workmen's compensation results in various States. The discussion was opened by Commisisoner F. H. Hardison, of Massachusetts, and reports were made for Connecticut, Idaho, New York, New Jersey, Illinois, Ohio and Wisconsin.

Through the kindness of the speakers we are able to give in full in this issue such addresses as our limited space allows.

SHALL WE ABANDON THE AMERICAN RESTRICTIONS UPON THE CLASSES OF INSURANCE WRITTEN BY (a) a COMPANY DOING DIRECT WRITING AND (b) A COMPANY DOING REINSURANCE

By Hon. Burton Mansfield*
Insurance Commissioner of Connecticut

WHEN your committee on programme selected this subject and invited me to prepare a paper upon the affirmative side, I accepted the invitation primarily for the purpose of promoting the discussion. As I have gone on in the writing of the paper, however, I must admit that I cannot see how any great harm would result, even if we should abandon what we commonly call the American classification, both as to direct writing and reinsurance companies.

It must be conceded that our inquiry assumes that there is such a thing as an American classification, which is to be distinguished from something else, whose existence we must also concede and to which in case of the abandonment of our own system we would naturally turn. This other system is commonly called the European classification. In order to understand these two systems, I desire to present an historical review thereof; this I am able to do with the assistance of Mr. Hammond,† who has gathered much of the material for me as well as prepared much of it for use. Let us look at the European system so called, from the historical standpoint.

Historical Review.

The methods and practices in regard to insurance, in Europe, vary exceedingly, as well as the laws and legal requirements relating thereto. We cannot within the scope of this paper attempt to differentiate between all of them and while there is much to be learned from their consideration we nevertheless must confine ourselves to the general principles involved rather than to a discussion of details.

How is it in England? The first Parliamentary Commission on Insurance was appointed about 1719 to look into all projects carried on by subscription in and about London and Westminster, upon a complaint to the House of Commons, that "several unjustifiable projects and undertakings, whereby great mischief may accrue to the public"—such as the creation of corporations for insurance purposes—were being proposed. Mr. Frederick Hendriks, in the "Assurance Magazine" (Vol. IV) gives some of the objections made to the proposition as follows: "Insurance of ships is necessary for foreign trade, and if the present be not found inconvenient, there is no reason to set up a corporation for insurance." He adds that the Attorney and Solicitor General reported to the King that the business of insuring ships had always been carried on as it then was—that there was no corporation in Europe for such purpose—and that making an experiment in a thing of this sort, if it should prove amiss, would be of the utmost consequence to trade. The creation of a corporation for the purpose therefore was considered unadvisable.

Later, when The Mines Royal Mineral, the Battery Works, petitioned for authority to insure ships and merchandise, the Attorney General's report said that the design of the petitioners "was

*An address delivered before the Forty-Fifth Annual Session of the National Convention of Insurance Commissioners.

†Acutary of the Insurance Department of Connecticut.

to make the experiment of insuring ships and merchandise as a corporation." The first charter was granted in 1720, to a company which now bears the name of The Royal Exchange Assurance Corporation, and provided for the insurance of ships and goods at sea. In 1721, a second charter was granted to the same persons, covering assurance of any life or lives, and casualties and accidents by fire. Still later, these two corporations were amalgamated. You will notice that these objections expressed in these reports were simply directed against organizing a corporation to carry on insurance. The argument was that inasmuch as no such corporation had existed hitherto therefore none was necessary. There is not, however, any reference to, or criticism of, a condition whereby one company could write life, fire, accident and marine insurance.

In 1799 a petition was presented to Mr. Pitt, then Chancellor of the Exchequer and Premier, contemplating a new company to write fire and life insurance, annuities, endowments for children, etc. The Privy Council in 1803 reported that it was "not expedient." Later, however, the company was incorporated to write marine, fire and life insurance under the name of the Globe Insurance Company.

In "A Review of some Recommendations of the Select Committee of the House of Commons on Assurance Associations (1853)" which also appeared in the "Assurance Magazine" (Vol. IV), Mr. Hendriks quotes from the report of the committee and says:

"That the ground hitherto occupied by these useful institutions has been comparatively limited.

"That their application is capable of great extension not only in the higher and middle classes of society but also among the humbler classes, to whom it has recently been very considerably applied.

"That it is therefore very important that no check or impediment should be placed in the way of the further extension of this enterprise, not absolutely needful for the security of the public.

"It has been brought to the attention of your committee that the business of assurance offices is becoming every year of a more varied character. This your committee regard as the necessary result of the advancement of the science on which it is based."

The above remarks are significant. Here was a select committee reporting on insurance and urging that "no check or impediment" be placed in the way of progress and recognizing multi-field insurance which was then being practiced without objection.

Let me now briefly refer to the charters of some foreign companies, not British, which write through their United States branches, risks according to the American system, but which in their own countries write multi-field insurance. Undoubtedly, many of these companies accept United States risks at home which they could not write in their branches here.

The charter of the Cologne Reinsurance Company, of Germany, authorizes reinsurance against fire risks, risks of transport by land and water, damage by hail, as well as life and accident insurance.

Another German company is authorized to write the following different insurances, namely: Insurance against risks of any nature in course of transportation and during storage of the goods transported, including the means of transportation and other objects in the line of marine insurance; against damage of glass; against the effects of illness and accidents, and liability insurance of all kinds; against damage owing to theft and burglary; and damage of any kind caused by leaks of water pipes; against explosion of steam boilers and plants; and against losses in operating returns and rents due to any kind of damage to property; against other losses in rents; in addition to all this, this same company is authorized to insure horses, and vehicles of every description, and to issue fidelity, surety and guarantee policies, and to write reinsurance in all branches of insurance.

The charter of a Bulgarian company states that the object of the company is to transact, both at home and abroad, all lines of insurance and reinsurance, as follows: against fire and all its consequences; against hail-storms; against the risks of transport of every kind; against bodily accidents and all their consequences; and upon the life of persons in all its usual forms, as well as in every other branch which the directors may consider expedient to be carried on with profit.

By referring to the annual statement of this last mentioned company for 1913, I find that apparently the board of directors have seen fit to carry on more than one line of insurance, for the balance sheet shows transactions in fire, marine, life, accident and miscellaneous insurance.

Lastly, a Bavarian charter, that of the Munich Reinsurance Company, provides for the granting of reinsurance on insurances undertaken by companies, associations, corporations, or persons in Germany and abroad, and adds that the reinsurances undertaken may relate to either life, fire, marine, and transports, or hail insurance, and to such further classes of insurance as the directors may decide. An examination of a recent statement of this company shows transactions in four separate kinds of insurance, namely: fire, accident, life and marine.

France and Italy also allow their companies to write both fire and life insurance and several of them do so.

Let us now look for a few moments at the historical situation here.

In 1819 the Legislature of Connecticut granted a charter to the Aetna Insurance Company. This charter was amended in 1820 in order to permit the company to add to its then actual capital the sum of $50,000, and to increase the same from time to time, to a sum not exceeding $150,000; said amendment also provided that the whole of said capital stock should be denominated the annuity fund, and be secured and paid into the treasury of said corporation, and vested in the same proportion and manner as is authorized and required by the act to which this is in addition, in relation to the fire insurance stock thereby created. The stock created by this amendment was to be exclusively held out and pledged as a fund for the payment of annuities granted by said company, and of losses upon insurance for a life or lives, or in any way dependent upon life or lives, and could in no case, be liable for the other debts, contracts, liabilities, or engagement of the said company. Here we have an example of legislation enacted nearly a century ago in Connecticut which not only combined life and fire insurance in one company, but which made provision for at least a partial segregation of the assets.

In 1853, upon the petition of the Aetna Insurance Company it was resolved by the Legislature of Connecticut "that the shareholders of the 'Annuity Fund' of the said 'Aetna Insurance Company,' their successors and assigns forever, be and they are hereby made and constituted a body corporate and politic, for the purpose of life insurance and for the assumption of all or any hazards connected with life risks by the name of the 'Aetna Life Insurance Company,'" etc. This life insurance company which acquired its charter in this curious way is also compelled from time to time to seek reinsurance in unauthorized companies, either because it cannot find reinsurance facilities among the authorized companies or because the reinsurance companies with which it wants to deal, and which in turn undoubtedly possess sufficient retrocession facilities to meet its demands, cannot be authorized under the General Statutes of the State of Connecticut to transact multi-line business in the State. Recently the officers of this life company, desiring

to be able to accept risks in a few of the classes of fire insurance, procured a fire charter and had it amended by the Legislature to meet its wants. This is but one example of a company forming a cognate company so as to better cover the field. Others could be cited. By this method the field of a company is in effect enlarged so that it can do indirectly what our system stipulates cannot be done directly.

In 1859, a citizen of Connecticut, Mr. James G. Batterson, while traveling abroad, purchased a railway insurance ticket from a station agent of the Great Western Railroad. This interested him so much that he visited the offices of the company which issued the ticket and looked into the methods of this kind of insurance. On his return home, as a result of his investigation, the Legislature of Connecticut granted a charter in 1863 to The Travelers Insurance Company as a "railway passenger insurance company." This company is doing business to-day and is authorized to write in all parts of the United States accident, life and various other kinds of insurance, which it has been authorized to do from time to time since 1863.

In October, 1871, the National Convention of Insurance Commissioners discussed a proposed reciprocal general insurance law, which provided that 'no company hereafter organized in this State shall make insurance upon the lives of individuals, nor grant, purchase, or dispose of annuities, unless organized solely therefor, and doing such business exclusively." The word "hereafter" was introduced, says the secretary of the convention, "for the purpose of not interfering with existing life and accident companies, so that the State of Connecticut could if it chose, pass the act without throwing out the already chartered life and accident companies." The actuary of the Insurance Department of Missouri conceded the propriety of not permitting a life company to do a fire business, but saw no impropriety in permitting a life company to do an accident business, provided the accounts were kept separately, and the reserves were properly maintained.

Hon. George W. Miller, then Superintendent of Insurance of the State of New York, during the discussion, said: "Some of the British companies that do business in this country, do both a life and fire business at home, and until recently there was no discrimination in the law, or, in fact between life and fire assets. They were held in common, as a general rule, although some companies may have made a distinction. But under an act of Parliament, passed last year (1870), they are now required to keep those assets separate; to hold life assets entirely distinct from fire assets and to state them separately; and one shall not be held for the liabilities of the other. The law is eminently proper and they have to this extent sanctioned the wisdom of the New York law, and of all other laws in this country." These words of Superintendent Miller voiced the principle which had been set forth five years before by Superintendent Barnes in a report to the Legislature of New York, in which he says: 'It is regarded by the Superintendent as highly important to the preservation of the present high status of our life insurance companies, that they should be rigidly and totally restrained from entering into the field of general accident, casualty, and other miscellaneous insurance. * * * If life companies are allowed to write any other kind of risks than those strictly appertaining to life contingencies, the whole field of fire, marine, casualty and miscellaneous insurance will sooner or later be opened to them." This utterance of Mr. Barnes made fifty years ago has to a large degree come true. Life companies have not been confined to the life field, but, on the other hand, nearly every State permits them to write casualty and miscellaneous insurance in connection with their life business. Section 3541 of the Statutes of Connecticut even provides that companies chartered to write life insurance only, may also write health and accident business without amendment to their charters. As recent as last year the Metropolitan Life Insurance Company was given power to write health, accident and liability insurance. Only last March, Mr. Emmet, then Superintendent of Insurance of New York, in considering the application of an insurance company authorized by the Legislature of Connecticut to write reinsurance in all fields, to be admitted into his State, as a fire insurance company, said that he had never particularly sympathized with the insistence on the part of his department to exercise extra-territorial jurisdiction over companies of other States. Again as recently stated by Mr. Hotchkiss, a former Superintendent of Insurance of New York: "though a mono-field State, New York, next to Connecticut, has gone furtherest in bringing about in the United States the European multi-field system." These brief references indicate at least, I think, a general inclination to enlarge the classification in the United States as compared with that which formerly prevailed.

In the early part of the last century New York and Pennsylvania had companies authorized to do both a fire and life business.

We have seen that during the discussion at the National Convention of Insurance Commissioners in 1871 Superintendent Miller of New York referred to the Act of 1870, calling particular attention to the fact that British companies were compelled to keep their assets separate. This principle of the British Insurance Law must not be lost sight of. What Superintendent Miller emphasized then we must admit is of primary importance to-day.

This principle was extended in the Assurance Companies Act of 1909, in an annotated edition of which, published in 1910, I find the following: "Separate accounts are to be kept in respect of each class of insurance business (except fire and accident) and the receipts in respect of each class of business are to be carried to and form a separate assurance fund, and that fund is to be as absolutely the security of the policyholders of that class of insurance business as though it belonged to a company carrying on no other business than assurance business of that particular class."

Prior thereto "By the Life Assurance Companies Acts, 1870-72, it was only necessary for companies to keep the life funds separate; now it is made compulsory that the accounts in respect of each kind of business shall be separately kept and that the fund in respect of each kind of insurance shall be specially earmarked as security for the policyholders of that class."

While I am thoroughly convinced, as Superintendent Barnes appears to have feared back in 1865, that the whole field of insurance will ultimately be opened up without restrictions as to class of business written, I am just as positive that such a step when taken must provide for the insurants of the United States, safeguards at least as sufficient as those referred to above. Assets should be segregated, and the reserves, as well, for I believe our present methods of setting aside reserves are in advance of the European methods—calculated accurately as specific liabilities.

If any of you have examined the Special Acts of Connecticut of 1911 (and I am reminded that some of you have had occasion to do so in regard to the matter to which I refer) you will find that at that session a charter was granted authorizing The First Reinsurance Company of Hartford, "to carry on a reinsurance business, and to make reinsurance on insurance risks of every kind or description undertaken by other insurance companies, associations, corporations, or persons, and in so doing may co-operate with other companies, associations, corporations or persons; and to make contracts upon any and all conditions appertaining to or connected with the reinsurance business of whatever kind or nature; upon such terms and conditions as shall be from time to time ordered or de-

termined." This charter is quite un-American. It is decidedly of European type. Nevertheless, it seems to me fitting that a charter unique in the more recent insurance history of our country, containing an idea advanced at least from our standpoint should emanate from the State, whose early settlers framed the first written constitution of government, and which now stands at the top in the development of insurance in this country. It is particularly significant that this charter was approved by a Governor, who has believed in freedom of incorporation for a long time and who, in an article on that subject, in commenting upon the adoption and change in general incorporation laws, said: "Each new law has thus been the occasion of others, but each has left the vital principle of free incorporation untouched. It is so in accord with the spirit of the age, that it must ultimately prevail in every country where any degree of individual liberty exists."

This company undoubtedly gave rise to our discussion. As was to be expected it has had some trouble in gaining admission to other States. Superintendent Emmet, when he admitted this company to New York, stated: "My primary reason is that this company does an exclusively reinsurance business and is in no wise concerned with the direct writing of insurance. Our present New York law does not, it is true, draw any distinction between reinsurance and direct writing business, but the belief is very widely held among insurance people that there is a very real distinction between these two lines of business. In this I concur. * * * It is scarcely possible to conceive of reinsurance as under any circumstances injuring the insuring public. It is very easy, under many circumstances, to see the benefits to the insuring public which flow from reinsurance. So viewed, I think a certain distinction between reinsurance companies and direct writing companies is obvious. * * * Absolutely the only argument against admitting it here, as a fire reinsurance company is the fact that it has charter powers, granted to it by the State of Connecticut, which would enable it in Connecticut to do certain lines of reinsurance business, which a fire reinsurance company cannot do in New York. * * * This company is unwilling to abandon all its Connecticut charter rights, as a condition precedent to its being admitted to do a fire reinsurance business in New York, although of course it has no expectation of availing itself of any of these rights within the State of New York, except the power to reinsure fire risks. It has, however, filed with the department an agreement not to exercise some of these charter powers even outside the State of New York."

Commissioner Hardison in his last annual report under the caption, "All-Embracing Charters," says:

"There is another phase of the reinsurance question which has been forcing itself upon public attention, and that is the contention that a reinsurance company ought to be given authority to reinsure all kinds or classes of risks, in spite of the fact that in this country it has always been considered sound policy to confine a direct writing company to covering only certain classes, as, for instance, life and accident, or fire and marine in the same company. In foreign countries it is true the practice is different. There a company is permitted to write all kinds of insurance, even the most hazardous, at the same time writing life insurance, and generally without government supervision. It is a fact that there has been a growing tendency in this country to break over our old established rule. In this Commonwealth within the last twenty years the number of lines that may be written by an insurance company have been greatly increased, so that now with a capital of a million dollars a company may cover a wide variety of what are known as casualty hazards. It is now attempted to push this even further. In a neighboring State a company has been specially chartered to do all kinds of insurance business. It is, however, not a direct writing company, but must confine its business to reinsurance. Its application for admission to another State raised the question in that State whether a reinsurance company should be given greater latitude in the kinds of insurance it may assume to write than a company which takes business by direct policies issued to the insured. The question was not pressed for a settlement, as legislation was necessary in the State applied to in order to admit the applicant to cover the whole insurance field. But it is bound to come up later in every State, and be broadened out to the wider issue of permitting all insurance companies to assume all kinds of risks, thus doing away with the old distinctions of fire and marine insurance companies, and also giving to life insurance companies, which have hitherto devoted their energies to insuring lives and conserving the funds which come into their possession for guaranteeing the payment of their obligations, the right to enter the field now occupied solely by fire insurance companies, as well as all other fields."

In 1885 Mr. Richard Teece in a paper on "State Supervision in Insurance," read before the Insurance Institute of New South Wales, said:

"The aim of British rulers—in our day at least—in this matter has been to provide that while no enterprise shall be checked by needless restrictions, it shall not be prosecuted in concealment; that while it shall be allowed to shape its own course, and pursue its own career, it shall leave beacons along its path, in order that those who are in search of it shall be able to find it; that while it shall be permitted the full exercise of the capacity to conceive and the ability to execute whatever designs may appear necessary to its development, it shall not execute (however much it may conceive) anything which shall be prejudicial to the State or injurious to the interests of the people committed to its care."

In referring to supervision in the United States Mr. Teece says, "there is no fusion of all branches—fire, life, marine, etc.—in one company, as with us, but a life assurance company is prohibited from transacting fire or marine business."

"In considering the history of insurance legislation in America, one cannot fail to be struck with the hostile attitude assumed by the legislatures towards the companies. One would think that life (and indeed all) insurance companies, which are admittedly capable of conferring the highest benefits on the community in which they exist, would commend themselves to the tenderest solicitude on the part of the State."

You know and I know that the conditions to which I call attention are the natural results of our restrictive governmental supervision. They have become more manifest in recent years than formerly. Why the freedom of incorporation which prevails in this country in regard to other commercial enterprises does not apply equally to insurance companies, is a matter which cannot be satisfactorily explained. It seems to me that the limitations which have been placed in general upon the corporate powers of insurance companies in the United States constitute a marked exception to the principles and practices in other fields of operation, and is in strong contrast to the principles and practices in operation in England and other European countries.

In 1895 Mr. T. E. Young in his introductory address before the Birmingham Insurance Institute made the following comparison between British and American methods in his discussion of the evolution of the then present condition:

"It cannot be affirmed that the wealth, solidity and number of British companies, as compared with those in America are due to any deficiency of mercantile enterprise among the American people, but are largely dependent on the fact that advancement in the one case is prevented by the unnatural obstruction interposed by

the conjoint forces of commercial protection and minute governmental intervention, while in the other case, the line of least resistance is kept clear and free by the invigorating force of freedom of trade and of that ample scope for development which combined enterprise possesses wherever the enfeebling and paralyzing power of government control is unknown."

Mr. Young further says that "the history of insurance is a passage from the homogeneous to the heterogeneous as a portion of the general development of business enterprise." He points out that while insurance was formerly confined to marine, fire and life insurance,—burglary, surety, hail, accident and many other forms of insurance have been added. As a parallel to this he calls attention to "the same advance from homogeneity to heterogeneity, from sameness to diversity, in the circumstance that individual companies now comprise, in addition to fire and life insurance, or even fire, life and marine, the application of insurance to leaseholds, issue risks, 'name and arms' protection; with powers to include fidelity and accident contingencies."

It may be objected by some that but few companies comparatively have availed themselves of the privilege of writing multiple lines under the European system and that therefore the system has not proved itself. That but few companies have exercised this privilege is true, I believe, but that argues well for the system and goes far to show that the system has not been abused. I do not contend that all companies must write all classes of risks. I argue simply, for the principle of freedom in this regard. Remove the restrictions and allow the matter to be worked out under the operation of those laws which should naturally govern under such circumstances.

Two points in passing.

First. I am informed that a certain company which operates in nearly if not in all of our States offers a part of its excess risks to a foreign company which is not and cannot be authorized to transact multi-field insurance under our laws, because of the restrictions resulting from our system of supervision which, as aptly stated in the Encyclopedia Brittanica, "meddles with all its details for the avowed purpose of securing the safest and best public service." This direct writing company seeks this protection with a foreign reinsurance company which automatically accepts the risks ceded to it and which in turn distributes them just as automatically among various retrocession companies. The reinsuring company is a foreign company; probably the retrocession companies are all foreign, too; and probably no one of them is admitted to the United States.

Second. This company files with the Insurance Department of Connecticut and probably with every other insurance department in this country two annual statements upon forms agreed upon by the National Convention of Insurance Commissioners. On one of these forms it reports its transactions in accident, health, liability, workmen's compensation and other lines of insurance, which are commonly grouped under the term of miscellaneous or casualty insurance. If its charter permitted and the company chose, it might add many other lines—live stock, credit, fly-wheel, burglary, physicians' defense, property damage, title, fidelity, surety, plate glass, steam boiler, etc., etc. Notwithstanding the addition of these lines, supervising officials in various States even under our present system of minute government supervision, could authorize this company to write all of these lines and without any increase in the capital or other resources. These lines of insurance simply fall into a group which has a generic title and which, because of the artificial classification that has grown up in America, and from which we are apparently reluctant to depart, is recognized and permitted. We have therefore in the so-called miscellaneous or casualty insurance field recognized, partially at least, the theory of the evolution of insurance from homogeneity to heterogeneity. What possible relation is there between live stock insurance and credit insurance, between physicians' defense and property damage, between surety and plate glass? None save that they are all insurance. Yet all these lines which the convention blanks recognize can be written in this country by a certain class of insurance companies, demonstrating clearly that the so-called American system of classification *per se* is a misnomer and largely, if not entirely theoretical. This condition of affairs clearly demonstrates that the American restrictions upon the classes of insurance written by a company doing direct business are only in a measure restrictive. Such American limitations are American prejudices under another name, which, I do not believe, would exist long if the insurance commissioners of this country would take the time to fairly analyze the situation.

Our problem, therefore, is hardly a new one. It implies that certain practices have grown up in America which have limited or restricted the classes of insurance which an insurance company may write. I do not believe that we in America have conducted experiments of sufficient magnitude along this line of investigation or made such a scientific analysis of this question as to be able to declare finally that our present classification of insurance risks should be maintained and that a company seeking a charter in one of our States or asking for authority to transact its business within her borders must confine its operations to the American rule of mono-field insurance rather than to the European rule of multi-field insurance. I am of the opinion rather that existing conditions are based on artificial sentiment, and as stated by Mr. E. R. Hardy, librarian of the Insurance Society of New York, is largely fortuitous and contrary to those tendencies in our commercial activities generally, which promote larger aggregations of capital and greater freedom in operation.

Already the inexorable law of supply and demand is operating to the disadvantage of American companies. These companies are compelled to seek protection for themselves in their larger insurance undertakings by offering their excess lines to companies which are not authorized to transact business here. It is often difficult for direct writing companies to make cessions automatically. In turn it is well nigh difficult, in many instances, for reinsurance companies accepting these excess lines to procure such retrocession and sub-retrocession facilities as will properly distribute the losses should they occur and protect the hazards of the risks assumed. This is in direct contradiction to the principle of association for the distribution of losses which is the essential economic significance of insurance, and insurance is, I believe, "that social device for making accumulations to meet the uncertain losses of capital." There appear to be two ways to reduce the uncertainty of losses and the cost thereof, viz.: by prevention and by the transfer of risks. At present we are primarily interested in the second. Certainly we should progress toward universal insurance rather than gravitate toward latent or self-insurance. In any case, however, the outcome will ultimately find its full expression in accordance with economic laws whether the statutory regulations be broadened at once or not.

Much of our knowledge concerning any subject is necessarily derived from the experience of others. If that experience has been adverse we should decline to change our ways. If on the other hand that experience has not been adverse, may we not reasonably conclude that we could safely adopt a new way in preference to one which is more narrow and restrictive?

Are we not now in a position somewhat similar to that held by the learned Attorney General, who in 1719, opposed a new order

of things because the old apparently sufficed? England did not ultimately accept his opinion and the legislatures of our States may not accept as final what I assume to be the opinions of a majority of our supervising insurance officials, so far as they relate to the question before us. The experience of England and elsewhere is too important to be disregarded. Apparently there has been little or no criticism of the European system. Had there been, I am sure that such prominent men of insurance affairs as those from whom I have quoted, would have voiced such criticism long ago. We have accepted the European system of classification as a fact and we must conclude from the evidence presented that it has not been a subject of criticism. It seems to me therefore that the American method of classification should be abandoned to meet the present insistent demands of which we are cognizant.

Mind you, I am aware, that as stated by Commissioner Hardison, our practice is different from foreign countries, and that abroad there is less government supervision than in the United States. I am not contending that we should abandon both the American system of classification and all government supervision. I simply urge the former. Surround it if you please with that supervision which you think proper, but do not lose sight of the main issue that the restrictions imposed here now do not permit the economic significance of insurance a fair expression. The economic forces which are at work, the ones which are emphasizing this question now, are too great for us to pass over lightly or to oppose successfully. "The change," the Commissioner of Massachusetts says, "is not necessarily dangerous because it is a change, but it should not be adopted until it has had most careful consideration in order to determine beforehand, if possible, whether it will operate as well in this country as in older ones, where business is conducted on a less high-pressure basis than by some corporations here." I endorse this. The words contain that conservative warning which we of course must bear in mind. What I advocate and what I believe is inevitable, is only the natural outcome of insurance growth in this country; it is not revolutionary but evolutionary.

Former Superintendent Hotchkiss to whom I am much indebted for valuable assistance, in the preparation of this article, in a discussion of our American system recently made this suggestion:

"So long as we continue to believe in the classification or single field system, as distinguished from the multi-field system abroad, any uniform reinsurance law should deny to reinsurance companies multi-field powers. If we are to abandon our classification system —and there are already signs that we may—we should abandon it directly, not by indirection. Rightly or wrongly, we, Americans, have heretofore refused to permit the policyholders in one class or field to be put in jeopardy by the hazards of an entirely different class or field. More, we have prescribed different reserve requirements in each field. This from the beginning has been our theory and our practice; it is embedded in our laws. The business operations in the home offices of hundreds of companies recognize this division. Foreign multi-field companies have come to our market and—while doubtless protesting—have recognized it by establishing mono-field United States branches. This is the law of the land, not merely by statute but by insurance practice affecting home office and field, and the public as well, and has been such for considerably more than half a century. Our American classification system cannot, therefore, be changed without great shock—shock that would unsettle the insurance business for a number of years. Nor should it be changed nor broken in upon in any legislation that may be proposed affecting reinsurance alone."

Frankly, I cannot quite agree with my learned friend that our system cannot be changed without "great shock," although I quite agree with both him and the Commissioner of Massachusetts, that if it comes, it should be applied to both direct writing and to reinsurance. In this latter respect I should again differ from the stand taken by Mr. Emmet in his recent ruling from which I have hereinbefore quoted. I believe that it is both a natural and logical conclusion that our policy of limitation should be abandoned as regards both direct writing companies and reinsurance companies. My remarks thus far have been confined to the general subject. We can see, however, that it is the lack of reinsurance and retrocession facilities in the United States that makes this subject important and worthy of our careful deliberations. On the other hand I do not comprehend why we need make any distinction because of this fact. It is simply a condition. The principle of restriction is wrong as regards the writing of all insurance risks. It undoubted'y applies differently to different classes of companies, but that is a matter of detail. In this connection, however, there is one point which I want to bring out. Increase reinsurance facilities and direct writing companies will use them more freely than at present. This will tend to diminish the amount of reinsurance which is now being exchanged between direct writing companies. I do not know but that it would be a good thing if direct writing companies would confine their activities to the direct writing field and the reinsurance and retrocession companies to the reinsurance field.

A recent article by Mr. Hotchkiss gives a very able presentation of our subject as far as it affects reinsurance retrocession. He points out clearly the demands which I have mentioned and refers at length to three legislative bills which were introduced during 1914:

1. The Massachusetts bill to prohibit retrocessions to non-authorized companies.

2. The New York bill to permit reinsurance companies, as distinguished from insurance companies, to operate in all the different fields.

3. The New Jersey bill to prohibit reinsurance in excess of at least twice the amount of the liability retained by the direct writer.

These bills are another evidence of the importance of our subject, and as Mr. Hotchkiss points out, indicate the chaotic condition of American sentiment as to the great subject of reinsurance and —as nothing else in recent years—suggests the necessity of an American policy which will lead ultimately to the establishment here of a scientific reinsurance and retrocession system like that abroad. Briefly the Massachusetts bill presents an extremely restrictive policy while an evidence of the American tendency in the opposite direction appears in case of the New York bill. The New Jersey bill, on the other hand, seems to be aimed in still a third direction.

Assuming the conception of the idea that the American restrictions placed upon the classes of insurance written should be abandoned as a fact and not simply as an idea, let us take up very briefly a few points which we undoubtedly would be bound to recognize under such circumstances, whether we were dealing with direct writing or reinsurance companies.

Statement blanks would have to be prepared upon such a basis as to permit a company writing under an "all-embracing charter" to show its various transactions in an intelligent manner. We, as insurance commissioners, already recognize in the miscellaneous blank the principle of multi-field insurance. The proper kind of a statement blank for such a company need be but a little more extensive than the blanks now in use, the most important part of which is the liability page. The reserves as now reported are by no means similar in their construction. It is merely a matter of detail to make provision in a single blank for the appropriate re-

serves for all classes of insurance risks. Add, if you please, a conflagration reserve for companies writing fire hazards and make any reasonable requirement as to surplus as regards policyholders. These are matters which would have to be worked out and concerning which I do not anticipate there would be much difficulty.

The theory has been advanced that the loss experience of a reinsurance company cannot be better than its ceding companies because the latter make their own selection of risks while the former must as a rule accept what is given them under treaty arrangements. I think that this result will probably prevail, but will not the law of average operate as usual? I do not believe it is a matter of much concern. At least it seems to me that it is a matter for company underwriters to worry over and not for insurance commissioners, except in rare cases.

Other points might be discussed as illustrative of what might arise under such a change as I contemplate. They all seem to reflect improved conditions. For example, greater reinsurance facilities would tend to minimize reciprocal arrangements between direct writing companies by which many times competing companies become acquainted with each other's "stock in trade." Much of this class of reinsurance would probably become obligatory reinsurance under treaties or even faculative reinsurance with a general agreement existing between the companies interested. Another point—much of our trouble and bother over surplus lines would be eliminated. Then, too, the broker who now arranges reinsurance treaties and who may not have the interest of the contracting parties at heart would have to leave much of this work to the reinsuring and retrocession companies—namely to men interested and skilled in such matters. So-called substitutes for reinsurance facilities such as the Reinsurance Bureau of New York, Workmen's Compensation Reinsurance Bureau, the Excise Reinsurance Bureau, etc., while operating now as valuable factors in different classes of insurance, would be free to further distribute their risks.

My conclusions may be briefly summarized as follows: The European system of classification has existed for nearly two hundred years without criticism. There has been no great stampede of companies to write at once all classes of insurance. Rather the tendency to enter all fields has been dignified, those companies which have availed themselves of the freedom of the system, being among the strongest in Europe. For a century in our own country the tendency has been toward the European system. While Massachusetts has been largely a mono-field State, Connecticut has accepted the principle of multi-field writings and New York is approaching the same position as Connecticut. So called multi-field insurance is practically now being practiced by casualty companies. The abandonment of the American restrictions upon the classes of insurance written, by both a company doing a direct business and a company doing reinsurance is but a step.

Just a word more. Any analysis of this question reflects our experience. We are, however, too willing many times to follow the historical precedent of this country in preference to progressing into newer fields which are admittedly more appropriate. Carlyle somewhere says that a nation's history is its true Bible. The Governor of Connecticut in commenting on this expression has remarked, "If so it be, the last books must be better, wiser, truer than the first. There must be a new testament built upon the old —with its broader, freer, higher life." Let us therefore bear this precept in mind, and see if, in all fairness, we cannot use and adopt a wiser and better system of classification in the United States, even if among other changes it involves less harrowing expeditions on our part into the multitudinous details of a great business, conducted for the public good and forming a very large element in our national prosperity and growth.

Why hamper and restrict the immense insurance activity in this country by needless practices or laws? That activity should be enlarged to find its normal expansion into all reasonable fields and in all reasonable ways.

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Note.—To Mr. Carl Schreiner I desire to express my appreciation, with deep regret that material prepared by him, came to me, through no fault of his, too late for my use.

THE COST OF MISCELLANEOUS INSURANCE

By Hon. S. Epsteen*
Insurance Commissioner of Colorado

INTRODUCTION.

IN asking me to present a paper on "The Cost of Miscellaneous Insurance," the secretary of this convention stated that it was tacitly understood I would also discuss the question of adequate reserves. Accordingly, I have analyzed the present method of calculating reserves, and also five new methods which have been proposed:

1. Increased Percentage method.
2. Pay-Roll Exposure method.
3. Wolfe's method.
4. Pure Premium method.
5. Daly's Rate method.

It seems to me that the last two are the best; further, that the Pure Premium method cannot be put into practice, owing to the lack of sufficient statistics. In consequence, Daly's method of basing reserves on the established manual rates is the most immediately practical of the methods which have been suggested.

In my estimation, reserves based on standard rates will go a long way toward solving many of the perplexing difficulties which now exist in miscellaneous insurance. I have therefore asked Mr.

*An address delivered before the Forty-Fifth Annual Session of the National Convention of Insurance Commissioners.

Daly to write out in detail an explanation of his method. This he has kindly consented to do, and it is appended as Part II of this paper.

PART I.—THE MAXIMUM OR TOP-EXPENSE PLAN.

By S. Epsteen.

1. If one should take the list of all the casualty companies operating in the United States, and cross out the names of those which have been selling insurance less than three years, and also leave out those companies which, owing to the nature of their business, have heavy inspection costs, it will be found that the number of remaining companies is sixty-seven. If, also, the reader would take the total expense of each of these sixty-seven companies (exclusive of losses and adjustments), and divide by the premium income, he would find:

Eleven companies are operating at less than 40 per cent.

Twenty-seven companies are operating at a cost of 40 to 50 per cent.

Twenty-nine companies are spending more than 50 per cent of their income.

As a rough classification, we might say that the eleven companies operating at less than 40 per cent are economically managed; that the twenty-seven companies whose expense ratio is betwen 40 and 50 per cent are managed in a moderately economical way (although improvement is possible in these cases); and that the remaining twenty-nine companies are managed in an extravagant manner.

It might be argued that a stock company has a right to spend as much as it pleases. There is a measure of truth in this; but it is not a statement of the entire truth. Insurance is a matter of public interest, and the people of the United States will not tolerate an expense ratio in excess of 50 per cent—if they know the facts. I firmly believe that, if some of the enormous expense ratios of companies are not reduced to within reasonable limits, the entire business of insurance will be materially injured. I do not believe that it would be a wise proposition for the States to engage in the business of casualty insurance. I do not believe that State rate-making is practicable; but I greatly fear that, if the large expense ratios are not reduced, we shall have State insurance and State rate-making—to the detriment and injury of many established, well-constituted, and properly managed insurance companies.

It would be a grave error to set an expense ratio and tell all the companies to operate within that limit. It is perfectly obvious that some lines of the casualty business are more costly than others. A company which does chiefly health and accident business is under a heavier expense ratio than a company which does chiefly liability business; a company which does fidelity and surety business is obviously under a heavier expense ratio than a company which does chiefly compensation business. This leads us to the fundamental proposition of the Maximum-Expense theory, viz.: A maximum or top expense should not be set for a company as a whole, but should merely be set for each line of business which the company conducts.

2. The disbursements of a casualty company may be divided into four groups:

A. To policyholders, including losses, adjustments, service, investigations, and inspections.

B. State taxes and fees.

C. Dividends to stockholders.

D. Expenses, including commissions, salaries, printing, stationery, traveling, advertising, postage, bureau, etc.

As regards Class A but little need be said on this occasion. Possibly it would be well to call attention to the inclusion of the word "inspections" under this heading. It is customary to include inspections under "expenses." To my mind, this is incorrect. For example: Suppose a company does a considerable amount of boiler and fly-wheel insurance; obviously the inspections go to diminish the losses; therefore, inspections should be charged as service to policyholders, and should not be charged as an expense against the administration.

The State taxes and fees are too high now; they should be very materially reduced. The State has no right to ask a company to reduce acquisition and management expenses, and then turn around and increase State taxes. What is sauce for the goose is sauce for the gander. The State should do its share toward reducing the disbursements of a company by lowering or abolishing taxes and fees which are now charged in excess of the cost of supervision.

The question of dividends to stockholders I shall not discuss. This is entirely a private matter, and is justifiable if a company is making a profit.

This brings us now to Class D, and it is this item which is susceptible of a top limitation. To repeat what has already been said, this limitation should not apply to a company as a whole, but merely to the separate lines of the company's business. I am not at all sure what the exact limitation should be on each line. However, in order to be definite, I shall present a tentative programme, and shall be very happly indeed to modify the percentages which I name in accordance with the discussion and suggestions which you will make at this meeting, or in leters which any one who reads this paper may write me.

Expenses of Class D, above (Including Commissions, Salaries, Printing, Stationery, Traveling, Advertising, Postage, Bureau, etc.)

Class.	Tentative Maximum (Per Cent).
Compensation	30
Employers' liability	35
Other liability	35
Credit	35
Property damage and collision	35
Boiler	40
Accident and health	45
Burglary	45
Plate glass	45
Fidelity and surety	45

It will now be shown by two examples how I arrive at these tentative expense limitations: First, compensation, 30 per cent. The commission paid to the agents is 17½ per cent. This allows 12½ per cent for home office and the other expenses enumerated in Class D. It may be in place, at this point, to state that, in my own estimation, 27½ per cent is adequate for compensation business, and that I have named 30 per cent in order to allow a little leeway for various opinions which have been expressed. It might seem, at first glance, as if my figures were in conflict with the 33⅓ per cent recent top-expense ruling of the New York department. However, this is not the case; instead of conflict, there is really harmony. The reason for the apparent difference is that the New York department has included adjustments, investigations, inspections, etc., as "management expense," while these items are counted with "losses" in my own analysis at the beginning of this section (No. 2, A). Secondly, accident and

health, 45 per cent. The commission ordinarily paid to agents for this line of business is 35 per cent; allowing 10 per cent for home office expenditures gives us the total of 45 per cent.

3. These illustrations are deceptive in one way and do not convey my real meaning. It is not my thought that the agents must now and forever receive 17½ per cent for compensation. I merely use this figure as an illustration. I believe that the amount of commissions an agent receives is a matter of contract between the agent and the company. It may be that conditions will change so that the agent should receive a larger commission, or it may be that conditions will change so that the agent should receive a smaller commission. The only stand which I take is that no company should spend more than 30 per cent for the items enumerated in Class D for compensation business; the apportionment of this 30 per cent between agents' commissions and the home office to be left to the company as a matter for its own discretion.

It is not my idea that the agent must now and forever receive 35 per cent for accident and health business. I merely use this figure as an illustration. Conditions may change so that the agent would be entitled to a higher commission, or conditions may change so that the agent would be entitled to a lower commission. My position in the matter is that no company should spend more than 45 per cent for accident and health business, covering the items enumerated in Class D. The exact distribution of this 45 per cent is a matter of contract between the company, its agent, its employes, etc., and is to be apportioned at the discretion of the company.

Further, it is not my idea that these top percentages must be reached. I do not mean that a company must spend 30 per cent for compensation business; on the contrary, I think it should spend less; but, at all events, it must not spend more. I am not trying to say that a company should spend 35 per cent for liability business; what I do mean is that it should try to do the busines for less; but, at all events, it must not exceed 35 per cent.

4. It should be specifically mentioned that these figures are not meant to apply to young companies. Of course, every one understands that it costs more to get a new company started than it costs to maintain an established company. Furthermore, I do not mean that, if a company is spending to-day 51 per cent on accident and health business, it should over night reduce to 45 per cent. This plan, if adopted, must be a flexible one. If a company is spending 51 per cent for accident and health business, it might be allowed three years to reduce to 45 per cent—the reduction to be made at the rate of 2 per cent per year. Thus, if the company is operating at present on a 51 per cent expense ratio, next year it should reduce its expense ratio to 49 per cent; two years hence, to 47 per cent, and three years hence, to 45 per cent. Similarly, if a company is spending 33 per cent for compensation business, it should reduce next year to 32 per cent; two years hence, to 31 per cent, and three years hence, to 30 per cent.

5. As already pointed out in the foregoing, these figures are tentative. I think, personally, they are not far from being correct; but, of course, they are all subject to modification, if there is a concensus of opinion on the subject. Also, I have suggested that every company be given three years to reduce from its present expense ratio to those maximum totals indicated. Possibly the change cannot be made in three years and five years should be allowed. If this is the consensus of opinion, the change is easy to adopt. If any of these changes are desirable, let us make them. However, they are changes in detail and not in principle. The principle I believe to be correct.

To my way of thinking, it is absurd that we should have twenty-nine companies which operate under an expense ratio varying from 50 to 80 per cent and more. No business can stand an overhead burden of this magnitude.

6. Because this suggestion comes from a commissioner of insurance, I presume that it will look as if I were of the opinion that these limitations should be made by the States. This would be a misstatement of my position. My mind is open on the subject. The best way of all would be for each company individually to reduce its expense, for no other reason than that it is good business policy. Perhaps it should be allowed to come naturally as an outworking of economic forces. Perhaps this limitation should be made as an agreement among the companies. Possibly it should be made as an agreement between the companies and commissioners. As a last resort, and if it cannot be done otherwise, it should be done by legislation.

In concluding Part I, I beg again to call your attention to the elasticity of the ideas which have been advanced. The only idea advanced which I regard as being without elasticity is the principle that the expenses enumerated in Class D should have some limitations set on them as applied to the different lines of the casualty business.

PART II.—RESERVES ON RATES.

By Thomas F. Daly.

The object of my discussion is to establish the following: The present method of calculating casualty reserves (reinsurance reserves and loss reserve) is unscientific. Reserves should be based on standard minimum rates, not on premiums.

The principles involved in these branches of insurance indicate the necessity for careful thought regarding what is to be undertaken under such policies, with particular observance of the rights of both contracting parties to the underwriting agreement, always consistent with the requirements of the laws of forty-eight States and two Territories. Reserve on premiums means very little, if anything, when applied to this class of business, as the premium test may be inadequate to maintain the risk on a sound basis, or provide for the losses which may occur.

Reserve on rates necessitates the procuring of sufficient premium to provide a sound reserve. When a proper rate is determined, correct reserves are sure to be maintained. Consequently, safety will be the first order of business, as the reserve under such conditions will always be the equivalent of the loss.

Consider for a moment the conditions under which the companies operate, and the reasons for assuming that reserve on rates is more scientific than reserve on premiums or any other haphazard method. Suits in liability lines are sometimes in court from two to ten years, or even longer. As solvency is the first requisite, thus the company must be fully equipped and ready to serve the public fairly and economically. Hence, if a reserve on rates were once sanctioned by any form of supervision, particularly by the combined underwriters, as being the proper method of providing for liabilities, it would make any company reinsurable that might have to retire from the business, and would place the business on a thoroughly scientific and sound basis. The experience of different companies, as compiled by the Bureau of Casualty Insurance Statistics, which dates back for at least fifteen years, together with the companies' own experience, ought to be a sufficiently safe indication upon which to base rates. It is obvious that, were the reserves to apply to the rates established, no great deviation would occur in the underwriting. If the standard of reserves were adopted by the companies, it would very soon be recognized by the State authorities as being adequate, safe and sound. Experience from time to time would indicate whether or not the rate ought to

be increased or lowered, depending entirely upon changes which might take place in the laws or conditions affecting the business. The plan might easily be applied, as it is at present used in life insurance; and in time it would probably be recognized by State authorities as the present American Experience Tables on reserves are recognized in life insurance.

Further, proper reserves under proper classification would be of untold benefit to the companies; would prevent discrimination and loss on underwriting; would insure a living percentage of profit to the companies, and at the same time a square deal to the public and to the agent producing the business. From my point of view, we do not get anywhere with reserve on premiums. Premiums may be so low that, to obtain the proper reserve, you would be obliged to add something to the premium to provide for the safe carrying of the risk under a scientific rating. This has been more or less true in the past, on account of the unscientific method of reserving and the inadequacy of rates. The pure premium method is all right, as it is the experience of the past, and ought to be a reasonably fair guide by which the proper reserve may be determined under the rate-reserve system in the future.

Rate reserves may be safely applied to any branch of the casualty and miscellaneous insurance lines. At the present time individual accident companies are undertaking to do the business of trust and suretyship. In other words, they guarantee to the beneficiaries of policies payment of installments which are limited only by the lifetime of said beneficiaries.

Policies of accident companies provide payments to the assured under a total disability feature which necessarily makes the companies custodians of funds to be distributed; and they perform an act by common consent which is not contemplated in most of their charters. The present value of all such payments must of necessity be a liability, and should be so treated.

Obligations are created under compensation laws which make the company the custodian and distributor of funds for a certain period, ranging from six to ten or twelve years, and in New York for a period of even thirty-five or forty years. This means that reserves should be computed scientifically; that the funds of the corporation should be properly invested; and that the safe guarantee of rate reserves should be thrown out to the protect the companies against themselves. The duty to be performed under these policies that are being issued to-day involves the same economic principles as are exhibited under annuities which are bought and sold, and upon which the right of contract is always influenced by the amount of assets behind the guarantor.

The necessity for safeguarding the business by proper reserves upon rates is obviously apparent, as accretion or profit by investment is not in any sense a part of underwriting profit, and should not be taken into account. Companies with large accumulated surplus might act in a manner that would be detrimental to younger companies that are starting in the business. With a reserve on rates, it would be impossible for any company to serve the public in a manner detrimental to another company, no matter how small or how young. In this manner the younger company does not suffer by any comparison except that of size; and, as size is not essential to economic service, it makes little difference in the calculations of the service to be rendered, once an average has been obtained. On the contrary, size is sometimes top-heavy, and because of bulk often duplicates itself.

Reserve on rates may be applied to all branches of the business—surety, plate glass, steam boiler, health, burglary, or any of the branches of miscellaneous insurance now written. We are considering the matter from the standpoint of an individual rating for each classification in each different State; as the laws vary, so would the rates vary in each State, and the reserves accordingly, arranged in whatever percentage of the rate appeared to be sound from an economic basis.

We will not quarrel about the percentage of reserve to be set aside and our suggestion is only based upon a theory evolved from consideration of duties to be performed under casualty and compensation policies. Therefore, the table which follows may not be entirely in accord with the views of those who may criticise the method, but the figures may be arranged to fit the actual conditions as shown to be necessary by the experience so far attained.

The rating by States is in no sense different from the plan that is now in vogue; consequently, it would work no hardship upon the companies. The plan for percentages may be worked by a congress of companies represented by their presidents, managers, or statisticians; the suggestion may be worked into rates based upon the best evidence which can be obtained from past and present experience. Changes are feasible at any time when any modification or addition to the laws may be put into effect.

The prime benefit to be derived by the companies and the public from this suggestion is evidenced by the greatest economy and the elimination of waste. Waste does not benefit the public or the companies. Loss to the stockholder is proportionately as great from his point of view as loss to the public by reason of the failure of companies, and having to assume the double burden of paying the loss and the premium also. Therefore, economic waste cannot be counted as a benefit to any one.

Thus, competition is reduced entirely to the best service and not to the lowest premium.

Loading for expense, over and above reserve on rates, is a matter to which considerable attention should be given, consistent with reliable and authentic experience as to what may be necessary to provide the best service. Acquisition expense should be arranged in the best interests of the public, the assured, and the companies, and should be made sufficiently liberal to invite the best service from men of integrity and ability. Generally speaking, the public does not seek this class of insurance. This matter could safely be left to the companies, as competition between them would keep the expense item at as low a figure as is possible to provide proper service. It must be sold by competent and enterprising agents, whose imaginations encompass all the ramifications, conditions of laws, and provisions of policies known to the science of this underwriting. Insurance is dignified, and, being dignified, is of course complicated to the average mind. Being complicated, it requires explanation. Thus salesmanship stands out as the most potent element involved in the underwriting of this class of very important insurance.

Salesmanship demonstrates the use of the insurance; and the need of the agent is so great that argument further on this line is quite unnecessary. Therefore, in compiling tables and arranging loading, the interest of the producer should be safeguarded, because of the old saying that "the laborer is worthy of his hire." Ability is worthy of just compensation.

For purposes of illustration:

Table rate	$1.00
Reserve	0.65

To be increased by specific interest accretions, if necessary.

Company A and Company B are both quoting upon a risk; rate, $1.00. Company A maintains the rate; is in correct position to maintain its reserve also.

Company B cuts the rate of $1.00 to 75 cents. The obligation is the same on Company B as on Company A. This would leave B

only 10 cents for expense, which is inadequate, and the balance for the item would have to be made up out of surplus.

This illustration furnishes the best argument against cut rates. It is short and plain, and unquestionably conveys the idea.

Of course, in all cases where a profit is shown from the reserves, and the liability has ceased under the policies for any period,, and there are no outstanding claims, the reserve may be released into surplus. Thus the matter would equalize itself, and readjustment of the rates would occur every three or five years, or whenever experience indicated that a change was necessary.

The plan, if applied, would furnish a sound basis for rates and reserves for mutual companies as well as for standard stock companies, and ought to be the most conclusive system of rating that has ever been introduced into this class of insurance business.

In conclusion, it furnishes a method by which a proper rating can be had and places the business upon sound scientific basis. It enables the companies to obtain the rate which will provide for the payment of losses in full, and protects the company's solvency by safeguarding its surplus. To the public it gives the assurance of sound protection, without the possibility of failure connected with it, upon which the best service may be performed by the company. Thus the duty to the public will be fully observed. As experience would necessarily demonstrate the correctness of the company's position under the reserve, it would also demonstrate the correct position of the public who are the beneficiaries of the policies.

COMBINATION POLICIES

By Hon. Frank Hasbrouck*
Superintendent of Insurance of the State of New York

GENTLEMEN OF THE CONVENTION:—In recent years there has been a general demand for increased insurance facilities against casualties of all descriptions. The merchant, the manufacturer, the contractor, the householder, the automobile owner, and in fact business men and property owners generally know that it is "good business" to secure protection, through insurance, against loss or damage from the many hazards to which they are exposed. The business man and property owner secures himself and his family against money loss by reason of his death, illness or injury, by securing life, health and accident insurance. He protects himself from loss or damage, whether resulting from injury to person or damage to property, for which he is legally liable, through various forms of insurance. He insures against excess loss caused by giving and extending credit to his customers, against loss by burglary or theft, against loss through damage or destruction of his property, and against loss occasioned by dishonest employes.

The laws of the various States have been broadened year by year, new forms of insurance constantly being provided for. The New York Insurance Department has always encouraged any new form of insurance for which there has been a real public demand and which could be written with safety by the companies. The department has also consistently opposed any form which seemed to be particularly hazardous and against public policy. To cite an example: we recently refused to sanction a proposal for insurance against loss by strikes, believing that considerations of public policy were strongly against such a project.

Under the provision of the New York law, a separation by subdivisions is made, dividing the casualty lines into separate classes. Section 70 provides for the following lines, under subdivisions one to eleven, as follows:

Subdivision 1. Life and health.
Subdivision 2. Accident and health.
Subdivision 3. Clause a. Liability and compensation.
Clause b. Property damage caused by horses or vehicles.
Subdivision 4. Fidelity and surety.
Subdivision 4a. Credit.
Subdivision 5. Burglary, theft and forgery.
Subdivision 6. Breakage of glass.
Subdivision 7. Steam boiler and fly-wheel.
Subdivision 8. Live stock.
Subdivision 9. Automobile, property damage and collision.
Subdivision 10. Sprinkler.
Subdivision 11. Elevator.

A stock corporation may be formed for all the purposes combined, or any two or more of them, specified in the first and second subdivisions and clause "a" of the third subdivision, or for all the purposes combined, or any two or more of them, specified in the second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth and eleventh subdivisions, provided, however, that policies under subdivision nine shall be issued only by companies authorized to issue policies under subdivisions two, three or five. Credit insurance is not permitted with any other form of insurance unless the corporation was authorized to transact such business prior to June 1, 1905.

While the casualty companies are not permitted to enter the field of fire insurance, nor the fire companies the casualty field, except in a limited way, there has been every disposition on the part of the lawmakers to give the casualty companies wide latitude in their own field. One company, by meeting the legal requirements, may write all lines of casualty and surety business. We have seen the casualty companies entering the surety field, and the surety companies entering the casualty field and there seems to be a general tendency of the companies to branch out and take on all the lines permitted by law.

While the law practically offers no restrictions as to the number of lines one company is permitted to write, strict provisions exist as to the number of hazards which may be covered in one contract. Prior to this year the law provided that no one policy issued by any one corporation should embrace more kinds of insurance than are specified in one of such subdivisions, except that life companies might embrace in one contract all of the hazards they are permitted to write, and companies issuing automobile policies might cover in the same contract health and accident, liability, burglary and theft, and automobile property damage and collision insurance.

During the session of the 1914 Legislature, this department prepared and caused to be introduced a bill, which was enacted into the law, permitting companies to issue to householders one contract covering the assured against employers and public liability, burglary and theft, breakage of glass, loss or damage to life or property caused by boilers or other machinery, damage to property caused by water, and loss or damage to elevators or to other property caused by the operation or use of elevators. Prior to this enactment, in order to insure against these hazards the householder was obliged to secure six separate policies, although all of them might be issued by one corporation. This legislation, in our opinion, is in the public's interest and the owner or tenant of the dwelling who desires coverage for all casualty hazards is now saved the annoyance caused by a multiplicity of policies.

There are various objections that can be urged against the inclusion in one policy of various hazards. The different State departments require the companies to classify their various lines,

*An address delivered before the Forty-Fifth Annual Session of the National Convention of Insurance Commissioners.

showing premiums, losses, reserves, commissions, etc., separately for each line. It is essential to the company's interest that the experience of the various lines be kept separately, for otherwise there would be no means of telling where the profits were coming from, or in arriving at the source of losses in underwriting. The householder's policy is issued at a flat premium, no separation of the premium cost for each line being given in the policy. It has been stated that this form of contract will make it easy for any company to report this business, as between the different classes, in any maner it desires, and further that the anti-discrimination and anti-rebate laws can be evaded by the company writing this policy. These objections were carefully considered before our approval was given to this legislation, and conferences were held with representatives of various companies in reference to them. The officials of the company proposing to issue the householder's policy stipulated with this department that the premiums, losses, reserves, etc., would be properly separated on the company's books and records and so reported to the departments. Our approval was given on this condition. In order to further safeguard the proper conduct of this class of business, the departments should require any company issuing this or similar forms of contracts to file with it the premium charge for same, showing its division into the several classes, notification of any change in the flat rate or any of its divisions to be given. If this business grows to sufficient importance, it might be well to call for a special schedule at the end of each year, showing the year's premiums, losses, reserves, etc., separately by classes. It has been suggested that the company should be required to set forth in the contract, not only the amount of the total premium, but also the premium charge for each class of insurance. I do not believe that this is necessary. The public is only interested in the cost of the policy, and not in the amount of the several items that go to make up this charge. When we know that an actual separation of the gross premium is made by the company, and that we can at any time check the schedules submitted with the records of the company, it seems to me that the supervising officials have at all times the means at hand to see that this class of business is properly underwritten and conducted in accordance with all legal and departmental requirements.

Undoubtedly, there will be further amendments to the law proposed along the same lines and I believe that this is a matter that should have the careful consideration of all insurance supervising officials. While this department is not pledged to any policy that means the destruction of the general principle which allows one policy to embrace but one form of insurance, there are exceptions that seem necessary in order to meet the practical needs of the insurance world, and any modification of the insurance laws necessary for the best interests and convenience of the public will receive the hearty approval of this department.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Commissioner Winship, of Michigan, Opposed to State Rate Making.—The Chicago correspondent of THE MARKET WORLD AND CHRONICLE, in a recent issue of the paper, had occasion to speak of the somewhat aggressive advocacy on the part of some Western insurance commissioners of the taking over by the States of the whole matter of making fire insurance rates. In the course of the statement the position on the subject of Commissioner John T. Winship, of Michigan, was referred to briefly, and with such turn of the phrase that it might be deduced from it that Commissioner Winship was in substantial agreement with his radical fellow commissioners, though in a modified and less unreserved degree. Commissioner Winship has been good enough to call our attention to this unpurposed misrepresentation of his views; and we are glad to publish in full his letter with respect to the matter. It is as follows:

To the Editor of The Market World and Chronicle:

Sir:—I notice in a recent issue of your journal that in discussing the matter of fire rates, after taking up the situation in Wisconsin and Illinois, and the demands in those States for State-made rates, you say, "Commissioner Winship, of Michigan, is less radical in his demands," but go on to indicate that I am in favor of State rate-making.

I do not know where you have secured information that would justify such a conclusion, as I think I am on record before various meetings of the National Convention of Insurance Commissioners, before various associations in this State, which I have addressed, and in various printed communications, that I am unqualifiedly opposed to the State making rates. My investigations have, however, led me to believe that Michigan ought to have an anti-discrimination law, but that is by no means a law providing for the making of rates. It is merely a law providing that risks of equal hazard and the same situation shall enjoy the same rate. I believe that if we could eliminate the discrimination, much of the complaint against so-called "high rates" would be wiped out. The favors given one client, by permitting him an excessively low rate, must, of necessity, be made up by another client, who is saddled with an excessively high rate, and my whole idea is to equalize these rates. The risks are the same and certainly no one of the old guard could take exception to that.

I am absolutely opposed to the State entering the fire insurance business, or any other business, and if we can wipe out discriminations, we will wipe out much of the agitation for State insurance and State-made rates. Very truly yours,

JOHN T. WINSHIP,
Commissioner of Insurance.

Lansing, Mich., August 31, 1914.

* * *

Life Insurance Companies and the Cotton Situation.—Following close upon the prposal of President Wilson, of the International Life, that life insurance funds should this year be used to carry the surplus of our cotton crop, comes the announcement that the Pan-American Life has another scheme for helping the Southern cotton farmer in the hour of his need. In an announcement made public after a conference with Insurance Commissioner Collier, of Texas, last week, President Wilson stated that if a suitable law was enacted by the Texas Legislature assuring that cotton will be stored and safely held as long as necessary, he would be glad to bring the matter to the attention of the executive committees of the American Life Convention, the Association of Life Insurance Presidents and the National Association of Insurance Commissioners with a view of bringing about an agreement for each life insurance company to invest a certain percentage of its surplus in stored cotton secured by warehouse receipts. He said further that the underlying motive would be to render a public service, and that the greater number of people to be benefitted, the greater the incentive to the companies to lend a helping hand.

President Ellis, of the Pan-American, has just issued the following letter to the policyholders and field force of his company:

Dear Sirs:—In order to assist the farmers in the cotton-growing States during the crisis caused by the European War, which has seriously interfered with the disposition and financing of their cotton crops, the Pan-American Life Insurance Company has decided to extend to said farmers the privilege of paying their life insurance premiums by notes secured by cotton in warehouses, at

such amount per bale as may be agreed upon from time to time, as conditions warrant.

Such action on the part of the Pan-American Life Insurance Company will enable the policyholders of the company to pay their renewal premiums, and the agents in the field to insure the lives of their prospective clients, and take, in payment of the premium, a bale of cotton or so many bales of cotton as may be necessary to cover such premium as the policy may call for, and at such price as may be agreed upon between the agent and the owner of the cotton, the agents, in turn, arranging with the company to advance them the necessary cash on said cotton to pay the net amounts to the company, and leave them a sufficient margin to conduct their work.

In order to handle the matter in a practical way, it is suggested that, in handling a transaction of this kind, the owner of the cotton be first required to place his cotton in a responsible public warehouse, and have the warehouse issue him a receipt therefor, stating the grade of the cotton and the weight thereof when stored. This receipt can be used to secure loans from the company for the payment of renewal premiums, on the form of note shown on the following page.

This same form of note may be used by the agents, in obtaining a loan from the company to finance themselves and continue their work.

We believe that it is the duty of every individual and corporation to assist in handling the cotton crop as much as possible, and make it a commodity with a purchasing power for practically everything needed by our people, and if such a policy is carried out by all at interest, we feel quite sure that the cotton crop of the South will be marketed, and serve to perform practically the same purpose in the commercial world as it would if it were readily saleable for cash. Yours very truly,

CRAWFORD. H. ELLIS, President.

* * *

The Cost of Patriotism in the United States.—Some interesting (and appalling) statistics have been issued in the annual report of the "Journal of the American Medical Association" on the number of deaths and injuries resulting from Fourth of July accidents throughout the United States during the past twelve years. From the following table it may be seen that, although our annual human sacrifice to patriotism is decreasing and although the agitation for a safe and sane Fourth is having most beneficial results, we still suffer a greater number of casualties on one day each year in the celebration of our National independence than we suffered in our entire struggle to gain the freedom of Cuba and the Philippines from Spain in the Spanish-American War.

FOURTH OF JULY CASUALTIES, 1903-1914.

	Deaths.	Injuries.		Deaths.	Injuries.
1903	466	3,983	1910	131	2,732
1904	183	3,986	1911	57	1,546
1905	182	4,994	1912	41	947
1906	158	5,308	1913	32	1,131
1907	164	4,249	1914	40	1,466
1908	163	5,460			
1909	215	5,092	Totals	1,832	40,954

This year three little boys died from tetanus (lockjaw); sixteen persons, mostly little girls and small children, were burned to death by fire from fireworks; five persons were killed by firearms; six by explosions of gunpowder, guns or torpedoes; four by cannon, and five died from blood poison resulting from injuries caused by fireworks. Among those injured but not killed, thirty-six were totally blinded, thirteen lost one eye each, sixteen lost legs, arms or hands, and sixty-seven lost one or more fingers.

There may be added to this the statement of the Weekly Bulletin of the New York City Department of Health which says that, this year, conforming to annual custom, hospitals, supply stations and department of health branch offices, were provided with tetanus antitoxin to be employed as a preventive measure in cases of gunshot and firework injuries. During the period extending from June 28 to July 15 a total of 124 prophylactic injections of tetanus antitoxin were administered by department of health medical inspectors, hospitals and private practitioners. How many prophylactic injections made with antitoxin secured from sources other than the department of health were administered, it is manifestly impossible to ascertain. Parenthetically, it may be of interest to note the number of Fourth of July accidents as recorded by the police department of the city:

	July 4, 1914.	July 4, 1913.
Males injured	159	164
Females injured	43	36
Totals	202	200

* * *

Tendencies as to the Public Demand for Various Forms of Life Insurance Policies.—The Travelers Insurance Company, in its "Agents' Record," has made an interesting tabulation of its experience with various kinds of life insurance policies. We give its statistics and the conclusions drawn therefrom below:

A careful consideration of general basic tendencies on the part of the insuring public is essential to successful solicitation and the agent who bases his plan of campaign in accordance with such tendencies will avoid many obstacles, simplify his problems and find himself in co-operation with the attitude of the great mass of prospects.

Study of the following table shows that, the average size of a life insurance policy is directly dependent upon the premium charge. The lower the premium charge per $1,000 the larger the amount of insurance. The consistency in this respect among all the various forms of policies is most marked. It shows why the average size of the Guaranteed Low Cost policy is greater than the average amount under the participating forms, and that so-called dividends of participating policies are at the cost of the insurance proper.

TABLE SHOWING AVERAGE AMOUNT OF INSURANCE AND AVERAGE AGE ON CONTRACTS OF THE TRAVELERS INSURANCE COMPANY PAID FOR IN 1913 REMAINING IN FORCE AT END OF 1913.

Kind.	Number Policies.	Amount of Insurance.	Average Amount.	Average Age.
Life	3,468	$12,000,296	$3,460	36.91
20 payment life	5,301	11,902,573	2,245	30.44
Other life	220	597,336	2,715	35.40
Endowment less than 20 years	321	685,369	2,135	35.85
20 year endowment	2,870	4,181,308	1,457	27.64
Endowment more than 20 years	126	312,108	2,477	26.46
20 payment life with G. E. A. and endowment accumulation, Ohio	2,463	4,474,350	1,817	27.44
Insurance to 65	626	1,607,700	2,567	33.54
Joint policies	226	705,877	3,123	33.38
Reversionary annuities	7	42,910	6,130	39.86
Other forms	94	358,000	3,809	36.82
Totals	15,722	$36,867,827	$2,345	31.24
5 year term	1,656	7,694,351	4,646	35.44
10 year term	713	2,457,253	3,446	34.80
Totals	18,091	$47,019,431	$2,599	31.77

* * *

INSURANCE NEWS IN THE WEST

The Fire Insurance Situation in Illinois as the Insurance Men See It.—The fire insurance situation in Illinois, resulting from the anti-trust suits inaugurated by Superintendent Potts, is taking on a rather ugly aspect. It was hoped for a time that a compromise might be effected, but last week Mr. Potts told a committee of the State Association of Local Agents that the time for compromise was past; that the suits would be prosecuted, the advisory inspec-

tion bureau put out of business and a commission to review rates on complaint would be established. The members of the agents' association have been working with Superintendent Potts in his fight on annexes and relations have been very friendly. The anti-fight on annexes, and relations have been very friendly. The anti-ficial and the agents, but are causing them much worry; in fact there was an expression at the convention at Springfield last week of the belief that fire companies might suspend operations in the State just as they had done in Missouri and Kentucky. Such a contingency was mentioned in a discussion between a committee of local agents and the Superintendent. In substance, he replied that any company which took its feet off the sacred ground of Illinois, would find the entrance blocked when it desired to return. Local agents called attention to the fact that such statements have a most familiar ring, recalling similar assertions made by Superintendent Revelle, of Missouri, and Ruby Laffoon, chairman of the Kentucky State Rating Board.

When the agents gathered in their annual session, there was current a belief that Superintendent Potts and Governor Dunne thought that the agents were back of them in their anti-trust litigation. To disillusion these officers and, possibly with a hope of getting the Superintendent to withdraw the cases, the resolutions committee was sent to the State Capitol for a conference. They presented the resolutions approving the anti-annex order, but condemning the anti-trust suits. They were told that the Superintendent was always glad to see them, but all of their argument made no impression upon him; that he was committed to the course on which he had started and could not back up. It is felt by many that Governor Dunne does not realize into just what complications these actions may rush his administration.

There was considerable talk at the agents' meeting concerning the help Superintendent Potts is said to have received from certain local agents at Springfield, Ill. These agents, according to rumor, have been promised places on the Superintendent's proposed commission at good substantial salaries. There is considerable feeling against these local agents on the part of other local agents and companies

One of the strongest arguments against the suits was presented by C. F. Hildreth, of Freeport, Ill., president of the National Association of Local Insurance Agents. He had arrayed all of the arguments for co-operation in rate-making, and against what many novices are led to believe is open competition. In the arguments, among others, it was also pointed out that the Democratic administration at Washington is doing everything possible to bolster up business and credits, while the Democratic administration in Illinois is attacking the very foundation of commercial credits.

Insurance men believe that Superintendent Potts is inspired by political rather than public interest. He has frankly admitted that his ambitions do not lie toward wealth and his career has proven that they do take a political trend. The suits were brought just before the Illinois primaries, when the faction of the Democratic party to which he and Governor Dunne belong needed some good thunder. The rumbling was not sufficient, however, as the Sullivan faction was an easy victor. There is little question but that the Sullivan Democrats will be strong in the next Legislature and, if they combined with the Republicans and Progressives, could prevent the confirmation of Mr. Potts.

* * *

New Agents' Organization in Minnesota.—Nearly a hundred Minnesota insurance agents, representing all branches of the business, met in Minneapolis last Friday and organized the Insurance Federation of Minnesota. The attendance might have been larger but for the fact that the committee that initiated the movement deemed it advisable to solicit the assistance only of a limited number, all believed to be interested, to attend the organization meeting. W. S. Diggs, of Cincinnati, president of the Ohio Federation, was present and made a strong speech pointing out the desirability and, in fact, the necessity of taking action. Other good speeches were made, one by Charles R. Fowler, a member of the Minnesota Legislature. A good-sized sum was pledged for immediate expenses and organization work on a large plan will be inaugurated at once. Not only will insurance men be solicited to join, but policyholders will be urged to come in also, the strength of the federation movement depending largely upon the co-operation of those who pay the premiums. W. A. Fricke, former Insurance Commissioner of Wisconsin, sent a letter stating that a similar movement would be started in his State very soon. It is expected that the Iowa agents will also start the organization of a federation after their representatives return from the White Sulphur Springs convention.

* * *

Prospects for Casualty and Surety Agents' Meeting.—Wade Fetzer, of Chicago, will not be a candidate for re-election to the presidency of the National Association of Casualty and Surety Agents. In an announcement made this week, he said that he believes it is to the best interest of such an association that there be frequent change of officers, with the resultant infusion of new blood and new interest into the organization. He will recommend in his address that the association establish a precedent that no officer may be a candidate to succeed himself. Prospects for attendance at the meeting at White Sulphur Springs next week look good in the West. There will be a considerable crowd from Chicago. Missouri will send about twenty-five persons, mostly from St. Louis. Michigan expects its delegation to number a dozen or so. Cleveland people had made reservations enough to fill one car a week or two ago. Other parts of the West will send a fair number.

* * *

Western Organization of Hartford Accident and Indemnity Completed.—The Western department of the Hartford Accident and Indemnity has now virtually completed the staff of its Chicago office and is ready for active development work. The general plan to be followed will be to appoint general agents in the large cities, each in charge of one or two counties. These will report to the home office. The agents in the smaller cities and towns in States adjacent to Illinois will report to the Western department and be supervised by it. While, of course, full consideration of Hartford Fire interests will be given in the appointment of agents, special attention will be given, where possible, to securing connections that will give the company a volume of business in the minor casualty lines rather than employers' liability or compensation business only.

* * *

The Present Situation as Affecting Workmen's Compensation Business.—The workmen's compensation business seems to be differently affected in its different branches by present conditions. In Detroit, where there is a great manufacturing business, general agents and branch office managers are putting on more special agents in preparation for an increase in business which they expect because of the general business revival. On the other hand, one large general agency in another Western city is suffering some reduction in business because of a slowing down in the contract line, due to the disturbance in financial conditions caused by the European War.

LA SALLE.

Chicago, Ill., September 18, 1914.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

REVIEW OF THE FINANCIAL SITUATION

IT is coming to be seen more clearly that in all countries the war is going to spell more or less extensive hardship for the masses of people and that it has made obligatory a return to the cultivation of the virtues of frugality and thrift which, plus the concentrated direction of human energy toward the accomplishment of seeming impossibilities are, in the last analysis, going to enable us to recover some day the state of prosperity which the war has destroyed. Such a return to the old homely elements which constitute the foundations of prosperous achievement cannot be considered as undesirable. On the contrary it has long been manifest that civilization was extravagantly wasting its substance and it may perhaps be accounted to the good of the war that it has so changed circumstances for most of us in respect to income and expenditure that the thoughts of all must turn from extravagance to economy.

Only through such a change in attitude with its consequence in effort, can there be adequate provision of capital to replace the terrific losses of the war; and it is one of the encouraging signs of the moment that the economies which will eventually fill the reservoirs of capital have already begun. For several years past it has been only too evident that the world was straining credit excessively because the demand for capital outran its supply, and this was one of several features of an economic situation which made careful observers apprehensive of precisely such a disastrous political reflection as the general war now raging in Europe. However, economy induced by the war will not only in time repair the wastes of war, but the practice of economy will persist until the stores of capital have been replenished to an extent exceeding the demand. Then barring accidents the world will once more go through the familiar cycle of boom, strain and collapse.

On all sides it is now recognized that the economic emergency with which the United States is confronted on account of the war is grave. This recognition is a far more hopeful token than the over-confident assumption which prevailed so widely in August that American trade, industry and finance would forthwith proceed to develop enormous activity at home in order to go abroad and supply hungry markets with the staples, manufactures and funds which Europe could no longer furnish. Week by week American values have depreciated and the movement of general business has become slower and more contracted, while the domestic money market has become tighter and tighter. Distress, not comfort, lies immediately ahead of us, for it is now known that only very slowly, carefully and gradually can the colossal economic difficulties of the war be overcome by us, unless recourse is had to dangerous expedients which may stimulate a violent and feverish recovery and expansion to be followed by a fearful all around smash because the whole movement was artificial.

If our leaders of affairs, governmental, financial and commercial, do not lose their heads and do not surrender to violent clamor for the employment of devices intended to do that which cannot be done, namely, to prevent us from bearing our share of costs of the war, the resources of the United States are ample to bring us through this trying period without incurring stupendous liabilities toward the future. It is conceivable that we may have yet to do what other great nations have had to do in this emergency. We may have to set up some kind of a moratorium. We may have to go on a paper money basis, but all endeavors should be engaged to the utmost to avert anything of the kind. If we are to save ourselves from employing these desperate shifts we can only do it by swallowing the dose of trouble which the war has administered, and restraining all impatient dispositions to regain in a hurry that which has been unquestionably lost for a prolonged season, a state of prosperous general welfare.

There is encouragement for all of us in the perplexing junctures of the times that already progress has been made by slow and orderly ways to an ultimate restoration of the international exchanges to something like their wonted ability to accommodate commercial and financial operations. At the outset of the war the first thing to be done was to end the deadlock in the international money market, caused instantly by the declaration of hostilities, and in the lapse of seven weeks' effort to loosen up foreign exchange has been measurably successful. Without recounting all the steps that have been taken it suffices to say that demand sterling was this week carried below 4.96, and if in the course of the next few weeks it can be brought down to about 4.90, the level will be regarded as relatively normal for war times or at least for the early stage of the war abroad. On such a level financial activities will expand in volume and the international monetary position will have a favorable reflection on the domestic money market, and, consequently, on all American trade, domestic and foreign. The improvement which is painfully working out in foreign exchange is distinctly worth noting, not only because it is directly encouraging, but because it points the conclusion of our argument that with patience and persistence we can overcome all the obstacles which the war has placed in the path of American enterprise.

Thanks very largely to the intelligence and effectiveness of the measures resorted to by British finance the London money market has week by week gotten into better and better shape. This means that in the course of time monetary obligations wherever owing can be liquidated with increasing facility and ampler supplies of credit can be granted. The Bank of England in its weekly return on Thursday reported a further rise in its reserve ratio, which is now 6 points above the low figure reached in the first fortnight of August. Already the London financial community is busily engaged with a consideration of the problem of resuming business in the world's primary security market, and if British finance can see its way clear to reopen the London Stock Exchange in the near future assistance will be given thereby to undertakings in this country looking toward the lifting of the embargo on those activities with which the name of Wall Street is chiefly synonymous.

Until the securities markets are reopened for regular transactions financial and business improvement under the circumstances of war can go only just so far. Capital is frozen up in the stock exchange suspensions here and abroad and without the movement of capital enterprise must languish. More than that, banking positions are heavily involved in the tie-up of funds to an enormous amount through loans on collateral security, and the strain in our own

money market is probably increasing rather than diminishing because the liquefying facilities which the securities markets supply for the money market are lacking. Shrinkage in the quoted values of securities must be counted upon whenever a resumption of trading is made, but untoward effects of this can be guarded against. So also can buying power be rallied to the support of values against the pressure of foreign liquidation of American securities which must be expected.

The really difficult knot in the problem is the method of paying Europe for the hundreds of millions of dollars of American securities which we will have to repurchase, but students of the problem are satisfied that the knot is one which can be untied. Help will undoubtedly be rendered if foreign exchange conditions approach anything like customary freedom of credit creating processes and if the London Stock Exchange is able to reopen. There are those also who believe that an American bill market can be rapidly developed which will furnish credit instruments, that is dollar exchange, in a large enough supply to supplement sterling exchange to accommodate trans-Atlantic transfers of securities with very little use of gold.

The New York City $100,000,000 6 per cent loan, to the public offering of which at par a gratifying response has been made, was a factor in the foreign exchange betterment. On account of the loan nearly $7,000,000 gold was sent to Canada this week to be credited as Bank of England reserve, and the evidence that American obligations abroad were going to be liquidated to the extent of our ability promoted London financial confidence in the American position. The Eastern railroads have filed a petition with the Interstate Commerce Commission for the opening of the Eastern rate case, and if the authorities act promptly and show a constructive attitude toward the railroad industry, additional support will be given to the structure of American values and thus conduce to the lessening of financial strain as well as to preparations for the fuller resumption of ordinary activities. The August foreign trade statement was an emphatic revelation of the damage which the war is doing to us and of the difficulties to be surmounted. Imports have been falling rapidly this month and exports have been rising so that our circumstances are not so bad as the August exhibit would sugegst, with its decrease of over $8,252,000 in imports, while exports fell $77,571,000. Still we will have a long way to go to derive much benefit from external commerce.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Aug. 8, 1914			Week Sept. 15, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,464.5	620.6	2,085.1	1,546.8	616.1	2,162.9
Deposits (net)	1,433.6	475.3	1,908.9	1,444.4	475.8	1,920.2
Cash reserves	324.2	62.3	386.5	328.5	68.9	397.4
Reserve ratio (%)	22.6	13.3	20.2	23.4	17.2	20.6

Actual Status.

	Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both.
Loans	1,423.4	635.3	2,058.7
Deposits (net)	1,422.7	488.7	1,911.5
Cash reserves	344.3	67.1	411.5
Reserve ratio (%)	24.2	13.9	21.5

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	1914			
	July 25.	Aug. 1.	Aug. 8.	Sept. 15.
Loans	573.0	570.8	569.7	572.5
Deposits (net)	573.7	567.6	563.1	564.2
Cash reserves	52.5	53.2	54.3	54.7
Other reserves	83.5	83.8	68.5	71.1
Reserve ratio (%)	26.0	26.4	24.1	24.4

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914	
	July 25.	Aug. 2.
Loans	2,630.5	2,629.5
Deposits (net)	2,532.0	2,479.1
Cash reserves	520.3	464.7

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	100.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	937.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.63

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
September 12	1,840	1,408	3,248	*856	999	1,856
September 5	1,724	1,211	2,935	1,083	1,251	2,334
August 29	1,640	1,151	2,755	.....	.....	2,065

*Five days.

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
September 17	3½	4½	5¾	8	8	7
September 10	3	4	5¾	8	8	7
September 3	3½	4	5¼	8	10 nom.	8

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Aug. 27.	Sept. 3.	Sept. 10.	Sept. 17.
Deposits	147,777	262,494	155,110	263,684
Circulation	35,571	35,287	35,221	35,820
Gold	43,473	47,772	47,508	48,720
Securities	139,682	149,844	142,669	139,461
Reserve ratio (%)	17.00	19.00	19.81	21.25
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,019.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 9.	July 17.	July 25.	Aug. 15.
Gold and silver	1,596.4	1,681.6	1,722.7	1,590.2
Loans and discounts	1,026.0	867.3	801.0	180.9
Circulation	2,192.0	1,994.5	1,890.8	3,881.9
Discount rate (%)	4	4	4	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	April.	May.	June.	July.
Loans on call	208.4	197.1	204.5	193.9
Loans, other	924.4	927.5	925.5	888.1
Deposits, demand	350.5	340.7	355.0	346.8
Deposits, other	767.0	759.3	767.7	766.9
Circulation	93.0	97.7	99.1	94.8
Cash reserves	113.2	113.3	113.3	113.3

THE COUNTRY'S COMMERCE

	July		August	
Merchandise.	1913.	1914.	1913.	1914.
Imports	139,281,227	$160,178,133	$137,651,000	$129,400,000
Exports	160,515,941	154,082,225	110,337,000	187,909,000
Specie.				
Gold—Imports	7,859,463	3,391,715	5,803,753	3,034,824
Exports	8,653,448	33,669,424	1,194,657	18,125,617
Silver—Imports	2,796,190	1,238,104	3,101,335	2,162,095
Exports	4,936,456	3,952,956	4,907,806	3,627,337

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	55	54⅛	54⅛	54⅛	52⅝	51¾
London	25	24⅝	24⅝	24¼	24	23 13-16

COTTON

September 19, 1914.

THE days go wearily by for the cotton trade and still there is little sign of the opening of the cotton exchanges or of the beginning anew of the cotton business, as that has been known to persons active in the trade. The cotton crop is being picked and ginned, though apparently more slowly than usual; but the demand for cotton is now so greatly exceeded by the known supply that prices reflect, not a market value based upon estimates of the ultimate balance between supply and demand, but such value as may be arrived at between buyers and sellers of small lots in the various sections of the South. American spinners alone, unless perhaps to a moderate extent the Japanese, are actually in the market for cotton; the amount going into export for Europe is so insignificant as hardly to be worth counting; and it is only the tenacity of the Southern farmer in his purpose not to sell his cotton at so low a price as he can now get, that prevents complete demoralization of the Southern markets. This tenacity is for the moment sufficient to make it almost as difficult to buy cotton as to sell it. Scattered lots can be picked up at from 7½ to 7¾ cents for Middling in the interior and at from 8 cents to 8½ cents at the larger concentrating markets, especially the Gulf ports. But these figures have no significance as criteria of the real market worth of cotton. Nobody knows what that is, and consequently nobody in the trade dares to buy any cotton beyond enough to fill an occasional mill order. As the cotton exchanges are closed, hedging is out of the question for cotton merchants; the accustomed basis of their credit with the banks is non-existent and the banks, very naturally, are unwilling to loan to merchants in the usual way. They may extend credit to a producer on a few bales of cotton, knowing him to be good for the debt because of his property other than cotton. But the thousands of bales which single merchants have been accustomed to carry on bank-loans, with a margin of total assets over total liabilities of only 10 per cent or so, are to-day virtually impossible to borrow upon at any price. Thus the vast absorbing power of the cotton trade has been for the time being destroyed, and the burden resting upon the producers and upon the few persons here and there who make it a practice to buy some cotton when it is cheap, is increased by so much. The unwillingness to have outstanding loans upon cotton in the ordinary course of trade, where it is known that the margin of safety consists only in the capital which the trader or merchant himself commands, is felt throughout the entire banking system. Even the Northern banks, which in previous periods of panic or financial stringency, have made every effort to provide Southern banks with the largest possible supply of funds with which to finance the cotton crop and get it moving towards its ultimate destination, are now hesitant about sending their Southern correspondents any money at all to be loaned on cotton. On the other hand, every day sees a new brood of projects hatched for taking care of the surplus cotton, enabling it to be held for better prices, whether by the producers, or by local agents, or by speculators of the "buy-a-bale" class, or by the States or by the National Government. Various large corporations (not cotton manufacturing concerns), whose business is extensive in the South are also announcing that they are preparing to buy and carry lots of cotton of greater or less size. Even some insurance companies, as is indicated on the first of the pages of this paper devoted to insurance, are seeking to obtain the permission of insurance authorities, or, in the case of surety bonding companies of the Secretary of the Treasury, to hold among their assets a certain amount of cotton. One Southern life insurance company has announced that it will take notes, with cotton as collateral, in payment of premiums, whether for old or for new policies. While the enthusiasm of these projects is fresh and undismayed, it is not at all impossible that for a time they may afford a market for a very respectable amount of cotton. No experienced cotton man, nor, indeed, any experienced student of markets, can believe that these expedients are of other than a purely temporary character or that, in default of more fundamental remedies, they will have any other result than to aggravate the evil they are intended to alleviate. The farmers can really do much, if they will continue to sell their cotton slowly. The cotton trade can do more, as soon as it can get its present commitments liquidated without ruin and can take up once more its task of finding outlets all over the world for the cotton of the United States. The banks will speedily regain confidence in the loaning value of cotton, if they see a real market for it, representing a true meeting of the minds of the producers and the consumers represented by the cotton trade, as to the price. Immediately encouragement would be felt by these three elements, which in the last resort have got to solve the problem, if the Treasury Department and the Federal Reserve Board could arrive at something determinate with regard to the assistance from them that may be counted upon by all. Yet it must be confessed that one of the three elements,—in some respects the most important,—has much to do before it can freely begin the real business of finding markets for this year's crop. It is probably more than conservative to say that the cotton trade of the United States and England, taken as a whole, has lost in the past three months more than 10 per cent of its entire capital, and still has on hand a very considerable quantity of unliquidated commitments, upon which a loss, still impossible to compute, must be taken. Evidently, until the full extent of the losses is known and, above all, the full list of the incapacitated concerns has been ascertained, so that mutual credit may be restored, the cotton trade cannot be counted upon for the exercise of its usual energies.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	9.90	9.90	9.90	9.50	9.50
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.75	.....	.....	.....	.....	.....
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	32 points below January		
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May—						
High	.....	.....	.....	.....	.....	..
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
Opening 12:30 p. m. Close	25 points over J-F					
Aug.-Sept.—						
Opening 12:30 p. m. Close	15 points over J-F					
Sept.-Oct.—						
Opening 12:30 p. m. Close	6 points over J-F					
Oct.-Nov.—						
Opening 12:30 p. m. Close	4 points over J-F					
Nov.-Dec.—						
Opening 12:30 p. m. Close	1 point under J-F					
Dec.-Jan.—						
Opening 12:30 p. m. Close	1 point under J-F					
Jan.-Feb.—						
Opening 12:30 p. m. Close	5.70	5.70	5.70	5.70	5.50	5.50
Feb.-Mar.—						
Opening 12:30 p. m. Close	1 point over J-F					
Mar.-Apr.—						
Opening 12:30 p. m. Close	3 points over J-F					
April-May—						
Opening 12:30 p. m. Close	3½ points over J-F					
May-June—						
Opening 12:30 p. m. Close	4 points over J-F					
June-July—						
Opening 12:30 p. m. Close	2½ points over J-F					

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	....	....	....	....	....	....
Galveston	....	....	....	....	8⅜	8½
Mobile	....	....	....	....	....	....
Savannah	8	7¾	8	8¼	8¼	8½
Charleston	....	....	....	8	8½	8½
Wilmington	....	....	....	....	....	....
Norfolk	....	....	7¾	8	8⅛	8⅜
Baltimore	....	....	....	....	....	....
Augusta	8	8	8¼	8½	8⅞	8⅞
Memphis	....	8	8	8	8⅛	8¼
St. Louis	....	....	....	....	....	....
Houston	....	....	....	....	8⅜	8½
Little Rock	....	....	....	....	....	....

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	....	....	6.84	....
Good middling	....	....	....	....	6.36	....
Middling	6.00	6.00	6.00	6.00	5.80	5.80
Low middling	....	....	....	....	5.32	....
Good ordinary	....	....	....	....	4.36	....
Estimated spot sales	.....	6,500	3,700	1,500	3,900	6,600

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs	Fri.
Fully good middling	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	328,927	269,897	333,204	68,985
Overland to mills and Canada	1,313	718	3,430	471
So. mill takings, est., exclusive of takings from Southern ports.	50,000	50,000	50,000	25,000
Gain of stocks at interior towns	51,029	37,625	27,753	45,871
Brought into sight for week	431,269	358,240	414,687	140,327
Total Movement—				
Port receipts	1,033,470	820,832	957,511	190,755
Overland to mills and Canada	12,811	14,499	25,483	5,922
Southern mill takings	177,032	150,873	189,196	48,000
Stocks at interior towns in excess of Sept. 1	104,232	76,247	37,649	68,012
Brought into sight thus far this season	1,327,545	1,062,451	1,210,439	312,689

The total crop movement is respectively for 53 days, 51 days, 50 days and 49 days.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	128,684	542,250	131,584	33,786	98,200	66,445
New Orleans	16,290	34,572	33,575	3,114	12,367	48,802
Mobile	8,891	19,495	17,558	2,879	5,650	5,854
Savannah	77,432	174,376	76,363	15,151	36,438	23,326
Charleston	28,250	45,159	40,000	3,469	6,432	6,708
Wilmington	16,970	21,466	12,637	1,491	2,625	8,965
Norfolk	3,758	11,779	4,993	2,082	5,652	14,127
Baltimore	860	3,329	2,033	101	623	3,437
New York	22	74	19,849	.....	50	87,000
Boston	42	622	3,818	99	1,255	2,978
Philadelphia	.....	36	1,885	.....	510	1,471
Newport News	704	1,812	.....	2,652	7,277	.....
Brunswick	30,050	40,850	16,497	425	925	125
Pensacola	1,099	1,099	.....	.....	.....	.....
Port Arthur	.....	.....	.....	400	400	.....
Pacific ports	4,663	6,712	.....	1,950	6,100	178
Texas City, etc.	15,173	52,249	16,543	1,059	4,644	5,580
Jacksonville, etc.	400	1,631	380	1,027	1,607	91
Georgetown	.....	.....	.....	.....	.....	.....
Totals	333,204	957,511	376,983	68,985	190,755	275,017

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks
Brenham	971	16,430	1,465	1,384	991	2,631	265	2,651
Dallas	2,981	6,555	1,590	4,485	1,587	2,778	1,567	761
Shreveport	6,068	11,580	4,002	6,610	3,257	4,567	95	7,509
Little Rock	1,330	2,276	451	4,155	479	769	117	5,156
Helena	274	484	12	519	717	1,046	156	1,757
Vicksburg	242	432	25	1,083	254	369	5	928
Columbus, Miss.	831	1,774	481	1,034	333	645	.....	733
Natchez	530	996	302	1,085	696	1,151	250	1,820
Memphis	3,822	11,270	1,572	13,105	1,744	9,659	1,169	11,797
Nashville	146	175	.....	164	.....	.....	.....	.....
Selma	8,553	23,062	6,587	5,708	6,022	13,263	1,371	11,129
Montgomery	9,978	24,606	7,337	9,722	9,224	17,674	1,701	19,194
Eufaula	1,689	5,104	1,175	2,536	1,245	3,623	261	2,812
Columbus, Ga.	2,925	4,620	2,225	4,746	2,600	6,542	750	4,527
Macon	1,561	2,480	1,849	373	1,621	3,061	47	2,577
Albany	2,269	9,633	2,408	1,834	2,181	5,811	318	10,118
Atlanta	2,974	3,890	672	2,664	509	794	191	993
Rome	1,668	2,454	1,017	2,361	606	857	2,328	939
Augusta	19,050	39,396	11,515	17,738	12,000	27,970	3,914	24,098
Columbia	1,675	12,289	1,675	.....	621	2,881	621	.....
Newberry	865	2,251	865	.....	200	517	200	.....
Charlotte	122	347	122	.....	38	62	38	.....
Raleigh	697	1,160	500	2,707	18	41	.....	26
St. Louis	1,501	9,664	3,451	3,587	488	6,087	659	13,731
Houston	118,490	424,381	108,781	70,227	41,064	175,033	39,574	12,568
Meridian	868	1,855	410	2,574	389	880	132	1,947
Cincinnati	895	7,819	1,953	19,028	463	6,042	791	4,837
Yazoo City	416	836	92	2,531	818	1,190	16	2,158
Totals	193,331	727,937	162,535	179,500	96,177	298,677	58,515	180,611

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	81,083	70,389	7,915
France	38,717	37,161	.....
Continent	52,230	103,237	1,600
Mexico	.....	707	704
Japan	900	1,703	3,156
Totals	172,930	216,197	13,375
Since August 1.			
Great Britain	201,037	189,853	16,289
France	86,768	89,311	.....
Continent	150,617	304,425	18,833
Mexico	53	5,338	704
Japan	900	7,752	5,922
Totals	439,175	596,682	41,748

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	50,000	124,000	.....
Since September 1	108,000	178,000	.....

	1912-13.		1913-14.		1914-15.	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	.....	4,000	.....	5,250	.....	.....
To Manchester	1,000	3,250	3,250	3,250	.....	.....
To Continent	2,250	10,000	5,500	10,500	.....	.....
To America	.....	2,900	.....	900	.....	.....
Total exports	3,250	20,150	8,750	19,900	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week	Season.	Week.	Season.
Receipts	12,000	28,000	.....	.....
Exports to Great Britain	.....	1,000	.....	.....
Exports to Continent	17,000	54,000	.....	.....
Exports to Japan and China	12,000	17,000	.....	.....
Afloat in harbor	5,000	.....	.....	.....

Exchange, 1s. 4⅝.

Receipts exclusive of ——— American this week, ——— this season; ——— this week last year, 1,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	141,000	281,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in warehouses	22,000	10,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	3,000	.....	.....
Bremen	70,000	67,000	.....	.....
Havre	45,000	38,000	.....	.....
Other ports—Continent	24,000	12,000	.....	.....
Alexandria	55,000	.....	.....	.....
Bombay	312,000	.....	.....	.....
U. S. interior towns	159,500	159,500	.....	.....
U. S. ports	376,973	376,973	.....	.....
Afloat for—				
Liverpool	169,000	134,000	.....	.....
London	.....	.....	.....	.....
Continent	115,000	304,000	.....	.....
Afloat in Bombay harbor	5,000	.....	.....	.....
Coastwise to New York	20,000	20,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	2,314,473	1,425,473	.....	.....

Increase in general visible supply for the week, ———, against increase last year 181,941. Increase in American visible supply for the week, ———, against increase last year, 219,944.

NOTE—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	1,210,139	.....
Total supply	2,542,279	.....
Less visible supply, American, to-day	1,425,473	.....
World's takings, American, to-day	1,117,106	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	.....
Receipts at United States ports to date	957,511	190,755
Total supply at ports	1,118,800	443,956
Deduct.		
Stocks at ports to-day	376,973	277,017
*Exports to date	616,682	51,748
Southern mill takings from ports	7,110	15,026
Burnt at ports	.....	.....
Totals	1,000,995	344,791
To Northern mills from ports	111,705	99,165
Overland to Northern mills	27,188	7,922
Total Northern mill takings	143,088	107,087
Southern mill takings	117,326	93,026
Total American mill takings, including Canada	260,421	200,113

*Includes ——— in transit between Southern ports and New York, against 20,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	85,546	340,424	.....	.....
Great Britain	53,389	346,853	.....	.....
Continent	50,398	416,739	.....	.....
Mexico	707	5,338	.....	.....
Japan and China	4,703	7,752	.....	.....
Totals	194,743	1,117,106	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	46,000	48,000	13,000	20,000
Sales, American	32,000	27,000	11,000	14,000
Sales, speculation	1,000	10,000	.....	.....
Sales, exports	1,000	1,000	2,000	2,000
Forwarded	59,000	63,000	26,000	30,000
Imports, all kinds	45,000	20,000	16,000	20,000
Imports, American	24,000	16,000	.....	9,000
Actual exports, all kinds	3,000	2,000	4,000	3,000
Stock, all kinds	516,000	451,000	867,000	885,000
Stock, American	362,000	281,000	577,000	560,000
Afloat for Great Britain, all kinds	187,000	169,000	21,000	.....
Afloat for Great Britain, American	155,000	134,000	5,000	.....

CENSUS BUREAU REPORT ON CONSUMPTION AND DISTRIBUTION OF COTTON IN AUGUST.

On Monday, September 14, the United States Census Bureau issued its monthly report (the twelfth of the season of 1913-1914) on the consumption, distribution and supply of cotton in the United States for August, 1914. The figures, with comparisons for August, 1913, are given in the following tables,—round bales being counted as half-bales and bales imported from foreign countries being reduced to equivalent 500-pound bales (net weight):

CONSUMPTION AND ACTIVE SPINDLES IN AUGUST.

	Consumption		Active Spindles	
	1913, Bales.	1914, Bales.	1913, No.	1914, No.
In mills in the Cotton States	230,801	198,820	11,973,633	12,016,959
In mills in all other States	201,549	185,385	18,628,649	18,332,943
Totals for United States	432,350	*384,205	30,602,282	30,349,902

*Includes 14,390 bales of foreign cotton.

CONSUMPTION FOR TWELVE MONTHS ENDED AUGUST 31.

	1913, Bales.	1914, Bales.
In mills in the Cotton States	2,861,743	2,925,241
In mills in all other States	2,621,578	2,652,623
Totals for United States	5,483,321	5,577,864

STOCKS OF COTTON AT MILLS AND IN WAREHOUSES ON AUG. 31.

	In Manufacturers' Establishments		In Independent Warehouses	
	1913. Bales.	1914. Bales.	1913, Bales.	1914, Bales.
In the Cotton States	219,184	196,177	431,581	406,770
In all other States	498,520	481,231	36,321	140,037
Totals for U. S.	717,704	†677,408	467,902	‡546,857

†Includes 64,142 bales of foreign cotton.
‡Includes 15,338 bales of foreign cotton.

IMPORTS AND EXPORTS OF COTTON IN AUGUST.

Imports from	1913, Bales.	1914. Bales.	Exports to	1913. Bales.	1914. Bales.
Egypt	5,553	4,329	United Kingdom	77,488	6,370
Peru	557	559	Germany	72,928	52
China	832	1,986	France	52,933	5
All other countries	843	20,213	Italy	13,568	1,546
			All other countries	40,255	13,237
Total imports	7,785	27,087	Total exports	257,172	§21,210

§Includes 885 bales of linters.

IMPORTS AND EXPORTS OF COTTON FOR YEAR ENDED AUGUST 31.

Imports from	1913. Bales.	1914. Bales.	Exports to	1913, Bales.	1914, Bales.
Egypt	191,075	137,355	United Kingdom	3,559,258	3,384,543
Peru	10,737	12,629	Germany	2,404,397	2,713,087
China	18,341	21,926	France	1,022,642	1,033,599
All other countries	7,492	108,380	Italy	496,499	503,158
			All others	1,318,170	1,280,161
Total imports	227,645	280,290	Total exports	8,800,966	†8,914,548

†Includes 259,881 bales of linters.

The consumption of linters in the United States during the twelve months ended August 31, 1914, was 306,291 bales, as compared with 303,000 for the corresponding period of 1912-1913.

NEW YORK COTTON EXCHANGE GENERAL SURVEY OF THE COTTON CROP OF 1913-1914

THE annual statistical summary of the commercial crop of American cotton for the season 1913-1914, issued by the New York Cotton Exchange, is prefaced by the following résumé of the salient features of the year by Superintendent William V. King:

* * *

The cotton crop of the United States for the year 1913-1914 counts up 13,921,303 bales. Add to this the production of cotton linters, i. e., 631,153 bales, giving a total of 14,552,456 bales, the largest commercial crop produced except that of 1911-1912.

The crop had a late start partly owing to drought in portions of the Atlantic States in May, but the favorable weather conditions during the months of June and July following did much to bring the crop forward, especially in the region east of the Mississippi. A drought prevailed during August in portions of the territory west of that river, notably in Oklahoma and parts of Texas, which reduced the yield in the sections affected. Storms, which later swept over the South injured the open cotton and resulted in lowering the grade of a considerable portion of the crop. An early frost throughout the cotton-growing region, practically put an end to the crop growth.

As a result of the early frost many immature bolls of cotton failed to fully open. Formerly such bolls were regarded as of no value, but more recently, stimulated by the high price for cotton, machinery has been devised for the thrashing out the seed cotton contained in such bolls, this is afterward ginned and baled. Approximately 320,000 bales of "Bolly cotton" is included in this crop. Its value depends largely upon its character.

The price received for cotton during eleven months of the year (until the outbreak of the war in Europe) was on the whole satisfactory.

With the exception of the yarn mills, the cotton manufacturing trade in the United States was fairly good, down to and including June, after which date our reports from the mills indicated a marked falling of fin the takings. The trade in Manchester, England, throughout the year was less favorable.

The foreign exports for the season amounted to 8,865,936 bales valued at $531,956,160 based on twelve cents per pound, vs. 8,633,488 bales exported last year and valued at $518,009,280. Linters exported this year based upon a value of three cents per pound amount to $3,975,000; last year their value was included in the ex-

(Continued on Next Page.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3⅜	3⅜
Gray goods, 38 in., standard	4¼	4¼
Brown sheetings, Southern standard	7½	7½
Denims, 9-ounce	14-17	14-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	19-19½	19-19½
Southern 2-ply skeins, 60s	42-43	42-43
Southern single skeins, 20s	17	17
Southern single chain warps, 20s	16½-17	16½-17
Southern 2-ply chain warps, 20s	17	17
Southern frame cones, 20s	17¾	17¾
Southern frame cones, 30s	20½-21	20½-21
Eastern carded cops, 20s	20¾	20¾
Eastern carded cops, 30s	24¼	24¼
Eastern carded peeler warps, 30s	27	27
Eastern carded peeler warps, 50s	44	44

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

		September			December			May		
		High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept.	12..	1.11¼	1.08¾	1.08¾	1.14¾	1.12¼	1.12¼	1.22⅛	1.19⅞	1.20
Sept.	14..	1.06	1.02	1.02	1.10½	1.04⅛	1.05	1.18½	1.11½	1.11¾
Sept.	15..	1.04⅝	1.00⅞	1.04⅜	1.07⅞	1.03	1.07⅝	1.15	1.10¼	1.14⅝
Sept.	16..	1.09¼	1.08	1.09	1.12⅜	1.09	1.11⅝	1.19¼	1.15½	1.18¾
Sept.	17..	1.08½	1.07	1.07¼	1.11⅞	1.09	1.10	1.19	1.16	1.16¾
Sept.	18..	....	....	....	1.12	1.09¾	1.11½	1.19	1.16⅝	1.18⅜

CORN (New Contract).

		September			December			May		
		High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept.	12..	78	76½	77⅜	73½	72½	72⅞	76¼	75½	75⅝
Sept.	14..	77¾	75	75	72⅝	70⅜	70⅜	75	72¾	72¾
Sept.	15..	76⅛	75¼	76⅛	72	70¼	71⅞	74⅝	72½	74⅜
Sept.	16..	78	76	77⅞	72⅞	71½	72½	75⅝	74¼	74⅞
Sept.	17..	77½	76	76½	72½	70½	70⅜	75⅛	72⅞	73⅛
Sept.	18..	78⅛	76	78⅛	71⅞	70¼	71⅝	73¾	72½	73½

OATS.

		September			December			May		
		High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept.	12..	48⅛	47⅞	47⅞	51⅝	50¾	51	54¾	53¾	54⅛
Sept.	14..	47¼	44	44	50¾	46½	46½	53¾	49¾	49⅜
Sept.	15..	45⅞	43¼	45⅞	48¾	45½	48¾	51⅜	48¾	51⅝
Sept.	16..	47¾	46½	47¾	50¾	49	50½	53⅞	52⅛	53½
Sept.	17..	47⅝	46⅝	46⅝	50¾	49¼	49½	53⅜	52⅛	52⅜
Sept.	18..	47¼	46⅞	46⅞	50¼	48⅞	49⅝	53⅛	51¾	52½

LARD.

		September			October			January		
		High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept.	12..	...	...	9.05	9.35	9.07	9.15	10.07	9.75	9.82
Sept.	11..	9.07	9.05	9.07	9.30	9.12	9.15	10.00	9.75	9.82
Sept.	15..	...	...	9.20	9.27	9.17	9.27	9.92	9.80	9.92
Sept.	16..	...	...	9.40	9.55	9.37	9.47	10.15	10.00	10.10
Sept.	17..	...	...	9.37	9.57	9.40	9.45	10.17	10.00	10.00
Sept.	18..	...	...	9.50	9.52	9.42	9.52	10.07	9.97	10.07

RIBS.

		September			October			January		
		High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept.	12.	12.00	11.75	11.75	11.50	11.30	11.35	10.87	10.60	10.67
Sept.	14.	....	.....	11.70	11.37	11.25	11.25	10.75	10.57	10.57
Sept.	15.	11.65	11.65	11.65	11.32	11.25	11.32	10.77	10.62	10.77
Sept.	16.	11.57	11.55	11.55	11.32	11.12	11.12	10.92	10.75	10.75
Sept.	17.	11.50	11.32	11.32	11.07	10.80	10.90	10.82	10.65	10.67
Sept.	18.	....	.....	11.40	.....	.....	10.92	10.75	10.62	10.75

PORK.

		September			October			January		
		High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept.	12.	18.30	17.50	17.50	.....	.....	.....	21.00	20.05	20.30
Sept.	14.	....	.....	17.75	.....	.....	.....	20.55	20.15	20.15
Sept.	15.	17.80	17.75	17.80	.....	.....	.....	20.62	20.20	20.62
Sept.	16.	....	.....	17.85	.....	.....	.....	20.90	20.65	20.65
Sept.	17.	....	.....	17.85	.....	.....	.....	20.90	20.50	20.55
Sept.	18.	....	.....	17.85	.....	.....	.....	20.67	20.42	20.67

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.75	5.75	5.80	5.81	5.81	5.84
September	5.71	5.80	5.88	5.80	5.81	5.85
October	5.97	5.89	5.92	5.91	5.92	5.97
November	5.97	5.89	5.93	5.91	5.92	5.97
December	6.00	5.91	5.95	5.94	5.96	6.00
January	6.08	6.00	6.06	6.07	6.08	6.11
February	6.11	6.05	6.11	6.13	6.14	6.15
March	6.27	6.20	6.25	6.26	6.27	6.29
April	6.27	6.24	6.26	6.26	6.30	6.34

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot	6⅝-7	6⅛	6⅛	6¾	6¾	6¾

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Cables	4.99¾	4.99	4.99	4.98¾	4.96½	4.96
Demand						
Sixty days sight						
Ninety days sight						
Francs—						
Sixty days sight						
Ninety days sight						
Reichsmarks—						
Sixty days sight						
Ninety days sight						

port figures given above. The outbreak of the European War has practically paralyzed trade and put a stop to exports during the month of August.

The growth of Sea Island cotton this season has amounted to 77,563 bales. While this shows an increased yield over last year, the acreage in Sea Island of late has been gradually reduced. Counties which formerly produced only Sea Island cotton, now produce three-quarters Upland cotton and one-quarter Sea Island. The demand for the latter is slow, while Upland cotton sells readily, hence the change.

Linter cotton, now produced in such large quantity, is no longer counted by some statistical authorities; its use, however, for manufacturing purposes in increasing yearly. Approximately 298,000 bales were, this season, consumed in the United States, of which 96,135 bales are included in the figures of takings by Southern mills. Linters exported to foreign countries this season practically amount to 265,000 bales.

Making due allowance for the low grades forming part of this season's crop, twelve cents may be considered a fair average price upon which to base the value of the cotton crop,

this would yield	$835,278,180
Include linters, at 3c	9,467,295
or a total, of	$844,745,475

This total does not include the value of cotton seed.

The imports of foreign growths of cotton into the United States to July 31 were approximately 253,202 bales of which 133,025 bales were Egyptian, 19,940 China, 12,070 Peruvian, 88,167 Indian and other growths. The imports for August will doubtless be small. Of these importations, approximately 12,000 bales were consumed by Southern mills and 175,000 by Northern mills.

By resolution of the Convention of Exchanges held May 4, 1914, at Augusta, Ga., a change of the cotton year was recommended, i. e., to begin August 1 and terminate the following year July 31, instead of September 1 to August 31, as heretofore. The New York Cotton Exchange having agreed thereto its statistics beginning 1914-1915 will be issued accordingly. This change was deemed desirable in view of the earlier growth and marketing of the crop, and the further reason that the receipts of new cotton in August should be counted in the new crop year.

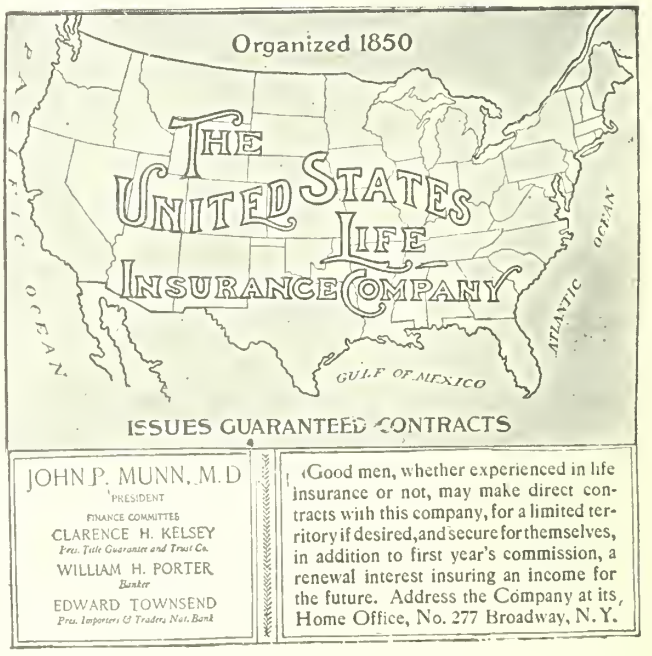
The following table shows the source and extent of the year's demand, with figures of last year for comparison:

	This Year.		Last Year.	
Southern mill takings	3,037,061		2,939,049	
Northern mills and Canada	2,615,282		2,596,928	
		5,652,343		5,535,977
Exports to Great Britain	3,418,953		3,604,147	
France	1,058,705		1,008,416	
Germany and Continent	4,013,431		3,608,993	
Mexico	28,007		24,264	
Japan, etc.	346,840		387,668	
		8,865,936		8,633,438
		14,518,279		14,163,465

To the officers of the different exchanges, and to the various railroads and other officials who have kindly and unremittingly furnished to us the required information of the movement of cotton during the past season, we wish to express our sincere thanks. The Southern mills have also been most courteous in giving such full and complete returns that we are confident the statement of their takings during the season is more complete and accurate than ever before. For this result, I am especially indebted to Lewis W. Parker, Esq., of South Carolina, and J. E. Latham, Esq., of North Carolina, and E. H. Inman, Esq., of Georgia.

QUOTED PRICES OF STOCKS OF NEW YORK INSURANCE COMPANIES

American Surety	*170	176	Metropolitan Life	*160	...
Commonwealth	300	...	National Surety	185	193
Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...	*Per cent price.		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THE now apparently assured success of the plan to raise a fund of $100,000,000 in gold, wherewith to protect the maturing indebtedness of the United States in London, should be a cause of rejoicing to every American who finds his business restricted or blocked, not by reason of the lack of actual demand for the goods or commodities he produces and sells, but because of seemingly intangible, yet none the less unbreakable fetters upon the distributive instrumentalities upon which he has come to rely. There is only one way to break these fetters, and that is to provide the gold necessary to set in motion again the machinery upon which the world now relies for its economic processes. This machinery is credit; and the place where this machinery is controlled is London. Within and without the United States the production and distribution of goods has during the past half century grown to be entirely dependent upon the machinery of credit. Moreover, this credit is multitudinously over-lapping and catenary in character, in so far as the business world is concerned. Only at the two ends of the line,—i. e. with the producer of raw materials and with the ultimate retail buyer,—does actual cash come into play. When a hundred bales of cotton start on their way from the farms where the cotton was produced, cash is paid for it; when, in its manufactured forms, it is bought by the ultimate consumer, cash is paid for it. But in the long journey it makes from producer to ultimate consumer, no cash whatever, but only credit, is used in connection with it. More than this, the credit employed is not that of a single individual or great corporation attending the commodity from the beginning to the end, but the successive credits of a long series of merchants, manufacturers and distributers of goods, wholesale and retail, each one of whom is dependent, for the liquidation of the credit he has obtained and employed, upon the successful liquidation of the credits of all those ahead of him in the series. To a very large extent the merchant or manufacturer or distributor depends upon getting his part of the merchandizing, manufacturing and distributing process completed in so short an interim of time as to enable him to liquidate his account with the man before him by means of the credit which he got, on delivery of the goods, from the man immediately in front of him in the chain. Hence, if there is a block or hold-up at any point along the line, so that the liquidating process from those ahead to those behind is stopped, everything is immobilized; none in the series can do anything, because, for the time being at least, he has not the wherewithal to continue his operations. Nor does the potential consumption, or average requirement of the world for the commodity in question make any difference, until the congestion has been somehow relieved. From first to last in the economic series, all are unable to obtain payment for what they sell; and consequently they are unable to buy from those who constantly sell to them. The greatest immediate sufferer is, of course, the first seller, commonly the producer of the raw material.

It is, of course, only natural that people in the United States should be thinking mainly of their own commercial and financial troubles, and giving little heed to the embarrassments of other countries all over the world whose problems are of precisely the same character as ours, even though the agricultural and commercial products about which the problems hang are not the same. Here in the United States, as is well known, it is the impossibility of marketing our cotton crop at the very time when it is customarily harvested and sold by its producers and when the money obtained from the exported portion of it is counted upon by all concerned with our international credits as a means of making the annual liquidation of the same, that appears to present an almost insoluble puzzle and to threaten widespread impairment of our financial and credit resources. But for the fortunate fact that our production of foodstuffs this season has been abnormally large, and that we have been able to export our surplus at a very high price, simply because the belligerent nations of Europe dared not hold off from adding this surplus to their stores, the international financial complications that would have been caused us by the virtual cessation of our cotton exports would have been so great as perhaps to have weakened us, in a credit sense, for years to come. Despite our apparent opportunity, owing to our neutral position, to concentrate in the United States some part of the vast sum of international credit operations, we might have found ourselves so discredited the world over as recalcitrant debtors that none would wish to come to us with their business.

This is what we, here in America, see and are concerned with. But the truth is that our case is no worse than the case of numerous other countries which are largely dependent upon one or more commodities, extensively produced by them, for the annual liquidation of their international balances. Thus, for example, there is at this moment in New York a representative of the wool-growers of Australia, seeking to find a market for as large a portion as possible of the clip of fine wool which is just ready for the market. As everybody knows, the production of wool has everywhere been diminishing of late years, both relatively and absolutely. Australasia is the one remaining important source of supply. Prices for this wool have been steadily rising for a number of years past. There is not the slightest doubt

that the world's need of this wool is greater than ever it was, and that, if there were any way open to move it to the consuming countries upon the customary credit arrangements, the demand for it would be eager and the price would be high. Within no long period, either the old machinery will be in operation again or new machinery will have been devised for the distribution of this wool. Then the price must again advance, and rapidly advance, to something approaching its former level, for that level represents the present cost of production of such wool. Yet to-day the Australians cannot sell their wool at all. They do not even dare to hold the usual September and October auction sales, at which a large portion of the clip is annually sold. They fear, and no doubt rightly, that the inabilities of buyers would result in prices so low that great numbers of the sheep-raisers would be ruined and perhaps a financial crisis developed throughout Australasia. Meantime, Australia has no means of paying its debts to England and to other countries from which she has bought necessities and luxuries. The public authorities hardly know which way to turn to meet the interest requirements upon the large sums that have been borrowed in London for public improvements and other public projects. Bills of exchange upon London can neither be bought nor be sold. Remittances of gold are virtually out of the question, by reason of the length of the voyage to England and the great risk of capture by hostile ships. Hence, on the face of the matter, Australia, though holding the chief supply in the world of one of the chief necessities of life, is unable to meet her engagements, and according to ordinary commercial usage would be insolvent. Of course, this is in reality an absurd conclusion to draw, though it does bring out an important economic and financial truth, viz. that there are times and occasions when it is not true that all reckoning of solvency, as against insolvency, can be based upon the temporary market price of commodities or securities, instead of upon a certain intrinsic worth, which must be arrived at by taking into consideration the cost of production, in the one case, and the going value in normal times, in the other.

What is true of Australia and her wool, is true to-day of many other countries, with their principal products. Thus the wonderful growth of the prosperity of India in recent years has been mainly due to prices obtained for the jute, cotton, wheat and tea that India annually exports. There is to-day virtually no market in India for any of these commodities. All are necessities of modern life; there is not the slightest indication that the demand for any one of them will slacken in the coming years; the prices of them must inevitably return, as soon as a way has been found to buy them and pay for them, to the levels of the past decade. Yet now the owner of them in India cannot turn them into money or credit at the bank. If he is a merchant, he cannot buy them from the producers of them. And all the liquidation of credits throughout India, and as between India and England or other countries, is brought to a standstill.

This is the plight, too, of Japan with her raw and manufactured silk; of China with her teas; of Manchuria with her soya beans and with the oil and oil-cake manufactured. In their several degrees, these countries of the Far East are suffering from the same paralysis of their commerce and of their international credit liquidations, as is the United States in the matter of its cotton and the credit uses of it which are now cut off. The mention of cotton, furthermore, brings to mind Egypt, where the seeming impossibility of selling the season's production of cotton is occasioning an acute crisis through the whole country and has made necessary the interposition of the State itself with a programme for financing the present crop, on the one hand, and for compulsorily reducing the acreage in cotton next year, on the other.

Nor is the trouble confined to the raw material producing countries of Asia, Africa and North America. In South America the same conditions prevail. Brazil is driven to despair with her coffee crop and is almost on the point of undertaking a new valorization plan, despite the unhappy experience had with the old one. Argentina's corn crop is reported to be practically unsalable at any price. Chile, which depends upon ther nitrates for the rectification of her annual international balance, is unable to make any shipments at all, partly because Germany and France have been her chief buyers, but still more because there is no method available for shippers to obtain reimbursements for what they may ship. Consequently, the commercial and industrial condition of the country is well-nigh desperate. Thus it is that, from one end of the world to the other, countries which have no immediate concern whatever with the war in Europe, are called upon to pay their part of the huge cost of it,—and not in cash, but in the sufferings of their populations, whose economic production is shut off, not because the world does not require what they produce, but because the machinery for getting their products to the consuming world is out of commission.

It is obvious that so grave a disarrangement of the world's instrumentalities of production and distribution cannot long continue without dreadful disaster to the human race. Either the old machinery must be got into operation again or new machinery must be devised. It would, however, be the height of absurdity to set about the century-long task of devising new machinery. The old machinery has shown its remarkable perfection through a generation of peace, and no war, however extensive, should lead to its abandonment. The direction, then, in which fruitful effort can be directed is that of localizing the immediate source of the credit disturbance,—i. e. Germany and Austria-Hungary, with their unpaid bills in the great financial markets,—and hurrying reinforcements, in the shape of gold which is the basis of new credits, to that financial centre in which the creation and liquidation of the world's credits chiefly takes place, as things now are, i. e. to London. There and there only can the free flow of credits between the different parts of the world be re-established; and it is only through the use of these credits that the cotton in the United States, the wool of Australasia, the jute and cotton and tea of India, the coffee of Brazil, the corn of Argentina and the nitrates of Chile can find any markets at all, at least for a long period of time. Hence it has been far more than enlightened self-interest, it has been National interest as well, that has been promoted by the provision for paying abroad, —chiefly in London,—first, the $80,000,000 of obligations of New York City, and now by the bringing together of a fund of $100,000,000 in gold for judicious use in caring for a further large instalment of the indebtedness of the United States to England and the foreign countries that clear their international transactions through London.

Arthur Richmond Marsh

THE WAR REVENUE TAX BILL AS SUBMITTED TO THE HOUSE OF REPRESENTATIVES

ALTHOUGH it is in a sense a misnomer to designate as a "war revenue" measure a bill proposed in Congress for the purpose of making good a deficiency of revenue in the United States, which is not at war, yet the fact that the cause of the deficiency is the general European War has led the American public generally to speak of the new taxing bill, intended to raise some $105,000,000 of additional revenue, as the "war revenue" bill; and this is well enough justified by the circumstances. As is well known, the Ways and Means Committee of the House of Representatives has been for some time engaged in drafting this proposed act; and on Tuesday, September 22, Mr. Underwood, chairman of the committee, reported the bill to the House, where it is designated as House Bill 18891. At this writing it is expected, according to the Washington correspondent of this paper, that the bill will be put upon its passage in the House on Friday, September 25. It is to be expected that some minor changes will be made at the last moment; and, as these will be known too late for printing here, only a skeleton of the proposed act, showing the taxes to be levied, is here given. After passage by the House, the bill must of course go to the Senate, in which and possibly also in a conference committee of the House and Senate, still other changes will be made. The present summary, however, will probably be found in the main to coincide with the completed measure. It is given in the language of the bill itself.

* * *

A BILL

To increase the internal revenue, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America In Congress assembled, That there shall be levied, collected, and paid in lieu of the tax of $1 now imposed by law, a tax of $1.50 on all beer, lager beer, ale, porter, and other similar fermented liquor, brewed or manufactured and sold, or stored in warehouse, or removal for consumption or sale, within the United States, by whatever name such liquors may be called, for every barrel containing not more than thirty-one gallons; and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law. * * *

Sec. 2. That upon all wines which shall hereafter be manufactured and sold, or removed for consumption and sale, there shall be levied, collected, and paid by the person so manufacturing such wines the following taxes on each and every wine gallon of wine so manufactured and sold, or so removed for consumption and sale during the preceding month: On domestic sweet wines, containing more than three per centum of saccharine matter, 20 cents per gallon; and on other domestic wines, including dry wines, 12 cents per gallon. * * *

Sec. 3. That upon gasoline, motor spirits, naphtha, and other similar products, obtained from crude, partially refined, or residuum oils, and suitable for motor power, there shall be levied and collected, and paid monthly by the producer thereof, a tax of 2 cents on each and every wine gallon so produced during the preceding month. * * *

Special Taxes.

Sec. 4. That from and after November first, nineteen hundred and fourteen, special taxes shall be, and hereby are, imposed annually as follows, that is to say:

First. Bankers shall pay $2 for each $1,000 of capital used or employed, and in estimating capital surplus and undivided profits shall be included. The amount of such annual tax shall in all cases be computed on the basis of the capital, surplus, and undivided profits for the preceding fiscal year. Every person, firm, or company, and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check, or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be a banker under this Act: *Provided,* That any savings bank having no capital stock, and whose business is confined to receiving deposits and loaning or investing the same for the benefit of its depositors, and which does no other business of banking, shall not be subject to this tax.

Second. Brokers shall pay $50. Every person, firm, or company, whose business it is to negotiate purchases or sales of stocks, bonds, exchange, bullion, coined money, bank-notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker: *Provided,* That any person having paid the special tax as a banker shall not be required to pay the special tax as a broker.

Third. Pawnbrokers shall pay $20. * * *

Fourth. Commercial brokers shall pay $20. Every person, firm, or company whose business it is as a broker to negotiate sales or purchases of goods, wares, produce, or merchandise, or to negotiate freights and other business for the owners of vessels, or for the shippers or consignors or consignees of freight carried by vessels, shall be regarded as a commercial broker under this Act.

Fifth. Custom-house brokers shall pay $10. * * *

Sixth. Proprietors of theatres, museums, and concert halls in cities having more than fifteen thousand population as shown by the last preceding United States census, shall pay $100. * * *

Seventh. The proprietor or proprietors of circuses shall pay $100. * * * [Covers exhibitions in a single State.]

Eighth. Proprietors or agents of all other public exhibitions or shows for money not enumerated in this section shall pay $10. * * * [Covers exhibitions in a single State.]

Ninth. Proprietors of bowling alleys and billiard rooms shall pay $5 for each alley or table. * * *

Tobacco Dealers and Manufacturers.

Sec. 5. That from and after November first, nineteen hundred and fourteen, special taxes on tobacco dealers and manufacturers shall be and hereby are imposed annually as follows, the amount of such annual taxes to be computed in all cases on the basis of the annual sales for the preceding fiscal year:

Dealers in leaf tobacco whose annual sales do not exceed fifty thousand pounds shall each pay $6. Dealers in leaf tobacco whose annual sales exceed fifty thousand and do not exceed one hundred thousand pounds shall pay $12, and if their annual sales exceed one hundred thousand pounds shall pay $24: *Provided,* That dealers in leaf tobacco whose annual sales do not exceed one thousand pounds shall be exempt from the tax herein imposed on dealers in leaf tobacco.

Dealers in tobacco, not specially provided for in this section, shall each pay $4.80.

Every person whose business it is to sell, or offer for sale, manufactured tobacco, snuff, cigars, or cigarettes shall be regarded as a dealer in tobacco. * * *

Manufacturers of tobacco whose annual sales do not exceed fifty thousand pounds shall each pay $6.

Manufacturers of tobacco whose annual sales exceed fifty thousand and do not exceed one hundred thousand pounds shall each pay $12.

Manufacturers of tobacco whose annual sales exceed one hundred thousand pounds shall each pay $24.

Manufacturers of cigars whose annual sales do not exceed one hundred thousand cigars shall each pay $6.

Manufacturers of cigars whose annual sales exceed one hundred thousand and do not exceed two hundred thousand cigars shall each pay $12.

Manufacturers of cigars whose annual sales exceed two hundred thousand cigars shall each pay $24.

Manufacturers of cigarettes shall each pay $24.

[Sections 6 to 18, inclusive, of the bill, which follow upon the above recital of special taxes imposed, are devoted to the general provisions in respect of the stamp taxes imposed in Schedule A, which follows. The duty of affixing stamps is declared; the conditions under which the stamps must be affixed and canceled are defined; and the penalties and other legal consequences resulting from failure to affix the proper stamps are recited. It is unnecessary to rehearse here all the provisions about all these matters. The essential thing is to give the stamp taxes themselves as enumerated in Schedule A.]

Schedule A.—Stamp Taxes.

Bonds, debentures, or certificates of indebtedness issued after the first day of November, anno Domini nineteen hundred and fourteen, by any association, company, or corporation, on each $100 of face value or fraction thereof, 5 cents, and on each original issue, whether on organization or reorganization, of certificates of stock by any such association, company or corporation, on each $100 of face value or fraction thereof, 5 cents, and on all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money or for the future transfer of any stock, on each $100 of face value or fraction thereof, 2 cents: *Provided*, That in case of sale where the evidence of transfer is shown only by the books of the company the stamp shall be placed upon such books; and where the change of ownership is by transfer certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. * * *

Upon each sale, agreement of sale, or agreement to sell, any products or merchandise at any exchange, or board of trade, or other similar place, either for present or future delivery, for each $100 in value of said sale or agreement of sale or agreement to sell, 1 cent, and for each additional $100 or fractional part thereof in excess of $100, 1 cent: *Provided*, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell, to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale. And every such bill, memorandum, or other evidence of sale or agreement to sell shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. * * *

Promissory notes, except bank notes issued for circulation, and for each renewal of the same, for a sum not exceeding $100, 2 cents; and for each additional $100 or fractional part thereof in excess of $100, 2 cents.

Express and freight: It shall be the duty of every railroad or steamboat company, carrier, express company, or corporation or person whose occupation is to act as such, to issue to the shipper or consignor, or his agent, or person from whom any goods are accepted for transportation, a bill of lading, manifest, or other evidence of receipt and forwarding for each shipment received for carriage and transportation, whether in bulk or in boxes, bales, packages, bundles, or not so inclosed or included; and such shipper, consignor, agent, or person shall duly attach and cancel, as is in this Act provided, to each of said bills of lading, manifests, or other memorandum, a stamp of the value of 1 cent: *Provided*, That but one bill of lading shall be required on bundles or packages of newspapers when inclosed in one general bundles at the time of shipment. * * *

Telegraph and telephone messages: It shall be the duty of every person, firm, or corporation owning or operating any telegraph or telephone line or lines to make within the first fifteen days of each month a sworn statement to the collector of internal revenue in each of their respective districts, stating the number of dispatches, messages, or conversations transmitted over their respective lines during the preceding month for which a charge of 15 cents or more was imposed, and for each of such messages or conversations the said person, firm, or corporation shall pay a tax of 1 cent: *Provided*, That only one payment of said tax shall be required, notwithstanding the lines of one or more persons, firms, or corporations shall be used for the transmission of each of said messages or conversations. * * *

Bond: For indemnifying any person or persons, firm, or corporation who shall have become bound or engaged as surety for the payment of any sum of money, or for the due execution or performance of the duties of any office or position, and to account for money received by virtue thereof, and all other bonds of any description, except such as may be required in legal proceedings, not otherwise provided for in this schedule, 50 cents.

Certificate of profits, or any certificate or memorandum showing an interest in the property or accumulations of any association, company, or corporation, and on all transfers thereof, on each $100 of face value or fraction thereof, 2 cents.

Certificate: Any certificate of damage, or otherwise, and all other certificates or documents issued by any port warden, marine surveyor, or other person acting as such, 25 cents.

Certificate of any description required by law not otherwise specified in this Act, 10 cents.

Contract: Broker's note, or memorandum of sale of any goods or merchandise, stocks, bonds, exchange, notes of hand, real estate, or property of any kind or description issued by brokers or persons acting as such, for each note or memorandum of sale, not otherwise provided for in this Act, 10 cents.

Conveyance: Deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value exceeds $100 and does not exceed $500, 50 cents; and for each additional $500 or fractional part thereof in excess of $500, 50 cents.

Entry of any goods, wares, or merchandise at any customhouse, either for consumption or warehousing, not exceeding $100 in value, 25 cents; exceeding $100 and not exceeding $500 in value, 50 cents; exceeding $500 in value, $1.

Entry for the withdrawal of any goods or merchandise from customs bonded warehouse, 50 cents.

Insurance (life): Policy of insurance, or other instrument, by whatever name the same shall be called, whereby any insurance shall hereafter be made upon any life or lives, for each $100 or fractional part thereof, 8 cents on the amount insured: *Provided*,

That on all policies, for life insurance only, issued on the industrial or weekly-payment plan of insurance, the tax shall be forty per centum of the amount of the first weekly premium. And it shall be the duty of each person, firm, or corporation issuing such policies to make within the first fifteen days of every month a sworn statement to the collector of internal revenue in each of their respective districts, of the total amount of first weekly premiums received on such policies issued by the said person, firm or corporation during the preceding month, and upon the total amount so received, the said person, firm, or corporation shall pay the said tax of forty per centum: *Provided further,* That the provisions of this section shall not apply to any fraternal, beneficiary society, or order, or farmers' purely local co-operative company or association, or employes' relief associations operated on the lodge system, or local co-operation plan, organized and conducted solely by the members thereof for the exclusive benefit of its members and not for profit.

Insurance (marine, inland, fire): Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided,* That purely co-operative or mutual fire insurance companies carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided.

Insurance (casualty, fidelity, and guaranty): Each policy of insurance, or bond or obligation of the nature of indemnity for loss, damage, or liability issued, or executed, or renewed by any person, association, company, or corporation, transacting the business of accident, fidelity, employer's liability, plate glass, steam boiler, burglary, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and each bond undertaken or recognizance, conditioned for the performance of the duties of any office or position, or for the doing or not doing of anything therein specified, or other obligation of the nature of indemnity, and each contract or obligation guaranteeing the validity or legality of bonds or other obligations issued by any State, county, municipal, or other public body or organization, or guaranteeing titles to real estate or mercantile credits executed or guaranteed by any fidelity, guarantee, or surety company upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof.

Mortgage or pledge, of lands, estate, or property, real or personal, heritable, or movable, whatsoever, where the same shall be made as a security for the payment of any definite and certain sum of money, lent at the time or previously due and owing or forborne to be paid, being payable; also any conveyance of any lands, estate, or property whatsoever, in trust to be sold or otherwise converted into money, which shall be intended only as security, either by express stipulation or otherwise; on any of the foregoing exceeding $1,000 and not exceeding $1,500, 25 cents; and on each $500 or fractional part thereof in excess of $1,500, 25 cents: *Provided,* That upon each and every assignment or transfer of a mortgage, or policy of insurance, or the renewal or continuance of any agreement, or contract, a stamp duty shall be required and paid at the same rate as that imposed on the original instrument.

Passage ticket, by any vessel from a port in the United States to a foreign port, if costing not exceeding $30, $1; costing more than $30 and not exceeding $60, $3; costing more than $60, $5.

Power of attorney or proxy for voting at any election for officers of any incorporated company or association, except religious, charitable, or literary societies, or public cemeteries, 10 cents.

Power of attorney to sell and convey real estate, or to rent or lease the same, to receive or collect rent, to sell or transfer any stock, bonds, scrip, or for the collection of any dividends or interest thereon, or to perform any and all other acts not hereinbefore specified, 25 cents: *Provided,* That no stamps shall be required upon any papers necessary to be used for the collection of claims from the United States for pension, back pay, bounty, or for property lost in the military or naval service.

Protest: Upon the protest of every note, bill of exchange, acceptance, check or draft, or any marine protest, whether protested by a notary public or by any other officer who may be authorized by the law of any State or States to make such protest, 25 cents.

Every seat sold in a palace or parlor car and every berth sold in a sleeping car, 2 cents, to be paid by the company selling the same.

Sec. 19. That all administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this Act. * * *

Sec. 20. That the provisions of this Act shall take effect on the day next succeeding the date of its passage, except where otherwise expressly provided: *Provided,* That on the day after the thirty-first day of December, nineteen hundred and fifteen, the taxes levied under Schedule A of this Act shall no longer be levied and collected, but all taxes arising or accruing before said date shall continue to be collectible under the terms of this Act. All stamps provided for in this Act unused after the aforesaid date shall be redeemed from the holder thereof, under such rules as the Secretary of the Treasury may prescribe.

IDEALS OF NATIONAL GREATNESS AND OF THE MEANS TO ATTAIN IT; THE EUROPEAN WAR AND GENUINE "KULTUR"

By Charles W. Eliot
President Emeritus of Harvard University

MORE than two years ago, this paper republished an address delivered by ex-President Eliot, of Harvard University, before the International Institute of Shanghai, upon "The Economic and Educational Purposes and Plans of the Carnegie Peace Endowment" [THE MARKET WORLD AND CHRONICLE, June 8, 1912, Vol. III, p. 726]. This address was delivered in the course of an extensive journey undertaken by President Eliot, for the purpose of obtaining more precise economic and social information regarding the various countries of the world, to be used by the Trustees of the Carnegie Peace Endowment in planning the work of the institution in such wise that it should be practical and possible of realization in modern society, rather than vague, theoretical and ill-adjusted to the present facts of human society everywhere.

The theme of that address was, not the instant abolition of war or of the preparations for war on the part of the nations of the earth, but the possibility of bringing into play more and more forces that tend to diminish the impulse to war and gradually to produce international conditions unfavorable to the resort of war. That there was nothing Utopian in President Eliot's conception of what may be accomplished in the way of giving peace ascendancy over war in the life of nations appeared clearly in one passage in his discourse, which ran as follows:

"It is not the expectation of the trustees [of the Carnegie Peace Endowment] that war is going to cease in the world at once, or

soon. It is not the expectation of the trustees that armaments can be abandoned—or greatly diminished soon in the world. The trustees fully recognize the fact that every government that is stable, must be founded at bottom on physical force—must control a strong protective force which will enable the government to maintain itself against domestic disorder, against threats from without,—which necessity China at this moment strikingly illustrates. The fundamental necessity of a stable government,—a government that is to be stable,—is a strong protective force. This protective force makes it possible for a government to keep the order,—to insure the continuity of its industries; to insure its own strength and power.

"The trustees, then, fully realize that the time has not yet come in the world to advocate the reduction, even, of armaments, particularly in those countries whose development has been but slow from despotic forms to freer forms. What, then, can be attained by the trustees in this all-important department of education but promotion of intercourse—friendly intercourse among the nations?"

And President Eliot went on to explain various plans to this end, which the Trustees of the Carnegie Peace Endowment already had in mind. Among these plans were the development of international law and of reliance upon its principles; universal education, in the sense of greatly increasing the common fund of knowledge, facilitating its easy transmission from country to country, and bringing its value home to the entire population, as far as may be, of every country; the promotion in every way of peaceful intercourse between the nations of the world, whether by means of commerce and finance, or by the development of international interests of a scientific, intellectual or social kind; and, finally, the encouragement everywhere of the ideal of personal initiative for the common good, rather than "too great and exclusive a reliance on government action." Thus in President Eliot's opinion, would the nations of the earth gradually come to find less and less good reason for going to war one with another, and the hasty impulses and passions and blind ambitions of this and that nation would find more and more hindrances and checks in the thought and feeling of their respective populations. Wars would diminish because the general mind would see less genuine cause and less probable advantage of a kind worth while in resorting to war.

The long study given by President Eliot to the question of war and of its place in the life of mankind, present and future, makes more than temporarily important his judgment upon the dreadful war that is now running its baleful course in Europe. He has not been and is not a man of war himself, though perhaps nobody in the United States has more nobly expressed the glory of the self-devotion of those who conceive themselves to be fighting for a just cause. What he himself is, however, is one of the greatest living judges of that "Kultur,"—that civilization,—which it has been asserted; at least on one side, is at stake in the present war in Europe. Fortunately, he has expressed this judgment in a letter addressed to the New York "Times," and published by that paper on Tuesday, September 22. It is well that this judgment should be recorded in as many places and should reach the eyes of as many people as possible. Accordingly, it is here reprinted from the New York "Times."

* * *

To the Editor of the New York "Times":

There is nothing new in the obsession of the principal European nations that, in order to be great and successful in the world as it is, they must possess military power available for instant aggression on weak nations, as well as for effective defense against strong ones.

When Sir Francis Bacon wrote his essay on "The True Greatness of Kingdoms and Estates," he remarked that forts, arsenals, goodly races of horses, armaments, and the like would all be useless "except the breed and disposition of the people be stout and warlike." He denied that money is the sinews of war, giving preference to the sinews of men's arms, and quoted Solon's remark to Croesus "Sir, if any other come that hath better iron than you, he will be master of all this gold"—a truly Bismarckian proposition. Indeed, Sir Francis Bacon says explicitly "that the principal point of greatness in any State is to have a race of military men."

Goethe, reflecting on the wretchedness of the German people as a whole, found no comfort in the German genius for science, literature, and art, or only a miserable comfort which "does not make up for the proud consciousness of belonging to a nation strong, respected, and feared." Because Germany in his time was weak in the military sense, he could write: "I have often felt a bitter grief at the thought of the German people, which is so noble individually, and so wretched as a whole"; and he longed for the day when the national spirit, kept alive and hopeful, should be "ready to rise in all its might, when the day of glory dawns."

"The day of glory" was to be the day of military power. Carlyle said of Germany and France in November, 1870, "that noble, patient, deep, pious, and solid Germany should be at length welded into a nation, and become Queen of the Continent, instead of vaporing, vain-glorious, gesticulating, quarrelsome, restless, and oversensitive France, seems to me that hopefulest public fact that has occurred in my time." How did Germany attain to this position of "Queen of the Continent"? By creating and maintaining with utmost intelligence and skill, the strongest army in Europe—an army, which, within six years, had been used successfully against Denmark, Austria, and France. Germany became "Queen" by virtue of her military power.

In the same paper, Carlyle said of the French Revolution, of which he was himself the great portrayer, "I often call that a celestial infernal phenomenon, the most memorable in our world for a thousand years; on the whole, a transcendent revolt against the devil and his works (since shams are all and sundry of the devil, and poisonous and unendurable to man)." Now the French Revolution was an extraordinary outbreak of passionate feeling and physical violence on the part of the French nation, both at home and abroad; and it led on to the Napoleonic wars, which were tremendous physical struggles for mastery in Europe.

In a recent public statement two leading philosophical writers of modern Germany, Professors Eucken and Haeckel, denounce the "brutal national egoism" of England, which they say "recognizes no rights on the part of others and, unconcerned about morality or unmorality, pursues only its own advantage"; and they attribute to England the purpose to hinder at any cost the further growth of German greatness. But what are the elements of that German greatness which England is determined to arrest by joining France and Russia in war against Germany and Austria-Hungary? The three elements of recent German greatness are the extension of her territory; contiguous territories in Europe and in other continents colonial possessions; the enlargement of German commerce and wealth, and to these ends the firm establishment of her military supremacy in Europe. These are the ideas on the true greatness of nations which have prevailed in the ruling oligarchy of Germany for at leas sixty years, and now seem to have been accepted, or acquiesced in, by the whole German people. In this view, the foundation of national greatness is fighting power.

This conception of national greatness has prevailed at many different epochs—Macedonian, Roman, Saracen, Spanish, English, and French—and, indeed, has appeared from time to time in almost

all the nations and tribes of the earth; but the civilized world is now looking for better foundations of national greatness than force and fighting.

The partial successes of democracy in Europe have much increased the evils of war. Sir Francis Bacon looked for a fighting class; under the feudal system when a Baron went to war he took with him his vassals, or that portion of them that could be spared from the fields at home. Universal conscription is a modern invention, the horrors of which, as now exhibited in Germany, Austria-Hungary, and France, much exceed those of earlier martial methods. There has never been such an interruption of agricultural and industrial production, or such a rending of family ties in consequence of war as is now taking place in the greater part of Europe. Moreover, mankind has never before had the use of such destructive implements as the machine gun, the torpedo, and the dynamite bomb. The progress of science has much increased the potential destructiveness of warfare.

Thinking people in all the civilized countries are asking themselves what the fundamental trouble with civilization is, and where to look for means of escape from the present intolerable conditions. Christianity in nineteen centuries has afforded no relief. The so-called mitigations of war are comparatively trivial. The recent Balkan wars were as ferocious as those of Alexander. The German aviators drop aimless bombs at night into cities occupied chiefly by non-combatants. The North Sea is strewn with floating mines, which may destroy fishing, freight, or passenger vessels of any nation, neutral or belligerent, which have business on that sea. The ruthless destruction of the Louvain Library by German soldiers reminds people who have read history that the destroyers of the Alexandria Library have ever since been called fanatics and barbarians. The German Army tries to compel unfortified Belgian cities and towns to pay huge ransoms to save themselves from destruction—a method which the Barbary States, indeed, were accustomed to use against their Christian neighbors, but which has long been held to be a method appropriate only for brigands and pirates—Greek, Sicilian, Syrian, or Chinese.

How can it be that the government of a civilized State commits, or permits in its agents, such barbarities? The fundamental reason seems to be that most of the European nations still believe that national greatness depends on the possession and brutal use of force, and is to be maintained and magnified only by military and naval power.

In North American there are two large communities—heretofore inspired chiefly by ideals of English origin—which have never maintained conscripted armies, and have never fortified against each other their long frontier—Canada and the United States. Both may fairly be called great peoples even now; and both give ample promise for the future. Neither of these peoples lacks the "stout and warlike" quality of which Sir Francis Bacon spoke; both have often exhibited it. The United States suffered for four years from a civil war, characterized by determined fighting in indecisive battles, in which the losses, in proportion to the number of men engaged, were often much heavier than any thus far reported from the present battlefields in Belgium and France. There being then no lack of martial spirit in these two peoples, it is an instructive phenomenon that power to conquer is not their ideal of national greatness. Much the same thing may be said of some other self-governing constituents of the British Empire, such as Australia, New Zealand, and South Africa. They, too, have a better ideal of national greatness than that of military supremacy.

What are the real ambitions and hopes of the people of the United States and the people of Canada in regard to their own future? Their expectations of greatness certainly are not based on any conception of invincible miltiary force, or desire for the physical means of enforcing their own will on their neighbors. They both believe in the free commonwealth, administered justly, and with the purpose of securing for each individual all the freedom he can exercise without injury to his neighbors and the collective well-being. They desire for themselves, each for itself, a strong government, equipped to perform its functions with dignity, certainty, and efficiency; but they wish to have that government under the control of the deliberate public opinion of free citizens, and not under the control of any Praetorian Guard, Oligarchic Council, or General Staff, and they insist that the civil authority should always control such military and police forces as it may be necessary to maintain for protective purposes.

They believe that the chief object of government should be the promotion of the public welfare by legislative and administrative means; that the processes of government should be open and visible, and their results be incessantly published for approval or disapproval. They believe that a nation becomes great through industrial productiveness and the resulting internal and external commerce, through the gradual increase of comfort and general well-being in the population, and through the advancement of science, letters, and art. They believe that education, free intercourse with other nations, and religious enthusiasm and toleration are means of national greatness, and that in the development and use of these means force has no place. They attribute national greatness in others, as well as in themselves, not to the possession of military force, but to the advance of the people in freedom, industry, righteousness, and good-will.

They believe that the ideals of fighting power and domination should be replaced by the ideals of peaceful competition in production and trade, of generous rivalry in education, scientific discovery, and the fine arts, of co-operation for mutual benefit among nations different in size, natural abilities, and material resources, and of federation among nations associated geographically or historically, or united in the pursuit of some common ends and in the cherishing of like hopes and aspirations. They think that the peace of the world can be best promoted by solemn public compacts between peoples—not princes or cabinets—compacts made to be kept, strengthened by mutual services and good offices, and watched over by a permanent International Judicial Tribunal authorized to call on the affiliated nations for whatever force may be necessary to induce obedience to its decrees.

Will not the civilized world learn from this horrible European war—the legitimate result of the policies of Bismarck and his associates and disciples—that these democratic ideals constitute the rational substitute for the imperialistic ideal of fighting force as the foundation of national greatness? The new ideals will still need the protection and support, both within and without each nation, of a restrained public force, acting under law, national and international, just as a sane mind needs as its agent a sound and strong body. Health and vigor will continue to be the safeguards of morality, justice and mercy. Yours truly,

CHARLES W. ELIOT.

Asticon, Me., September 14, 1914.

INDUSTRY, COMMERCE AND FINANCE

The Foreign Trade of the United States in August.—The Bureau of Statistics at Washington has published its returns for last month's foreign commerce of the United States. It shows that August exports of merchandise amounted to only $110,337,000, as against $154,082,000 in July and $187,909,000 in August last year.

No single month since the middle of 1909 showed so small a total of merchandise exports for the country.

Imports of merchandise suffered to a much smaller extent from the trade blockade than did exports. They were $129,400,000, against $160,178,000 in July and $137,651,000 in August, 1913, and were the smallest of any month since the close of 1911.

Of the August imports, 61.8 per cent entered free of duty, compared with 50.9 per cent in August, 1913, and 54.3 per cent in August, 1912. Of the month's exports, $108,188,732 consisted of domestic merchandise.

Following are the changes shown from 1913:

	August.	Eight Months.
Exports	—$77,571,475	—$203,862,450
Imports	— 8,251,057	113,602,641

Following is a comparison of the month's total exports and imports with July and with August last year:

	August, 1914.	July, 1914.	August, 1913.
Exports	$110,337,545	$154,082,225	$187,909,020
Imports	129,399,496	160,178,133	137,651,553
Excess exported	.....	.....	$50,257,467
Excess imported	$19,051,951	$6,095,908	.....

Classifying the month's exports according as they represent agricultural or other than agricultural products, the comparison is as follows:

Exports.	August, 1914.	July, 1914.	August, 1913.
Agricultural	$47,672,728	$61,055,953	$69,966,214
Non-agricultural	62,664,817	93,026,272	117,942,806

For a series of months the trade totals were as follows:

	Exports.	Imports.	Excess.
August	$110,337,545	$129,399,496	Imp. $19,051,951
July	154,032,225	160,178,133	Imp. 6,095,908
June	157,119,451	157,772,973	Imp. 653,522
May	161,732,619	164,281,515	Imp. 2,548,896
April	162,552,570	173,762,114	Imp. 11,209,544
March	187,493,234	182,555,304	Exp. 4,943,930

For the eight months ending August 31, the country's exports and imports compared as follows:

	1914.	1913.	1912.
Exports	$1,311,319,707	$1,515,182,157	$1,416,346,429
Imports	1,269,992,869	1,156,300,229	1,183,075,234
Excess exports	$41,326,838	$358,881,929	$228,271,195

Government returns on the country's exports and imports of gold in August make the following comparison:

	August, 1914.	July, 1914.	August, 1913.
Exports	$18,125,617	$23,660,424	$1,194,657
Imports	3,034,824	3,391,715	5,803,753
Excess imports	.....	.....	$4,609,096
Excess exports	$15,090,793	$20,277,709	.....

Exports and imports of silver coin and bullion for the month were:

	August, 1914.	July, 1914.	August, 1913.
Exports	$3,627,337	$3,952,956	$4,907,806
Imports	2,162,095	1,238,104	3,401,335
Excess exports	$1,465,242	$2,714,852	$1,505,471

* * *

Foreign Trade of Great Britain in August.—The figures of the Board of Trade covering British trade for August show a heavy falling off in both imports and exports. Imports reached a value for the month of £42,362,034, as against £56,011,530 for August, 1913, a decrease of 24.5 per cent. Exports reached a value of £28,631,104, as against £52,261,228 last August, a decrease of 45.2 per cent. The following table, compiled from figures in "The Economist" of London, shows the imports and exports for August, 1914, and for the first eight months of 1914, compared with the figures for the same periods in 1913:

August, 1913-1914.

	Imports (Value)		Exports (Value)	
Article.	1914, £.	1913, £.	1914, £.	1913, £.
Food, drink and tobacco	21,4 7,2.4	23,564,901	1,531,900	2,834,521
Raw materials:				
Articles mainly unmanufact'd	13,932,899	16,759,827	2,873,697	5,367,405
Articles wholly or mainly manufactured	6,752,536	15,462,325	19,378,290	35,129,177
Miscellaneous	170,404	224,387	427,334	773,626
	42,362,034	56,011,530	28,631,104	52,261,228

First Eight Months, 1913-1914.

	Imports (Value)		Exports (Value)	
Article.	1914, £.	1913, £.	1914, £.	1913, £.
Food, drink and tobacco	181,431,232	185,912,063	18,658,744	19,090,431
Raw materials:				
Articles mainly unmanuf't'd	171,962,032	179,127,803	43,197,680	45,703,019
Articles wholly or mainly manufactured	122,036,641	129,433,469	255,712,532	276,997,363
Miscellaneous	2,090,723	2,018,629	6,505,306	6,539,932
	477,570,628	496,491,964	325,596,427	423,848,164

It will be seen from this that imports of foodstuffs and new materials have not shown a very heavy falling off, but in imports of manufactures the decline has been over 50 per cent, owing to the fact that the majority of British imports of manufactures originate on the Continent. In foodstuffs, grain and flour imports increased by £778,064, owing to the large available supply from the United States and Canada. The largest falling off is in sugar, which dropped from £2,145,353 in August, 1913, to £626,155 last month. Under raw material the heaviest decline occurs in wool, from £4,337,523 to £2,134,622, owing to the stoppage of Russia's Baltic trade.

As to the exports the bulk of the falling off comes under articles wholly or mainly manufactured, which declined from £35,129,177 in August, 1913, to £19,378,290, last month. These figures are set forth in the following table:

	August		Increase or
	1913.	1914.	Decrease.
Iron and steel and manufactures thereof	£4,117,966	£2,295,351	—£1,822,615
Other metals and manufactures thereof	986,921	549,899	— 437,022
Machinery	2,885,774	1,708,073	— 1,177,701
New ships	2,823,855	250,307	— 2,573,548
Yarn and textile fabrics:			
Cotton	10,469,920	5,839,981	— 4,629,939
Wool	3,570,889	2,136,029	— 1,434,860
Apparel	1,526,387	1,084,966	— 441,421
Chemicals, drugs, dyes and colors	1,548,181	935,893	— 612,288
Miscellaneous	2,821,456	1,776,735	— 1,044,721

"The huge fall in cotton exports," says "The Economist," "shows at once why Lancashire is the darkest spot in the country as regards unemployment and distress."

As to the future, "The Economist" concludes:

"* * * * One discomforting fact is that the August returns include exports sent to Germany during the days preceding the declaration of war. At a rough estimate, we sent direct to Germany goods to about 25 per cent of the value of the exports recorded in August, 1913. Next month this remaining 25 per cent must go. * * * On the other, there was a considerable period last month when practically nothing left our shores. This is not likely to recur, and as the improvement in the financial situation makes arrangements for foreign payment easier, our extra-European commerce may be expected to recover a great deal of the ground lost in August. A full recovery to the normal level in trade with non-belligerent countries can hardly be expected, for a war like the present one lessens the purchasing power of the world, and brings distress to every nation. But, on the other hand, orders going in normal times to Germany and France will in some degree be diverted here. * * * On the whole, the decline in the volume of trade, appalling as it is, is not more than was expected, and some material improvement on the August figures is anticipated next month."

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

THE provisions of the Underwood War Revenue Tax Bill in respect of insurance, as these appear on other pages of this paper, can hardly be of much comfort to those persons in the insurance business who have been advocating the making of insurance a National, instead of a State affair. One of the chief arguments of these persons has been that the taxation of insurance by the States is indefensibly burdensome upon thrift, and that this taxation would be avoided if the Federal Government should be given entire control of the whole matter, whether under the guise of a declaration by Congress that insurance is commerce, despite the United States Supreme Court to the contrary, or through a Constitutional amendment placing insurance, as such, under Federal authority. The treatment of insurance in the income tax section of the Underwood Tariff Act was perhaps the first clear indication that, in so far as taxation is concerned, the removal of insurance from State to Federal control might prove to be simply jumping out of the frying-pan into the fire. And now this new special revenue bill amply confirms the indications of the regular tariff and income tax law. Insurance in its various forms has evidently been particularly selected as affording one of the easiest sources of revenue, and the field of insurance has been minutely covered, so that virtually every form of insurance should be compelled to carry its portion of the load. All arguments, thoroughly sound in our opinion, against the propriety of levying taxes on thrift and self-sacrifice (in the case of life insurance) or upon economic losses, instead of upon gains or profits, (in the case of fire and the other forms of indemnity insurance), have been completely neglected by the framers of the present bill; and the accesibility of the money to be taxed and the certainty of the collection of the tax upon it, by the insurance companies and then by the Government from them, have over-ridden all other considerations, whether economic or social, that have been brought to the attention of the National law-makers. Consequently, if the measure passes in substantially its present form, as there is every indication that it will, insurance will within a single year have had imposed upon it by the National Government two kinds of tax, the income (or corporation) tax proper, and this war revenue stamp tax. It goes without saying that the aggregate of the two taxes will be a very large sum of money, much in excess, on a rough calculation, of the State taxes which have been so great a cause of discontent to the officers and directors of our insurance companies.

Leaving, however, this larger question aside, it is of interest to bring out some of the particularities of this war revenue tax measure as regards insurance which do not, at a first reading strike the eye. The first of these is that the paragraphs ostensibly covering insurance by no means include all the taxes which insurance will be called upon to pay. Thus the provision, inserted many paragraphs before the insurance paragraphs proper, requiring a stamp of 2 cents for each $100 or part thereof to be affixed to "every certificate of profits, or any certificate or memorandum showing an interest in the property or accumulations of any association, company or corporation," will apply to all memoranda of dividends, or return premiums, of life insurance companies and of mutual companies in all the branches of insurance. So, too, the requirement of a tax of 10 cents in stamps on "certificates of any description required by law not otherwise specified in this Act," will undoubtedly hit insurance in a great many unsuspected ways, as, for example, in the great field of workmen's compensation insurance, in which a large variety of certificates, medical and other, is called for by the laws of the various States which have enacted workmen's compensation laws. No inconsiderable sum in the aggregate will certainly be involved in this single provision. On the other hand, it may be remarked in passing, that while virtually all other classes of brokers have been made subject to a special tax, insurance brokers have for some reason been omitted from the list of taxables. But, as against this, it must be borne in mind that insurance companies will be called upon to pay a very large sum in the aggregate for stamp taxes on the transfers of their securities and on various instruments they must execute in connection with their investments in real property or mortgage deeds of trust, and the like.

Coming now to the paragraphs of the bill that deal directly with insurance, we find first the provisions regarding life insurance. Here it would seem that all policies of life insurance, with the totally indefensible exception of those issued by fraternal and beneficiary societies and the like, call for 8 cents per $100 or part thereof in stamps; and this would seem to apply to reinstatements, as well as to the original policies. As the average amount of the ordinary life policies issued in the United States is not far from $2,000, this means about $1.60 per policy; and this tax alone should yield into the millions of dollars. It would be hard to estimate the aggregate yield of the tax of 40 per cent of the first weekly premium in the case of industrial policies. It is interesting to observe that, under this paragraph, apparently no tax is payable in respect of contracts of annuities proper, but that contracts of survivorship annuities are taxable.

The chief comment required upon the paragraph dealing with marine, inland and fire insurance companies, is that taxes collected upon marine policies covering goods for export will almost certainly be declared unconstitutional by the Supreme Court, as soon as the Thames and Mersey case reaches that tribunal,—just as the tax on foreign bills of lading, imposed by the Spanish War revenue Act, was held to be a tax on exports and hence unconstitutional. The exemption clause of this paragraph is peculiar in that it exempts from taxation only the policies of co-operative or mutual fire insurance companies. Policies of mutual tornado insurance associations, hail insurance associations, horse and cattle insurance associations, flood damage insurance associations,—examples of all which exist in the United States,—are not exempted; nor are policies of mutual marine insurance associations.

When we read the matter of casualty, fidelity and guaranty insurance, we are struck at once with the total failure to deal clearly with the question of the taxation of workmen's compensation insurance policies. In so far as workmen's compensation insurance is a form of employers' liability insurance, written by persons, associations, companies or corporations, it is covered, and the tax of 1 per cent of the dollar of premium is imposed. Thus, in New York insurance companies, employers' mutual associations and probably self-insuring employers appear certainly to be taxable in respect of their policies. But how about the State Fund provided by law? In Massachusetts, the policies of the Massachusetts Employers' Insurance Association are certainly taxable; but how about the policies of the Workmen's Compensation Commissions of Ohio, Washington, California, etc. Are their policies of insurance of employers against workmen's compensation losses also taxable? This is an interesting but unanswerable question at the moment.

SHOULD WE ABANDON THE AMERICAN RESTRICTIONS UPON THE CLASSES OF INSURANCE WRITTEN BOTH (a) BY A COMPANY DOING DIRECT WRITING, AND (b) BY A COMPANY DOING REINSURANCE

By Frank Hasbrouck*
Superintendent of Insurance of New York

THERE is assigned to me the following question:

'Should we abandon the American restrictions upon the classes of insurance written both (a) by a company doing direct writing, and (b) by a company doing reinsurance?"

The questions involved in this discussion lead directly into the broadest field of departmental supervision and general public policy. For more than half a century the American system of insurance underwriting has recognized the fact that the word "insurance" is a generic term and that the various species of business belonging in the realm of insurance are not very closely related to each other either in form or principle. Generally speaking, under our present-day American system, the laws of most of our States have restricted the underwriting powers of insurance corporations to specific and definite kinds or classes of hazard. For example, the New York insurance law, which may perhaps be taken as typical, recognizes the following fields for the operation of stock companies:

I. Fire and marine, including the incidental risks of sprinkler leakage, lightning, hail, tornado and automobile, except injuries to the person;

II. Life, including health and accident, and employers' liability;

III. Casualty, including fidelity, surety, burglary, plate glass, live stock, steam boiler, elevator, and automobile, except the fire hazard;

IV. Title, including the guaranty of mortgages;

V. Securities guaranty;

VI. Credit guaranty.

Although this classification may not be wholly logical, nor each class mutually exclusive, it is that which is referred to in the question under discussion as the "American" system. It seems unnecessary to detail the process by which this classification was evolved. Suffice it to say that it is a very practical recognition of the fact referred to above, that marked differences exist in the character and hazard of the various kinds of insurance business.

At the last session of the New York Legislature a bill was presented for the amendment of the Insurance Law of that State which, although it there received little serious consideration—having never been reported favorably to either house by the respective insurance committees—undoubtedly gave occasion for the present discussion. This bill provided for the organization and admission to transact business in New York of corporations empowered to make reinsurances in every field of insurance. On this account the bill was regarded as out of harmony not only with the Insurance Law of New York, but with the American system of insurance, and it was felt that its passage might perhaps be the forerunner of the adoption in this country of a new system or theory for the regulation of insurance companies, which has been somewhat vaguely referred to as the system obtaining in Europe.

The business of fire and marine and of life insurance was familiar and fairly well established in the United States before there was any thought of special laws to regulate corporations engaged therein; in fact, before there were even general laws for the organization of corporations. Special charters were at first granted by the legislatures upon application by the interested parties, and, presumably, such powers accorded as were asked, if not thought to be inexpedient. In these charters life powers were sometimes coupled with fire and marine, or general insurance powers were conferred without any limitation; but in almost every instance the business of these early companies quickly became specialized, and limited to marine, marine and fire, or fire insurance exclusively. As the demand for life insurance grew, however, companies were organized under special charters embracing life powers only; and thus when the practice of authorizing incorporation under general laws came into vogue, and the necessity for the supervision of insurance corporations became recognized, the first logical subdivision into classes of the business of insurance as then carried on had already occurred, and naturally became embodied in the law.

Gradually, as the legislatures recognized the necessity for evidences of good faith on the part of the promoters of new insurance companies, and of continued protection for the policyholders after the companies became established—especially in the instance of life insurance companies, which are primarily fiduciary corporations—requirements were imposed for the limitation of expenses, the making of deposits, the creation of reserves, and the accumulation of surplus. These requirements and their relations to outstanding liabilities, which of necessity vary in the several lines of insurance concerned, and the restricting of the character of the securities in which the companies may invest their assets—in fact, all the legal requirements which we very reasonably regard as fundamental to the proper conduct of the insurance business—have necessarily become an essential part of the so-called American system of classification, and, conversely, the American system of classification has become an integral part of the law and practice of departmental supervision of the insurance business.

It has apparently been assumed that the law and practice of the European nations with respect to the regulation of the insurance business differ from ours above described, in that unlimited underwriting powers are conferred upon and exercised by insurance corporations. This impression might readily be gained from a perusal of the multifield charters of the several great English insurance companies which have sought and obtained authority to write limited lines of insurance in many of our States. Reference to the "Assurance Companies Act" of 1909 (9 Edward 7, 49), however, discloses the following provisions:

> "3. (1) In the case of an assurance company transacting other business besides that of assurance or transacting more than one class of assurance business, a separate account shall be kept of all receipts in respect of the assurance business or of each class of assurance business and the receipts in respect of the assurance business, or, in the case of a company carrying on more than one class of assurance business, of each class of business, shall be carried to and form a separate assurance fund with an appropriate name: Provided that nothing in this section shall require the investments of any such fund to be kept separate from the investments of any other fund."
>
> "(2) A fund of any particular class shall be as absolutely

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the security of the policyholders of that class as though it belonged to a company carrying on no other business than assurance business of that class and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of assurance of that class, and shall not be applied, directly or indirectly, for any purposes other than those of the class of business to which the fund is applicable."

"This Act," in the words of Mr. J. H. Watts, the author of an annotated edition, "governs the operations of all companies or persons transacting insurance business in any of the following five departments—life, fire, accident, employers' liability and bond investment business—and extends the law as laid down in the Life Assurance Companies Acts, 1870-1872, and the Employers' Liability Insurance Companies Act, 1907 (as amended by this Act), to companies which carry on the other three classes of insurance: Fire, accident (or sickness), and bond investment business. All other classes of insurance such as marine, burglary, plate glass, motor car, etc., are not affected, and reinsurance companies do not come within the scope of the act."

Although there are many large British corporations which, subject to the foregoing statutory limitations, cover every line of insurance, the Insurance Law of the Dominion of Canada, one of the most prosperous and conservative colonies of Great Britain, distinctly limits the classes of insurance which any one corporation shall be licensed to transact in Canada. Reference to section 8, part I of the Canadian Insurance Act of 1910, shows that the limitations thereby prescribed for a single corporation are more stringent than, for example, those of the New York law which I have outlined.

On the Continent the law and the practice are fairly uniform and consistent. In France and Germany life insurance corporations are restricted absolutely to the making of contracts which depend upon the duration of human life. In Germany all other lines of insurance may, with the permission and approval of the supervising authority, be carried on by one corporation. Separate accounts for each line are, however, required to be kept. Nevertheless, the corporate assets accumulated in one department of the business are subject to the corporate obligations incurred in other departments. In France, on the contrary, separate corporate entities, with separate assets and capital stock, seem to be created by the same corporators, for the purpose of acquiring and exercising multifield powers.

The other Continental nations, so far as I have been able to discover, have adapted their law and practice to that of their neighbors, France and Germany, by whom the principles of governmental supervision of the insurance business are more highly developed and more rigorously enforced.

From this review of existing conditions it is apparent that some form of segregation of assets is and has been universally recognized to be an essential to the protection of the contributions made by one class of policyholders from the hazards involved and the losses sustained in other lines of insurance. The usual and natural, and manifestly the most effective, way to accomplish this segregation is by means of limitations upon and restrictions of corporate powers which I have endeavored to show is the tendency both at home and abroad.

Let us consider for a moment the conditions surrounding the various branches of insurance as they are transacted in this country under our American system to-day.

I believe that all will concede that a life insurance company is a fiduciary corporation, whether it be a stock or a mutual company, in that it is the custodian of trust funds placed in its possession to meet future obligations to its policyholders. Its reserve accumulations are held for the protection of its policyholders and are so accumulated and safeguarded as to furnish a fund which will enable it to meet at maturity obligations which, by their very nature, are deferred as a rule for many years but which are certain to occur. Savings banks, which in a certain sense are akin to life insurance companies, are hedged in by legal restrictions as to the investment of their funds and their business procedure so as to insure as far as possible the security of the deposits made with them. As the security of life insurance is equally necessary for the general good of the dependents of the insured, it seems most advisable that the restrictions of life insurance companies should be at least as rigid as those of savings banks, and that the security should not be made doubtful by allowing life insurance companies to engage in any lines of business not appertaining to the person. Then, too, by the terms of the New York law the investments for life insurance companies are restricted to a degree not applicable to other classes of insurance corporations. Speaking for the New York department, I certainly am not prepared to advocate a broadening of the scope of investments for life insurance companies, nor am I prepared to say that the other classes of insurance corporations should be limited in their investments as life companies are.

I also believe that all will agree that the fire insurance corporation, stock or mutual, is more nearly a business organization created for the purpose of protecting for a short period, usually of one or three years, the property owner from loss which may come to him from fire during that period. The fire company by the very nature of its business cannot to the same degree be regarded as a fiduciary corporation. If it is a stock company, those interested in it hazard the investment which they may place in the capital stock as against those profits which may follow favorable underwriting and satisfactory investment. If it is a mutual company, while the capital stock safeguard is not in existence, the policyholder owing to the assessment provision takes the place of the stockholder. What has been said of the fire company is largely applicable to the casualty corporation; it cannot be considered a fiduciary corporation to the same extent as a life insurance company.

Viewing a general casualty insurance corporation and analyzing its various branches of business, one is almost forced to the conviction that some of the lines of business are by their very nature such that safer and better underwriting would be accomplished if the number of different classes of business any one corporation may do were reduced.

Employers' liability insurance, by its very nature, carries with it a long-deferred liability that makes it most difficult, at any given time, to arrive at the true financial condition of a company writing this business. Concededly the special loss reserve which is charged against the employers' liability corporation as such is inadequate.

Next we come to the fidelity and surety contract. The bonds guaranteeing the performance of contracts which are written by such corporations, have assumed in recent years a volume and an undeterminable liability which is one of the serious problems confronting departmental supervision from the viewpoint of solvency. The typical obligations of surety companies, viz., guaranties, undertakings on appeal, and fidelity bonds, involve the vicissitudes of speculative business and the vagaries of chance. The moral hazard preponderates, and there is substantially no law of average. Each risk is so different from every other risk, and each comprises so many varied elements that no [illegible] underwriting principles have yet been deduced from classified ex-

perience. Every risk, therefore, constitutes a law unto itself; and sound business judgment and knowledge of men are practically the only guides to successful underwriting.

Despite this apparent diversity of risks, competition for business has created a superficial uniformity in premium rates. The Empire State Surety Company, which is in liquidation under the liquidation bureau of the New York department, has, for example, been sued by the City of New York and compelled to defend, at its own expense and without any hope of indemnity from its principal in event of loss, an action for $144,000 damages under a bond, written at the request of an irresponsible contractor, for which it received a premium of $2.50.

When claims are asserted, complicated questions of law and fact are frequently raised upon which the existence or non-existence of liability depends; and the actual liabilities of the company upon its accumulation of disputed claims become increasingly difficult to compute or even approximate.

It is hoped, and in fact expected, that few, if any, insurance corporations will have to go into liquidation for at least many years to come. In the event, however, of such liquidations, it seems desirable to keep in mind the fact that the liquidation of one of our own corporations would be seriously complicated if it were a company with multifield powers. Under the system at present in vogue in this country, with a receivership—either a court receivership or a departmental liquidation—it is possible to arrive at a definite liability and a ready distribution of assets in certain classes of companies, as for instance life or fire, which would be absolutely lost if there were injected into either of the above branches the writings of general casualty insurance other than to the person, particularly fidelity and surety.

Legislation of recent years has been in the direction of a greater safeguarding of the interests of the assured, notably in the field of life insurance. In New York State a statutory limitation is placed upon the cost of procurement of life business. In connection with limitation of expense, it seems desirable to refer to the fact that the New York law specifically requires the Superintendent to give approval to the adequacy of rates charged by stock and mutual companies writing compensation insurance. In giving consideration to the rates approved for the compulsory insurance, a charge upon the employers of the State, the department believed it to be its duty to specifically limit the percentage of premiums received which could be used for expenses. This was a department ruling which, in my judgment, should become a part of the statutes of every State.

It is now exceedingly difficult to make a proper division of expenses of the few companies which already transact the business of life, personal accident and employers' liability insurance, including workmen's compensation, all of which are insurances to the person. If the powers of these companies are extended to write fire, marine, and general casualty business, the division of expense would become practically impossible.

After this review it seems to me that we shall be forced to answer the first part of the question under discussion, namely—

> "Should we abandon the American restrictions upon the classes of insurance written by a company doing direct writing"—

in the negative.

Reinsurance Companies.

Now with regard to the question involved in the latter part of our subject as to companies doing reinsurance: It is my understanding that, to a degree at least, the subject now before us is incident to the suggestion that corporations limiting their business to reinsurance should be privileged in their writing capacity beyond corporations doing a direct writing business. Viewing this question from the various angles which have been brought to my attention, it does seem that if it is advisable for the reinsurance company to be so privileged, it is equally advisable to extend the privilege to the direct company. Every direct company by the very nature of the business is more or less a reinsurer. The direct company placing reinsurances with an authorized direct or reinsurance company is allowed credit therefor. Such being the fact, it would seem that the same measurements of responsibility should be applied to the reinsuring company which are applied to the direct writing company. In other words, the statutory limitations of the direct writer should be equally applicable to the reinsurer.

I have not lost sight of the fact that it is claimed that the restrictions of direct writing companies should be more severe than those of purely reinsurance companies, because the public insuring in the direct writing companies has not the necessary technical knowledge to be satisfied with its own estimates of the strength of the direct writing company, but a direct writing company from its own experience in the business should be able to use its own judgment as to the strength of a purely reinsurance company.

Believing that the recognition of the right of the reinsurance company to enter into all of the fields of insurance will be but an opening wedge for the direct company to enter into all fields, and submitting that the statements contained in this paper are such as to show the danger of giving increased powers to the direct writer, I find myself in the position of not being able to give approval to the second proposition, viz., the recognition of multifield lines for the reinsurer.

Conclusion.

Let me add that it has been my endeavor to present an outline of the development of the natural forces of conservation which have helped to build up our present-day American systems of insurance as well as those in vogue across the sea.

It appears to me that the present-day classification of the business of insurance known as the American system, has been reached through a gradual process of elimination, starting with special charters containing any and all the powers the incorporators might choose to request, and gradually becoming more and more restricted as company experience and State supervision found the situation from time to time demanded. The trend abroad is apparently in much the same direction. By the legislation of recent years England is regulating her multifield corporations by the sequestration of funds. France and Germany are restricting their life companies absolutely to the making of contracts which depend upon the duration of human life, and in Germany the securing of a general charter for all lines other than life is regulated in a marked degree. In Canada, the classification is even more rigid than in the United States. Foreign corporations having excess powers have found it possible, I might almost say convenient, to conform to our system through the establishment of branches with special funds in the hands of trustees for the benefit of United States policyholders; and, in cases where wider underwriting powers are desired, by the organization of separate domestic corporations with independent capital and surplus.

It would appear, therefore, that the American system of classification is being generally recognized as the desirable one. Such being the fact, why should we at this time depart from our classification of business, which has resulted satisfactorily, and adopt another which is gradually being abandoned by others? Any such change in our method would involve the necessity of a readjustment of all relations between supervising departments and companies on the one hand, and between companies and their

policyholders on the other, which would unsettle the business of insurance for many years to come. Moreover, if such a change were made, I submit that, unless the insurance business were subjected to a rigor and minutiae of supervision and regulation with which our companies are as yet unfamiliar, the funds contributed by policyholders would be deprived of that protection which they now enjoy from venturesome company managers ambitious to extend their business to new and untried fields.

Our American system appeals to me—with its limitations, its statutory reserves, publicity, and close departmental supervision—as conservative and safe. I cannot satisfy myself that it will be a wise departure—one in the interests of the insuring public—to permit one corporation, either a direct writer or a reinsurer, unlimited privilege to write the various lines of hazard which, under our present system, must be divided among separate corporations. Nor can I satisfy myself that it will be wise to subject the fiduciary or trust funds of a life company to the conflagration hazard, or to the indefinite liability incident to general casualty and miscellaneous insurance.

I wish to leave with you three aspects of the situation for your further consideration in connection with the question before us:

First. Is it not possible that, in allowing the organization of multifield line companies, one of the results will be the elimination of a great many of our smaller, but financially strong one-line companies, and a concentration of the insurance business in the hands of a few mammoth corporations?

Second. Should we not at this time consider the trend of public opinion represented in pending national legislation which seems to be against great corporate entities absorbing smaller ones transacting a similar business? The recently exposed conditions existing in the case of the New York, New Haven and Hartford Railroad is a case in point.

Third. In the time of great disasters, such as the loss of the Titanic, the Binghamton fire, and the conditions which may follow the present war, where great loss of property and life are both involved, is it not safer that the unusual burden should be carried by several separate entities rather than by one?

In the last analysis, is it not true that much of the credit for the amazing growth of business in this country is due to our wonderful success in specialization? The trend of the times is in the direction of the specialist. The great businesses, the economic and professional successes of the country, are largely attributable to specialization. And in this general concentration of effort, it seems to me that we must recognize the specialists in the insurance business. We find able executives and life underwriters guiding the affairs of our great life insurance corporations, and this is equally true of our fire and casualty corporations. Will the same efficiency, wonderful growth, and corporate soundness result when the intricacies of multifield powers are in the hands of one set of executives? I cannot believe that they will.

THE PRESIDENT'S ADDRESS

A Plea for Greater Publicity as Regards Insurance

By Charles H. Holland*
Vice-President, Royal Indemnity Company

THE president's address at this Convention must necessarily be directed in one of two directions; it must either consist of a brief survey of past and current events,—or it must be the expression of one individual's views upon one or more phases of the business in which we are commonly engaged.

When I had the honor of addressing you last year, within the historic City of Quebec, our surroundings suggested a restrospective thought as to our successes and failures of the past; and we together contemplated the practicability of building still more soundly upon the lessons gained by your experience. On this present occasion I wish to confine myself to the consideration of one point of vast importance to us in our business; it is a matter to which I referred briefly at our last convention, when it also received the attention focussed upon it by the very able and powerful address of President John T. Stone, of the Maryland Casualty Company. It is a matter which so insistently and urgently calls for our active attention that I make no apology for once more occupying your time on its behalf.

The business of insurance—one of the most necessary adjuncts of present-day commercial life—is, so far as the public is concerned, enshrouded in mystery. That statement is true to a large degree in respect of those older classes of insurance with which our association is not connected; but to a far greater degree is it true of casualty and surety insurance. There is perhaps a general but undefined belief that life insurance is conducted upon the basis of certain data emanating from the abstruse calculations of mathematicians, that fire insurance has been brought to a certain point—a far from perfect or final point—of scientific exactitude by means of rigorous inspections and elaborate details of a long and comprehensive experience; but of casualty insurance nothing is known outside the confines of our own very limited circle, except that an apparently arbitrary premium is demanded for the insurance of a given risk.

I suggest to you that the time has long since arrived when the great public from which our business is derived should be taken into our open confidence, when the shroud of mystery should be removed, and when the masses of data upon which we rely for our guidance should be made available to all who care to read. The absence of public knowledge of our affairs is in my opinion responsible for the major part of the difficulties which are ever confronting us. The present age is an age of education; if the time ever existed when the public was willing to blindly accept the dictum of a corporation—whether an insurance corporation or otherwise,—that time has, happily, passed. And now the public demands and is entitled to knowledge as to the use to which its insurance investments are put. And I therefore very earnestly welcome the departmental examinations of rate-making organizations, the governmental collation of statistics from our business, the commissions which shall supervise, with just and impartial hand, our administration of such measures as workmen's compensation laws. But even these activities on the part of government officials are of but trifling value to us compared with the enormous influence which would be exercised by a public which had confidence in us because of our openly-displayed confidence in it.

If we glance for a moment at the various bureaus or rate-making organizations which are a necessary part of our business, we can only conclude—as will any impartial student of the subject—that the primary result of those bodies, the prevention of rate-cutting, is a supreme advantage to the great army of policyholders. If a manufacturer of shoes decides to sell his output at less than its cost-price, his customers gain a temporary advantage at the cost of his solvency; he and his comparatively small number of creditors are the sufferers. But if an insurance company sells insurance at less than cost-price, the sufferers are the company's very numerous customers or policyholders—who lose the security

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from disaster for which they have paid. And the public does not realize this fact, and consequently condemns rate-making bodies. This is but one, perhaps the most obvious, of the many unnecessary disadvantages which hamper us because of our aloofness in the matter of publishing broadcast the facts and reasonings which actuate us in our methods of business.

Never would any business so gain by the "fierce light of publicity" as would insurance business; and never has this publicity been so necessary to us as it is to-day.

In the State of New York a far reaching step has recently been taken in the formation of a Central Inspection Bureau, under the active supervision of the Insurance Department, for workmen's compensation business; no other step could have so successfully secured the confidence of employers.

The recognition and support by our companies, of the National Association of Casualty and Surety Agents, a body which achieved immediate success upon its formation last year, marks another step in the direction of throwing off the veil of reticence and privacy which has rendered us mysterious—and therefore open to suspicion—in the past.

The existence of that body, with its possible membership of many thousands of active business men scattered far and wide throughout the country, provides us with a new and unique opportunity of attaining—through the medium of its members—an organization of campaigners and educators of public opinion, working in the public behalf and in our behalf with a united whole-souled effort to combat the hitherto unchecked misunderstanding of our methods, our aims and our results. It has been with the greatest possible pleasure and satisfaction that I have assisted in arranging for a joint convention of that association of agents and our own association, to be held during the current week; and I have great hopes that the discussions and exchange of views at that joint convention may result in a well-organized co-operative movement which shall have as its aim the attainment of that still greater cooperation between the public, the agents and the companies.

The need for this confidence between the public and the insurance interests is nowhere more obvious than in the matter of workmen's compensation; the need is perhaps not as obvious but is equally pressing in connection with personal accident insurance, which has been brought to an unprofitable condition by the growth of hazards which were not contemplated when present premium rates—unchanged during many years—were originally formulated. And in other branches of our business activities, nothing but good could follow the adoption of a spirit of mutual comradeship between company and policyholder, between trustee and beneficiary.

I trust that the insurance institutes of this country will without delay enlarge their educational facilities by the provision of regular courses of study and examination, so that the army of individuals engaged in our business may have opportunities of enlarging their knowledge and increasing their influence,—while the nondescript will find that insurance business has been brought to a condition of such scientific accuracy that his untrained efforts can fill no vacancy upon an insurance company's staff. By this means, hosts of young men, each of whom wields some degree of personal power and influence in his community, will continually reinforce us in our endeavor to attain and maintain in the commercial world the respect and support to which we believe we are entitled.

That these are not vain hopes or passing fancies, I am fully convinced. That at this convention we can set in motion machinery which will be of good service to the public and of advantage to our companies I earnestly believe. That the removal of many of our difficulties lies within our own power is a truth which should be constantly before us. And I appeal to you to take the opportunity provided by this convention to formulate such procedure as shall set in motion an irresistible campaign of confidence-begetting education. Thus, and I think only thus, can we successfully accomplish the work which we have undertaken; thus alone can we ensure real and lasting success to our companies; and let us never forget that in the accomplishment of that work we are serving the nation by protecting the individual,—by making sure support for those who suffer, we are serving humanity.

THE RELATION OF THE MEDICAL EXAMINATION OF EMPLOYES TO INSURANCE UNDER WORKMEN'S COMPENSATION LAWS

By Edward W. DeLeon*
President, Casualty Company of America

THE keynote to these remarks is to be found in the doctrine enunciated by the National Conservation Commission, that natural resources are of no avail without men and women to develop them, and that no nation can be permanently great except through a sound and strong citizenship secured and fortified by conserving the chief source of strength through the prevention of accidents and disease and the prolongation of life.

The United States has passed through almost a revolution in the last five years in connection with legislation for workmen's compensation and the prevention of work accidents. It is a strange commentary, however, upon the intelligence of the nation that practically no attention has been given to the most important phase of this question; namely, the conservation of human life, and the prevention of accidents and sickness in industry by means of the periodical medical examination of employes.

I am aware that, in discussing this aspect of the great problem of industrial relations, I am treading upon somewhat dangerous ground, and am, perhaps, embarking upon an almost uncharted sea; but if I succeed in only partially blazing the way through the forest of doubt and distrust on this subject, or if I am destined to steer through the turbulent sea of opposition and discord into a safe and quiet harbor, the voyage will not have been undertaken in vain. The watchword of the age is safety. The slogan of the State and municipality is safety first. Civic authorities are organizing societies to educate the public in the principles of this great human doctrine. Railroad companies, once reputed to represent the epitome of soulless disregard for human life and limb, are spending millions for safety. Life-saving stations stretch in unbroken line from the Atlantic to the Pacific, and from the Great Lakes to the Gulf of Mexico. Traffic police guard our congested highways to regulate the operation of vehicles and to enable pedestrians to use at least a small part of the public streets with comparative safety. Manufacturers, merchants, professional men, and innumerable societies and associations are daily preaching the doctrines of conserving the safety of the great army of industrial workers. Legislation, that is generally the rearguard of all such public activities, has placed the stamp of approval upon this all absorbing question of the day through the enactment of workmen's compensation laws, the fundamental objects of which are to foster every known means of accident protection, and to emphasize the economic value of the well being and the highest efficiency of employes through the prevention of occupational accidents and disease. This humanitarian principle has found expression in forty-one European countries, and in twenty-four States of this country, with every indication that within a few years the

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United States will be in the forefront of the enlightened nations of the world in the adoption of every recognized requirement for the amelioration of the condition of work people.

While our own country has thus inaugurated a widespread comprehensive plan of accident prevention and is expending millions for the inspection of plants and machinery, we have done but little in the direction of the physical inspection of workpeople engaged in the great system of human engineering. It is more remarkable that only two of the leading countries of Europe, England and Belgium, have thus far established separate medical divisions in the factory inspection departments. In each of these countries, there is a chief medical inspector, assisted by a corps of competent physicians making periodical investigations of occupational diseases, supervising work in dangerous trades and regulating generally the question of industrial hygiene, including the physical examination of employes.

In England, there are at present two medical factory inspectors whose duties are to advise the Government in all branches of factory inspection requiring medical education; to supervise the work of the certifying physicians; to make investigations and reports on cases of industrial poisoning; to visit all establishments where industrial diseases are predominant; to investigate conditions affecting the health of workers in all factories; to make special investigations and to formulate rules and regulations for new trades and establishments. The medical inspectors report to the chief inspector weekly. They are not permitted to practice medicine. There were in England in 1912 2,279 certifying surgeons and a part of the work done by them was the following: Medical examinations for certificates of fitness, under fourteen, 42,203; between thirteen and fourteen, for full time employment, 11,222; ages fourteen to sixteen, 373,301; total, 506,726. The results of these examinations showed that 491,385 employes were certified and 15,341 were rejected as unfit for employment. In dangerous trades, 231,426 examinations were made, and 681 employes suspended from work. Legislation for the protection of workmen in Belgium began in 1813 with an imperial decree relating to work in mines, until to-day there are few countries that make such detailed and specific regulations for workpeople and particularly for trades regarded as dangerous or unhealthy, called "classified establishments." These industries require authorization to begin operations, which is often a complicated affair, involving representatives from the council of public hygiene, inspectors of dangerous trades and medical commissions. In such trades as phosphorus match manufacturing and white lead making, every worker must undergo a monthly medical examination by a physician, approved by the Minister of Labor. The physician is obligated to keep a record of the results of these examinations, which is open to the board of factory inspectors. The medical division of the inspection department includes the chief physician and two assistants and two or more provincial medical inspectors.

A large number of examinations are made of workers, especially in dangerous trades and the medical inspectors also make a thorough examination of the temperature and humidity of different establishments, and their effect upon the workers. During 1911, two hundred and twelve visits were made in one hundred and twenty-four rag-picking establishments, and all persons working therein were vaccinated. In seven white lead factories in Flanders and Brabant, 2,574 monthly examinations were made, and 735 workers examined, of which number, 115 were found to have symptoms of plumbism. There is no medical factory inspection in France, Austria, Switzerland, Prussia and most of the German States, although in Prussia, district physicians may be called in, particularly for the authorization of certain dangerous trades; and in Austria, a medical consultant has recently been appointed. It may be said, however, that medical factory inspection in Europe is still an undeveloped field, although there is a growing agitation in many of those countries for the appointment of medical inspectors. The United States became interested in the medical examination of employes on some well defined organized basis through the work of the Chicago Tuberculosis Institute whose committee on factories instituted in 1911 a campaign for the detection of tuberculosis among factory workers; this was later extended to an organized system of general medical examinations for the detection of any breaks in the health of employes. The arguments in advocacy of this new step in the development of industrial efficiency were: first, protection of health of the working force by the elimination of sources of infection; second, prevention of physical deterioration of workers by early detection of disease and immediate adoption of remedial measures; third, prevention of unnecessary financial loss to the employer caused by the growing reduction of efficient working power of employes, afflicted with unknown, but slowly developing disease; fourth, a higher standard of health, sanitation and efficiency among the entire working force, accomplished through general instructions and regulations having for their object the increase of resisting power of employes below normal, and the maintenance of health of those in ordinarily sound condition. As a result of the experience gained in the two years' compaign, the committee on factories of the institute, advocated the following plan of systematic surveillance of health of workers; medical examination of all applicants for work, or at least of those whose appearance, or former or present history suggest the possibility of disease, and a more comprehensive and thorough medical examination of applicants for membership in employes' benefit associations with gradual extension of such membership to all employes. The magnificent results achieved by the institute in the last two years is strikingly shown in the experience of several Chicago employers. Dr. Harry E. Mock, in charge of the medical staff of Sears-Roebuck & Co., furnishes the following record of the work in that institution; average number of employes 9,500; number of employes examined in last four years, 6,800; number of cases of tuberculosis found, 193; number of cases of heart and kidney disease existing unknown to the patient until disclosed by examination, 40; number of cases of communicable diseases, including scarlet fever, measles, chickenpox, mumps, diphtheria and venereal diseases, 200. In addition to above, a large number of cases of anæmia, chlorosis, rundown conditions, nervous breakdown and even three cases of insanity, have been found, and in every case, the employes have been given rest from work and placed under proper treatment, either in an institution or in care of their family physicians. Those who could not afford to pay for treatment, have been cared for by the physicians of Sears-Roebuck & Co.

Since January 1, 1912, all applicants for employment in the manufacturing department of the International Harvester Company are examined by one of the surgeons of the company. Prior to the examination, the applicant is required to answer questions regarding his family history, especially concerning any chronic disease, and his personal history, covering especially rupture, rheumatism, consumption, kidney or bladder trouble, fits or, in fact any physical or mental disorder or any defective vision. The medical examination covers the questions of sight, hearing, the heart, lungs, and any defects in hands or arms, feet or legs, spine or joints, head, face or skin. The total number of employes that come under this examination is 22,440 in the manufacturing department, and 918 in the office. Of this number, 18,022 in the manufacturing department and 432 in the office are members

of the Employes' Benefit Association in which examination by a physician is necessary to payment of benefits.

The medical examination of employes at Montgomery, Ward & Company began after July 1, 1912, at which time the system of employes' insurance was installed. Every employe must serve one year before being eligible for insurance. He is then examined and if he proves fit, is accepted, but if his condition is questionable, he is debarred from insurance, as well as from the employ of the company. Examinations are not made at the time of beginning service, for the reason that the working force in this establishment is variable, and at times, hundreds of men and women are employed for only a few weeks. There is no intention of retaining these people, hence, it would be unnecessary to submit them to any examination beyond their ability to do a day's work. In addition to medical examination, a constant supervision of the health of employes is maintained in every department, and with the first symptoms of a break in the health of an employe, the case is immediately referred to the medical department.

Swift & Company in the early nineties, installed a physician in their packing house, whose main duty was to treat without charge to employes, all injuries sustained during work. The treatment of illness was not obligatory, but some of the men soon consulted him in cases of sickness, and it shortly became necessary to employ a day assistant and later a night assistant. At the present time, the medical staff consists of four physicians and one nurse, with the equipment of a first-class hospital and dispensary, where emergency surgery and medical treatment is conducted. The medical examination of employes dates from the organization of Swift & Company's Employes' Benefit Association in 1907, that has at present a membership of 21,879 in the United States and Canada. Examination is required of all employes within the first week of employment to determine: first, fitness for membership in the association that is optional; second, discovery and prevention of spread of communicable diseases; third, discovery of previous illness, injury and defects from the standpoint of possible effects on future injuries; fourth, a sound and healthy working force. Thorough inquiry is made into family and personal history of the applicant with particular regard to susceptibility and probability as a carrier of disease; also with a view of discovering evidences of epilepsy and kindred affections that are especially dangerous in certain occupations requiring climbing and work near machinery. When an applicant furnishes a family history of tuberculosis or any sign of disease, he is reported as a "suspect" and is given a second examination at a later date and is subject to other examinations as often as his case requires.

The examination during the first week of employment, while invaluable for discovering disease or defects in applicants, of course provides no way for ascertaining their physical condition later on. This is partly accomplished through the foremen and department heads who are instructed to send all employes suspected of being ill to the medical department for examination. Timekeepers are required to report to physicians, all employes absent from work for more than two or three days, whether known to be sick or not. Every member of the Employes' Benefit Association, in order to draw sick or accident benefits, must report his disability to the timekeeper, or foreman or to a physician, and in any case, he is examined either at home or at the plant. If, after examination, an employe is found to have some ailment not disabling, but requiring a change in the character of his work, this change is made. It is frequently inadvisable for an employe to resume his former work, after recovering from accident or illness, and in such cases, suitable temporary work is provided until his health is completely restored. Such measures have been found to not only promote the health of employes, but to gain their confidence and co-operation in all medical and sanitary work, with the result that employes who have been treated and cured and have returned to work act as medical missionaries to spread the value of these examinations among the entire working force. The Chicago Telephone Company employs about 11,000 men and women, of which about 6,000 are operators at an average age of nineteen years. A medical department is maintained consisting of four doctors and six nurses, to make examinations of all applicants for the position of operator. The chief operators and manager are instructed to keep a general supervision of their forces and to send to the examining nurse, any employe who seems in any way to need medical attention. There is also a systematic examination by a nurse of every employe in an exchange. In one exchange, out of 158 employes, 30 were sent to the doctor for examination. The question of a general medical examination of all applicants for employment and the medical supervision of all employes generally, is under advisement at the present time. The Commonwealth Edison Company started in October, 1910, to make examinations of all new employes and to exercise medical supervision over all employes. Every six months, an inspection is made of all employes in all departments and no one, from the highest official down, is excused from this examination. Each new employe's vision is tested and any one with less than half vision, if not properly fitted with glasses, is rejected. This rule is strictly followed, particularly with drivers and chauffeurs, linemen and others doing construction work, and all who are compelled to work in close proximity to live wires, or in other hazardous places. About seven thousand employes are examined each year and in addition to regular examinations, all superintendents and foremen are instructed to watch the men under them, and if any weakness or loss of efficiency on the part of any employe is noticed, he is sent to the doctor's office for examination.

Let us now consider the relation of the medical examination of employes to insurance under workmen's compensation laws. While there may be, of course, points of conflict in the industrial relations of employer and employed, there should be, so far as the great basic principles of economy and efficiency are concerned, a profound harmony of interests. The healthy workman is an asset to his employer, for disease and defects mean feebleness, impaired usefulness, irregularity and unreliability. It has only lately been recognized that the economic value of the worker is conditioned more by his physical status than by any other single factor, and that inefficiency due to injury or disease imposes a burden upon society at large, rather than upon the individual. Industrial insurance has for many years essayed to bridge the gap between the disabled workman and the community, but the majority of the systems of industrial insurance in force are defective in that they provide for the payment of benefits in case of disability from sickness or injury, only after these have become facts. Practically all existing systems of industrial insurance fail utterly to give adequate recognition to the great cardinal principle underlying all modern methods employed in the interests of public health; namely, that of prevention. Great attention has been paid to providing the injured or sick employe with medical attendance, but too little care has been exercised to prevent the accident or sickness that renders such medical attention necessary.

The advent of workmen's compensation insurance has emphasized to some extent the advantages of prevention and the primary purpose of such insurance should not be to provide indemnities for injury or death of workers, but should rest upon a preventive basis, largely accomplished through a systematic

medical examination of work people. In no other way can the first beginnings of disease be detected or the adverse effects of unhealthy conditions averted. Such examination must not only disclose bad shop conditions, but should include the worker's entire environment, for it may frequently happen that the origin of the disease is traceable to the unhygienic home, rather than the unsanitary shop. Many employers have already correctly appreciated the value of periodical medical examinations as a *sine qua non* to continued physical efficiency and whenever these have been carried into effect, they have been the means of detecting diseases and defective conditions, in their incipiency, and have made it possible to apply remedies before irreparable injury had been done.

Workmen's compensation insurance, conducted upon this preventive basis principle would soon become an economic necessity in the evolution of modern industrial development, and would redound to the benefit of employer and workman and the State by reducing the annual loss of days through sickness and injury, and by raising hygienic standards and fostering the enactment of uniform industrial legislation. One of the strongest objections urged against workmen's compensation insurance as administered by stock insurance companies has been its cost and this consideration has been most potent in the arguments in favor of State insurance. It is merely a truism to say that any such insurance must needs be costly in which the basic principle does not take into account every phase of prevention. The cost of workmen's compensation insurance, predicated upon preventive lines, would be far below that of a system based upon the theory of providing indemnity only after the employe has been incapacitated or killed. It is also true that the loss reserve is directly dependent upon the average accident frequency, and if by preventive measures, this frequency can be reduced, it follows that the reserve and consequently the cost of the insurance may be lowered, proper provision being made for the expense of such preventive work. The question naturally arises with every employer undertaking this work of medical examination of employes as to the attitude of the workers toward such inspection. In a total of over 20,000 examinations of International Harvester Company's employes, covering a period of nearly three years, not more than twenty objected and most of these willingly submitted to the examination after its purposes had been fully explained to them. If it is frankly and honestly shown that this plan for ascertaining the health and physical condition of employes is one designed to improve their status and to assist those afflicted with disease back to good health, and is not to be used as a means of merely eliminating individuals, the active and willing cooperation of employes may be assumed. In other words, the worker will not suffer loss of time and wages from frequent injuries or sickness when at the age of best production, and will not be sent to the "scrap heap" when there should be many more years of profitable work, if proper hygienic standards are established.

Statisticians tell us that it is a fundamental principle that mortality and morbidity vary in different trades, and in different proportions, so that a trade with a high mortality may have a low morbidity, or vice versa. The necessity for qualified medical inspectors is apparent when considering the aggregate loss of life and health in American industry, and in estimating the probable burden that falls upon wage-earners. It may be conservatively estimated that at the present time the number of workers fifteen years of age and over of both sexes is approximately 35,000,000. At least 40 per cent of this number may be estimated to suffer more or less incapacity from work during the year as the result of sickness or industrial accidents. On the 40 per cent basis, there would, therefore, occur in American industry approximately 14,000,000 cases of disability, which, on an average of 8.5 days per annum per employe, based upon the German experience, indicates that at least 297,000,000 days of sickness per annum occur among the workers of the nation. It is safe to say that the average loss in wages, allowing for contingencies such as malingering and unemployment will be not less than $1.50 per day, and upon that basis the direct monetary loss in wages on account of industrial accidents and sickness may be conservatively figured at $445,000,000 per year. Adding to this sum, not less than $1.00 per day for the expenses, including doctor's bills, nurses, medicines and incidentals, the additional cost on account of industrial accidents and sickness to wage-earners is $297,000,000 per year. This, however, does not represent the total loss to industry, for it may be conservatively estimated that not less than a loss of fifty cents per day results from changes, absences, replacement of efficient workmen by inefficient, and the time spent in instructing new employes to fill the places of those absent on account of disability. An average loss of fifty cents per day, adds $148,500,000. This entire amount, representing the direct loss in wages to the workers, the direct cost of accidents and sickness and the economic loss to industries, reaches the enormous sum of over $1,000,000,000 per annum.

I feel that I cannot close these remarks in any better way than by quoting from a paper on the "Medical Inspection of the Industries" read by Dr. R. L. Wilbur, Dean of Medical Department of Leland Stanford University of California, before the annual meeting of American Academy of Medicine in June of this year. In discussing the advantages of National, State, municipal or private medical inspection, he said: "The combined conscience of society is stirred. The dollar is tottering on its glittering pedestal, and many things are now being measured in other terms than financial profit and loss. The compensation acts show that industry must bear the burden of its Moloch-like existence. It is beginning to try to protect the worker from harm. The by-product of legs and arms and tombstones is becoming less necessary and less productive. The best way to save money is not to spend it, the best way to pay the working man and make him pay is to keep him clean, free from disease and foul surroundings and happy. Society is tired of having its progress stopped by the unnecessary cripples, the blind, the paralyzed, the widow and the orphan. Rat traps ought not to be made at the cost of human life. The washing of towels should not cost us human arms, and we should make dishes and manufacture paint without paralysis or fatal kidney disease as the price. Some factories have found these things out and they are making private inspection pay. The private inspector can be the family physician of the industry. He can watch for the health of his workers, and when properly supported can organize an emergency hospital service; make regular examinations and forestall disease and injury; with full knowledge of local conditions and sympathy with the work, a trained man can do great good. War, as well as industry, has taught us that the first care given the injured is the most important."

BURGLARY CLAIMS AND THEIR ADJUSTMENT

By J. A. Kenny*
National Surety Company

I HAVE chosen to confine my remarks principally to the subject of claims. I do this for the reason that, in my opinion, this side of our business has not received the serious attention and consideration it merits. In the past two years we have made

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great strides towards putting the business on a sane, sensible and sound basis. This has been accomplished through the medium of the Burglary Insurance Underwriters' Association. After many trying years we have, at last, seen the futility of going it alone, and decided to protect ourselves against our own folly.

We have, however, directed all our energies to the question of rates and policy conditions. That much progress has been made, none can gainsay. This is evidenced by the unanimity of rates and policy forms now prevailing.

Burglary insurance is of recent origin; it is, now, more or less in an experimental stage. If it is to take its proper place in the economic world, radical changes must be made, not only in the method of underwriting, but in the adjustment and settlement of losses.

Burglary claims may very properly be divided into four groups or classes: The honest claim. By this I mean where a burglary or theft has occurred and the proof submitted represents the actual loss suffered. The mysterious disappearance; the padded or inflated claim; the fake claim. Let us take up the second group. These claims are the most difficult we have to deal with. They have estranged us from our business friends, taxed our credulity, imposed on our loyalty. Because of the very nature of theft insurance, it is almost impossible to determine our liability in advance. We agree to cover against theft, but theft is so indefinite that each case must be judged on its own merits. I do not mean to imply that theft cannot be defined. Our difficulty lies in determining that the loss is due to a theft. One not familiar with the subject might be tempted to say that it cannot be a hard matter to draw the line. There might be a great degree of truth in this, if it were not for several reasons.

In the first place, the agent or broker oftentimes follows the line of least resistence in selling the policy. The prospect asks an explanation of theft insurance, and it is not at all unusual that the inference is given that it "covers everything."

We also have to combat the inherent reluctance of human nature to reconcile oneself to loss of any kind. Personal property which has disappeared is reported as stolen, if theft insurance is carried, whereas if the owner were not insured, other reasons would be assigned for its loss. The mental attitude of one insured against theft has never, in my opinion, been better illustrated than in a case which was presented to our company some time ago. The assured was about to close house for the Summer, and, preparatory to leaving, had requested the Safe Deposit Company to send for a trunk containing silverware. The maid, unknown to the assured, had given an order to an express company to call for her trunk. The expressman called and asked for the trunk. The assured, taking it for granted that he had called for the silverware, gave him that trunk. Later in the day, the company's wagon drove up to the door, the driver stating that he had called for the silverware. Wild excitement! A 'phone message to our office reporting a loss of some $3,000. The assured told our investigator that the expressman had called for the trunk of silverware. Unless recovery was made it looked as if we would be called upon to pay a large loss. A prompt and vigorous investigation brought the facts to light, and incidentally the missing trunk. It developed that the expressman had simply asked for the trunk, and not the trunk of silverware, as stated by the assured. Note the creation of evidence necessary to bring the loss within the terms of the policy. I don't think for a moment that this assured was dishonest, or had the slightest intention of defrauding the company. It simply indicates that the mind of one insured is not always fitted to give an accurate statement. Details which have no existence in fact, are supplied unconsciously, as it were, so that the loss appears to come under the policy.

Let me cite to you some cases that I have chosen at random from our files, which prove conclusively that we are called upon to pay and do pay for property that is simply mislaid.

"We were advised by tha assured that the pearl shirt studs were found by the laundress in a shirt, and the assured therefore wishes to reduce the amount of his claim."

"It is all off.—With tears in his eyes, Mr. ——— waited upon us to-day and informed us that the supposedly lost watch and chain have been found."

"We would respectfully refer to the claim that you paid, which referred to one dozen fish knives, and one-half dozen fish forks. We learn from your assured that these articles have, evidently, been found carefully stowed away, and all regrets for the claim are extended to you."

"I herewith hand you my check, payable to National Surety Company, and am pleased to inform you that the necklace and the jewel, mentioned in my Proof of Loss, have been found. The necklace with the jewel attached as a pendant, were misplaced by my wife, and were not in the jewel box, which was the usual place for keeping them. Yesterday the articles were found in a dresser drawer."

"In making my claim, I claimed for a pin. When my family returned, we found it on the floor under a rug. Enclosed please find my check for same."

"Upon reviewing your file pertaining to this claim, you will observe that, under date of March 4, we sent you a check, the assured having found one of the articles under Proof of Loss. We have much pleasure in handing you another check, the assured having recovered all of the articles supposed to have been stolen."

In each of these cases the assured was insistent that the property had been stolen. I could continue in this strain indefinitely, and the files of every company will disclose similar cases. How many thousands of dollars have we paid for supposedly stolen property which afterwards turned up, and for which we were not reimbursed!

I now want to say that the most difficult influence and pressure which we have to overcome is brought to bear upon us by the broker or agent. He tells us that the assured is an honorable man; stands high in the community; a representative citizen and that his account is a valuable asset, and if we expect any more burglary business from him, we had better stop quibbling and pay the loss. I have no words of censure for the broker, but rather for ourselves. We invite and encourage the practice; we welcome with open arms the disappointed broker, who has had some claim turned down by a competitor. We applaud ourselves if he patronizes our company. It is an endless chain. By the time a former customer has been the rounds, time has healed the sore, and in our anxiety for new business, we paint him an alluring picture—tell him that we settle our claims differently now, and great is our joy at his return!

My company about a year ago declared unequivocally that it would not pay mysterious disappearance losses. What was the result? A loss of premiums to the extent of about $50,000 in one year, all because we took the stand that we would not pay for losses which we never agreed to cover, and for which we were not liable. Other companies secured this business because the brokers felt that losses of this nature would be paid; yet, surely no company openly professes to pay for mysterious disappearance.

The claims, which are also costing us dearly, are the padded or inflated claims. A lot of people go on the theory that an insurance company is legitimate prey. People, who are honest in other things, have no scruples about putting an exorbitant value on property for which they make claim. They consider it about as dis-

honest to cheat an insurance company as they do to avoid paying their fares to the street car conductor, and others believe that the company will cut down the claim anyway, so they jack up the values.

Here, again, we have most to fear from our "best people." They are prone to value too highly property for which bills are not available, and render us little or no assistance in our endeavor to establish the correctness of the values. In fact, as a rule, they show their displeasure and resentment in no unmistakable terms, if we, even as much as intimate that we would like more light upon the figures submitted.

I am convinced beyond a doubt that the saving which would be effected on these claims alone, if handled properly, would enable us, without loss to ourselves, to put the rate for theft insurance back to what it was a year ago. I ask if it is not a fact that property which has been recovered after the claim has been paid, seldom, if ever, proves to be worth the price we paid. In some instances, the difference between its real value and the amount of indemnity allowed is startling. This is particularly true with regard to furs and jewelry.

The fake claim is becoming more frequent; nearly all forms of insurance offer, to the unscrupulous, opportunities to make easy money. But where do these opportunities so abound as in our business? About two years ago one of our assured conceived the idea of making a fraudulent claim upon us. He staged it so well that the company was about to pay the full amount of the policy; had it not been for an anonymous communication, check would have been sent. The clue which was given us was energetically investigated, and we succeeded in unearthing all the facts, and upon confronting the assured with the evidence of his guilt, he broke down and confessed. We were not satisfied to take a complete release, but prosecuted the assured and succeeded in having him sent to the penitentiary. I hesitate to dwell here upon these claims, except to say that it were well to realize our danger and to take steps for our mutual protection.

What is the remedy? To my mind there is only one remedy. We must strive for the same co-operation in the adjustment of claims that we have secured, in such a remarkable degree, in other matters.

We have been facing a rapidly increasing loss ratio in the past few years, and have endeavored to overcome it by restricting our policy and increasing our rates, except in localities where we write but little business. I have always believed that was the wrong way. It may afford us temporary relief, but no lasting good can come of it. Our rates are now so high that the insurance appeals only to those who can least afford to be without it, and if too great a percentage of our business is in this class, no rate, no matter how high, will prove adequate.

Most burglary underwriters contend that the rising loss ratio is due to an increase in robberies. I am inclined to doubt it. A business that is growing as rapidly as ours, should show an unusually low loss ratio, while, on the contrary, the reverse is true. The real reason is, I believe, due to the manner in which we have been adjusting our losses. We are paying claims for which we are not liable; we are allowing values that are exorbitant; we are becoming more and more the prey of the faker. Our policies and our rates are uniform; our adjustments are of the "fifty-seven varieties."

We are engaged in a business where moral force counts for more by far than in any other form of insurance, therefore, let us take a united stand on claim matters. Let us, one and all, refuse to recognize mysterious disappearance. Let us put the mysterious disappearance clause back in the policy. Let us get together and discuss the situation seriously. I even dare to hope that we might have an adjustment bureau. In that event the influence of a large account would have no bearing on the loss. The assured, who becomes indignant if we even intimate that his values are a trifle high, would receive courteous treatment, but would be compelled to produce proof to substantiate the correctness of his values. What a great influence a bureau of this kind would exert! It would not take very long to educate the broker and the assured to the new order of things. Instead of the varied and vacillating methods now in vogue, we would have a searching and rigorous investigation, and a uniform policy of adjustment. Switching business because of claim settlements would be a thing of the past; we would cease to be the victims of our own shortcomings.

There are men who retard progress in every profession, and there are, we are sorry to say, brokers who have been implicated in fraudulent claims and who are still doing business. We should not temporize in matters of this kind. With a good organization behind us, we could put ourselves in an impregnable position by eliminating a few bad brokers and help place brokerage business on the high plane that so many in that profession are striving for.

As I view the future of our business, its growth, development and success lie in lower rates, co-insurance and eternal vigilance in claim matters.

THE ADVANTAGES AND OBLIGATIONS OF MEMBERSHIP IN THE STEAM BOILER AND FLY-WHEEL BUREAU

By J. W. Rausch*
Maryland Casualty Company

IN introducing the subject assigned to me, it is not out of place to portray the conditions under which the business of steam boiler and fly-wheel insurance was conducted prior to the formation of the bureau, in such fashion that the advantages gained with its organization will be so apparent as to knit together, as it were, into closer relationship the several members for further advantageous co-operation.

Those of you who had to do with steam boiler and fly-wheel insurance during the several years prior to the organization of the bureau are familiar with the rate-cutting conditions which then existed, and I am sure that those underwriters who were personally responsible for the outcome as to whether there would be a deficit or a margin of profit at the end of the year will not easily forget those times. There was absolutely no co-operation of any kind between the several companies writing these lines, either as to rate computation or practices. Risks comprising various kinds of vessels, such as locomotives, tanks, drying cylinders, sulphite digesters, etc., were very often grouped and a rate made at a flat price per vessel, this notwithstanding the very wide difference in hazard. Sulphite digesters, for instance, are usually of enormous size, the average probably being eighteen times as great in cubic capacity as a 150 horsepower boiler. Then, too, by reason of the behavior of the structure under working conditions when a single covering plate is used in the construction of the longitudinal joint, certain stresses and strains are produced, which, after a time, weaken the structure, producing an additional element of hazard and an uncertainty not often discoverable by inspection —yet the premium quoted was often the same as a boiler premium, and frequently a cut rate boiler premium. Underwriters, in order to prevent business from going from their books, frequently accepted renewals at cost, this with the hope that by giving the

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assured the very best service in the way of inspection it would be possible to get an increased premium at the next renewal. However, it was usually found that other companies were perfectly willing to make a still further cut, so that the premium, less commission, would often be less than the actual inspection cost, to say nothing of taxes, management expenses and the carrying of high line of insurance gratis. This rate-cutting, in view of the fact that many other lines of insurance were being written on a safe and sane basis, and according to bureau rules and practices, was not only illogical, but appeared to be altogether unnecessary, and an attempt was made to bring the companies together with a view of forming a bureau, but the response was not at all encouraging and the matter was dropped. In the meantime, some of the companies, especially those having a small line of boiler and fly-wheel business, realizing the fallacy of conducting a business where a net loss was inevitable, withdrew from the field, so that from time to time something like ten companies reinsured their boiler and fly-wheel business. As conditions did not improve, but were actually going from bad to worse, another attempt was made to bring about bureau rules and practices, with the result that at a meeting held on March 3, 1911, practically every company was represented, and at a later meeting held on June 29, a committee of four was appointed to receive suggestions and to formulate recommendations as respects steam boiler, fly-wheel and use and occupancy underwriting practices, standard policy provisions, rates, etc. The work assigned to the committee, notwithstanding that it worked diligently, was necessarily slow, this on account of the many and varied conditions which had to be met and dealt with in a practical way. However, it is not my intention to go into the details of the work done by this and other committees. You are all more or less familiar with what transpired from time to time, but what we are all interested in is the practical result accomplished, which, in the case of this bureau, is most gratifying. It is true, therefore, that in abolishing vicious practices this bureau has conferred great advantages of a most practical nature upon its members. Such a result, even though negative, would fully justify your support of the organization, but there have been other results of a definitely affirmative nature.

The bureau has now been in successful operation slightly over a year and everything appears to be working very smoothly indeed. As might have been expected, at the outset there were some complaints, and, of course, there will be complaints from time to time, but as a whole everything is working very well, and the complaints, for the most part, are usually found to have been groundless upon investigation.

After reviewing the conditions prior to and since the formation of the bureau, the advantages gained by membership are obvious. It has brought order where chaos existed. It has established standard and uniform practices. Instead of a deficit, the business as now conducted should, unless the loss ratio is abnormal, afford at least a small underwriting profit. The new manual which has just been completed, is a big improvement and will simplify rate computation. Then, too, prior to the organization of the bureau, underwriters, at least for the most part, knew very little of each other in a personal way. The impressions gathered were usually from the field, and it is natural that in view of the conditions which then existed, such impressions were as a rule erroneous and very often anything but favorable. Since the formation of the bureau, however, all this has been changed. Officials, underwriters and representatives of the several companies have met in friendly intercourse, with the result that any unfavorable impressions which may have been gathered were dispelled. Surely this getting together and the establishment of a friendly feeling between the representatives of the several companies is well worth membership in the bureau.

Our obligations as members of the bureau are clear and specific. A vast amount of time and labor has been expended in building up a successful organization, and it is therefore the duty of each and every member to do everything possible so as to promote harmony and strengthen the organization. Bureau rules should be strictly adhered to in spirit as well as practice. Differences of opinion will arise, of course, from time to time, but such differences can be adjusted if we will bear with each other, draw on our patience and employ a willingness to co-operate. The desire to co-operate should be considered a personal obligation by each and every underwriter and representatives of the companies. With the combined efforts of our forces, the work already accomplished will be strengthened and will enable us to successfully dispose of those things which are yet to be done. It must be borne in mind that if the bureau is to be a real success, we must all recognize that what injures one inevitably injures all (including that one who may see some temporary advantage to himself in another's injury), that what standardizes, elevates and improves the whole, benefits each company separately and that public confidence is gained thereby and is lost by rate-cutting and mud-slinging practices. Hence it is an obligation upon every member to stand steadfastly in real support of bureau rates and rules, and to devote his best thought to suggesting and helping to consummate ways for the enlargement of the bureau's usefulness. No company should look at the bureau primarily as an instrumentality for the improvement of its own business, but as a means by which every company's business will be improved, in which process he will necessarily share most who helps most.

There are, of course, a number of things yet to be done, and I will take the liberty of calling attention to at least one feature, which, it seems, the bureau should take up as soon as possible, and that is to adopt a more logical method of rating boilers. The boiler, like all other apparatus, has undergone rapid development. From the 80 horsepower boiler in the early days the units have been increased in size until boilers of 1,000 horsepower are now not uncommon, yet if we will review the underwriting practices, we will have to admit that we have not kept pace with this development. In fact, as respects the rate per boiler, absolutely nothing has been done to harmonize the premium with the hazard. The premium charge for the smallest boiler for a given amount of insurance is exactly the same as the premium for a 1,000 horsepower boiler. This method is not only illogical, but is absolutely unfair, both to the assured and the insurance company. For certain economic reasons boilers from 500 to 1,000 horsepower are now in common use, especially at the large plants, whereas sometime ago a 100 horsepower boiler was probably the average. From this it will be seen that if we take a 2,000 horsepower plant composed of two 1,000 horsepower units, we will only receive one-tenth of the premium that we would receive if the boilers were all of 100 horsepower, and I am sure that anyone familiar with boiler insurance will admit that the premium for an average size horizontal tubular boiler is none to great. The argument has been advanced that since there are only two boilers to inspect instead of twenty, the inspection expense must necessarily be that much less, and further, since the boilers are of the water tube type, the hazard is also less, but on the contrary, the expense is not only as great, but the inspection is much more unsatisfactory, and the hazard, instead of being less, is actually greater. The massive heavy walls and arches of water tube boilers retain the heat to such an extent that the time alloted for cooling and inspection is usually so limited as to make the conditions under which the boiler is inspected almost intolerable. Then,

too, the water tube boiler is of such construction that of the hundreds of tubes only certain ones are accessible by hammer test, and, of course, the condition of the others must be judged by those outside tubes which are accessible. Also, since it is well known that after tubes have been in service for a certain length of time they are liable to fail or explode without warning, we have here another element of uncertainty impossible to guard against. It is not my intention to go into a lengthy argument as to the safety of water tube boilers versus horizontal tubular boilers, except in a brief way and that only in order to more clearly bring out the fact that the present method of charging a flat price per boiler, regardless of size and construction, should be changed as speedily as possible. Notwithstanding claims to the contrary, we all know that water tube boilers do explode, that there are any number of accidents where the property loss alone is from $10,000 to $50,000, and we have had at least two practical examples within the last few years, where the property loss was over $100,000. It is therefore apparent that if the premium income is sufficient to afford a small margin of profit, the owner of the small boiler is paying more than his share and the owner of the large unit is paying altogether too little for his insurance, and please bear in mind that this condition exists in the face of the fact that at the present time the premium on nearly all classes of insurance is based on some analytic scheme of merit rating.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

The Proposed War Revenue Measure as Affecting Insurance.—On September 21 there was introduced into the House of Representatives by Representative Underwood a bill, under title of H. R. 18891, "to increase the internal revenue, and for other purposes." It was then referred to the Committee on Ways and Means and ordered to be printed. The measure proposes a special stamp tax to be levied on various forms of document, among others contracts of insurance. The sections dealing with the application of the provisions of the bill will be found on other pages of this issue.

The provisions of Schedule A applicable to insurance are as follows:

"Stamp Taxes."

"Bond: For indemnifying any person or persons, firm, or corporation who shall have become bound or engaged as surety for the payment of any sum of money, or for the due execution or performance of the duties of any office or position, and to account for money received by virtue thereof, and all other bonds of any description, except such as may be required in legal proceedings, not otherwise provided for in this schedule, 50 cents."

"Insurance (life): Policy of insurance, or other instrument, by whatever name the same shall be called, whereby any insurance shall hereafter be made upon any life or lives, for each $100 or fractional part thereof, 8 cents on the amount insured: *Provided*, That on all policies, for life insurance only, issued on the industrial or weekly-payment plan of insurance, the tax shall be forty per centum of the amount of the first weekly premium. And it shall be the duty of each person, firm, or corporation issuing such policies to make within the first fifteen days of every month a sworn statement to the collector of internal revenue in each of their respective districts, of the total amount of first weekly premiums received on such policies issued by the said person, firm or corporation during the preceding month, and upon the total amount so received the said person, firm, or corporation shall pay the said tax of forty per centum: *Provided further*, That the provisions of this section shall not apply to any fraternal, beneficiary society, or order, or farmers' purely local co-operative company or association, or employees' relief associations operated on the lodge system, or local co-operation plan, organized and conducted solely by the members thereof for the exclusive benefit of its members and not for profit.

"Insurance (marine, inland, fire): Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That purely co-operative or mutual fire insurance companies carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided.

"Insurance (casualty, fidelity, and guaranty): Each policy of insurance, or bond or obligatien of the nature of indemnity for loss, damage, or liability issued, or executed, or renewed by any person, association, company, or corporation, transacting the business of accident, fidelity, employer's liablity, plate glass, steam boiler, burglary, elevator, automatic sprinkler, or other branch of insurance (except life, marine, inland, and fire insurance), and each bond undertaking or recognizance, conditioned for the performance of the duties of any office or position, or for the doing or not doing of anything therein specified, or other obligation of the nature of indemnity, and each contract or obligation guaranteeing the validity or legality of bonds or other obligations issued by any State, county, municipal, or other public body or organization, or guaranteeing titles to real estate or mercantile credits executed or guaranteed by any fidelity, guarantee, or surety company upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof."

"*Provided*, That upon each and every assignment or transfer of a mortgage, or policy of insurance, or the renewal of continuance of any agreement, or contract, a stamp duty shall be required and paid at the same rate as that imposed on the original instrument."

The section of the Act regarding the length of time during which the above taxes shall be imposed (Sec. 20), will be found on page 391.

* * *

Sepember Insurance Conventions.—We give below an outline of the results of the principal September insurance conventions this year, with a record of the officers elected for the ensuing year.

* * *

Health and Accident Underwriters' Conference.—At the meeting of the Detroit Conference, which took place at Atlantic City on September 9, 10 and 11, two important results were accomplished. The title of the association, which has always been an ill-fitting misnomer, was changed to the Health and Accident Underwriters' Conference; and the two other important accident associations, viz., the American Association of Accident Underwriters and the National Mutual Union were absorbed and welded into one large effective body.

Each of the three organizations held its separate meeting, several important papers being read and various committee reports being made, as announced in these columns in earlier issues. Each organization then voted, after more or less prolonged discussion, to amalgamate in the new association. L. H. Fibel, H. G. B. Alexander, A. F. Forrest, Danford M. Baker, A. M. Johnson, C. H. Boyer and Leonard McNeill stood out most notably in the proceedings,—Mr. Fibel as a valiant fighter for the continuation of the Detroit Conference along its original lines, Mr. Boyer and Mr. Johnson as champions of the American Association of Accident Underwriters, Mr. Alexander, Mr. Baker and Mr. Forrest in the broader role of peacemakers.

The following officers were elected for the new conference for the coming year:

President—R. Perry Shorts, vice-president, Massachusetts Bonding and Insurance.

First Vice-President—C. W. Ray, secretary, Hoosier Casualty.

Second Vice-President—C. A. Craig, president, National Life and Accident.

Secretary—J. B. Sackett, manager casualty department, Old Line Life.

Treasurer—C. H. Brackett, president, Hoosier Casualty.

Executive Committee—D. M. Baker, Pacific Mutual Life, chairman; A. E. Forrest, North America Accident; W. R. Sanders, American Liability; F. L. Miner, Bankers Accident of Des Moines; C. H. Boyer, National Life U. S. A.; W. C. Goodall, Bankers Accident of East St. Louis; Frank H. Goodman, Home Accident and Health.

The National Association of Life Underwriters.—The twenty-fifth annual meeting of the National Association of Life Underwriters was held this year at Cincinnati, on September 15, 16 and 17. The regular programme, as announced earlier, was successfully carried out. The following resolutions were recommended by the executive committee and subsequently adopted:

"That the National Association co-operate with the National Conference of Charities, like bodies to investigate the relation of life insurance, or the lack of it, to poverty, dependency, delinquency, illiteracy, vice and crime, with the idea of placing before the country the data secured as to the effect of life insurance in reducing the number of dependent widows, orphans; that the publication committee hereafter shall consist of three members, the president and two members of the executive committee selected by him; that the association endorse the movement to create a National Department of Health with a member of the President's United States Cabinet at its head; that vigorous protest be entered against the reported proposal of Congress to impose a Federal stamp tax on life insurance and the insurance commissioners' convention be requested to co-operate; that local association hold annual meetings either in January or February; that local secretaries furnish reports of all meetings to the Association News; that companies and commissioners be requested to co-operate in securing the elimination of crooked and unworthy agents from the business; that the constitution be amended to define a regular, legal reserve company as one incorporated, operated, and supervised under legal reserve laws and which does not by any device of corporate form seek to avoid accountability or supervision under said laws, does not indulge in special contracts or stock-with policy schemes or other deceitful device as an inducement to take insurance, does not practice extravagance under the cloak of any valuation device, does not inflate its assets by the device of antedating policies of new insurance and does not in any other way depart from the true Old Line principle of scientifically adequate reserve consisting of genuine assets, and that the subject of State insurance be placed on the programme of the next annual meeting for two hours' discussion."

The following officers were elected for the ensuing year:

President—Hugh M. Willet, Atlanta, Ga.

Vice President—E. A. Woods, Pittsburgh, Pa.

Second Vice-President—J. N. Russell, Jr., Los Angeles.

Third Vice-President—A. J. Meikl john, Toronto, Canada.

Secretary—J. Henry Johnson, Oklahoma City, Okla.

Treasurer—H. Wilbert Spence, Detroit, Mich.

Executive Committee—Thomas B. Sweeney, Wheeling, W. Va.; William M. Furey, Pittsburgh, Pa.; F. M. Cheney, St. Louis, Mo.; C. C. Dabney, Nashville, Tenn.; Wilson Williams, New Orleans, La.; John A. Torry, Toronto, Canada; M. M. Mattison, Anderson, S. C.; H. D. Neely, Omaha, Neb.; Charles W. Orr, Fort Wayne, Ind.; Charles B. Palmer, Wilmington, Del.; George W. Farley, Toledo, O.; Henry Farmer, Detroit, Mich.; Ira B. Mapes, Kansas City, Mo.; Lucien Brown, Birmingham, Ala.; Frank G. Parker, Topeka, Kan.; Oscar Palmour, Atlanta, Ga.; D. R. Midyette, Richmond, Va.; W. H. Harrison, Louisville.

W. A. R. Bruehl, Sr., chairman of the Committee on Registration, Credentials and Information, reported the official registration at 728. Non-members of the association who are in attendance bring the grand total up to 822.

The National Convention of Insurance Commissioners.—The course of the forty-fifth annual meeting of the National Convention of Insurance Commissioners, together with several of the papers read before that body, was recorded in our issue of September 19. The most important actions taken by the convention are summarized by the "Weekly Underwriter" as follows:

(1) Law recommended prohibiting issuance of life insurance policies without reservation of the right to defer policy loans sixty days, in view of present conditions.

(2) Loss Bureau plan of the National Board of Fire Underwriters approved and recommendations for standard classifications of fire hazards and loss report forms, made.

(3) Uniform law for standardization of taxes and fees recommended.

(4) Mutual fire insurance company law proposed.

(5) Underwriting annexes; sub-committee appointed to frame uniform bill for regulation.

(6) Agency qualifications; sub-committee appointed to frame uniform bill for regulation.

The officers elected for the coming year are given below:

President—John S. Darst, West Virginia.

First Vice-President—Burton Mansfield, Connecticut.

Second Vice-President—John T. Winship, Michigan.

Secretary-Treasurer—Fitz Hugh McMaster, South Carolina.

The International Association of Casualty and Surety Underwriters.—The fourth annual convention of the International Association of Casualty and Surety Underwriters was held on September 22-25, at White Sulphur Springs, West Virginia. The programme of the convention is given, in brief, below:

September 22, Morning.—Addresses of Welcome; President's Address; Reports and Announcements. Evening.—Presentation of George E. McNeill Medals. Personal Accident and Health Section (Mutual and Assessment Companies)—Report; Address, "Accident Insurance for Commercial Travelers," Henry D. Pixley, Commercial Travelers Mutual Accident Association of America; Address, "Co-operative Insurance in the West," W. H. Butts, Western Travelers Accident Association; Address, "Co-operative Insurance in the East," Ira F. Libby, Commercial Travellers Eastern Accident Association; Address, "Accident Insurance and Health Insurance, How They Work Together," Ernest W. Brown, Inter-State Business Men's Accident Association; Address, "Statistics, Their Value, and How to Keep Them," Theo. M. Glatt, Chairman of the Board of Directors Commercial Travelers Mutual Accident Association of America; Address, "The Interests of Assessment and Mutual Insurance"; Reports and New Business.

September 23, Morning.—Liability Section—Report; Address, "The Relation of Medical Examination of Employes to Insurance

Under Workmen's Compensation Laws," Edwin W. De Leon, Casualty Company of America; **Personal Accident and Health Section (Stock Companies)**—Report; Address, "Shortening the Period of Convalescence in Personal Accident and Workmen's Compensation Injury Cases," Carl Fallén, M. D., late Director Zander Institute; Reports and New Business; **Fidelity, Guaranty and Surety Section**—Report; Address, "Insect Thinking vs. Insurance Thinking," R. H. Towner, of the Towner Rating Bureau; Reports and New Business. Afternoon.—**Plate Glass Section**—Report; Address; Reports and New Business; **Burglary Section**—Report; Address, "Burglary Claims and Their Adjustment," J. A. Kenny, National Surety Company; Report and New Business; **Steam Boiler and Fly-Wheel Section**—Report; Address, "The Advantages and Obligations of Membership in the Steam Boiler and Fly-Wheel Bureau," J. W. Rausch, Maryland Casualty Company; Report and New Business.

September 24, Morning.—Joint meeting between the International Association of Casualty and Surety Underwriters and the National Association of Casualty and Surety Agents; Topic for Discussion, "Co-operation"; Address, "Workmen's Compensation," Hon. C. H. Crownhart, Chairman Industrial Commission of Wisconsin; Address "Modern Problems of Stock Insurance Companies," Professor A. W. Whitney, General Manager Workmen's Compensation Service Bureau; Other Addresses.

September 25, Morning.—Appointment of Nominating Committee; Discussion, "Is There Need for a Separate Association for Accident Insurance?"; Election of General Officers; Election of Vice-Presidents and Sectional Standing Committees; Unfinished Business; Adjournment.

It is impossible at this time to give an adequate report of the work done by the convention, but several of the addresses delivered will be found on other pages of this paper.

National Association of Casualty and Surety Agents.—The following is the programme of the second annual convention of the National Association of Casualty and Surety Agents held at White Sulphur Springs, West Virginia, on September 21-23:

September 21, Morning.—Address of Welcome; Address, "Agents' Qualifications," Hon. J. A. O. Preus, Insurance Commissioner, State of Minnesota; President's Address; Report, Amendments and Resolutions.

September 22, Morning.—"Education and Conservation," Hon. Willard Done, San Francisco, Cal.; "Agents in Public Life," Thos. F. Daly, Denver, Col.; "Necessity and Benefits of Organization," W. S. Diggs, Cincinnati, Ohio; "State Insurance," E. W. Davis, Cleveland, Ohio; Ten-minute talks by various members on State insurance conditions—present and prospective.

September 23, Morning.—**Fidelity and Surety Section**—"The Necessity of Surety Education," J. L. Humphrey, of Humphrey & Ewing, St. Louis, Mo.; "Contract Bonds," Harve G. Badgerow, of Rockwood-Badgerow Company, Chicago; "The Relation of Brokers to the Surety Business," J. E. Livingston, of Whitaker, MacNaughton & Livingston, Detroit; "Depository Bonds," E. A. St. John, President, Joyce & Co., Chicago; "Judicial Bonds," Richard Deming, Vice-President, American Surety Company, New York; **Accident and Health Section**—Informal discussion of points of common interest by members of the convention; Introduction of resolutions and reports; Election of officers.

INSURANCE NEWS IN THE WEST

State Insurance Agitation Throughout the West.—Unless all signs fail there will be a tremendous fight on the subject of State insurance in the West when the legislatures convene in January. Emissaries of the Ohio Industrial Commission are reported as actively at work in various States, urging the adoption of the State fund plan of that State. The Missouri Senatorial workmen's compensation commission drafted a bill and it was put out tentatively in order to get public opinion. Immediately it is reported that men from Ohio have been in the State endeavoring to work up sentiment against it. Industrial Commissioner Garst, of Iowa, has sent a communication to the Governor asking him to recommend that the compensation law of that State be amended to provide for the State fund plan of insurance. In Minnesota, State insurance has been defeated in the Legislature two or three times, but there is no reason to believe the sentiment is dead. Should Wisconsin adopt the proposed constitutional amendments, its Legislature in January may be considering actual State insurance with the policies guaranteed by the State. Everybody expects a fight in Indiana, where the compensation commission is headed by a labor union attorney who not only favors the State fund plan but is a bitter enemy of the casualty companies. In Illinois not very much is heard about State insurance, but Governor Dunne has strong radical leanings and Insurance Superintendent Potts has shown himself far from friendly to stock insurance companies, especially fire companies. The Fall election in Ohio may settle the State fund plan in that State. If Governor Cox is re-elected there is practically no question that the present plan will continue during his second administration. If the Republican candidate is elected, however, some of the casualty men of the State believe that the compensation law will be amended to permit stock insurance as well as that of the State fund.

Meanwhile, this coming fight is being prepared for by the agents. At White Sulphur Springs this week the general agents assembled had hammered into them from every angle the lesson to organize, to co-operate with each other, with the public and with the companies, to educate the public on sound lines, to take an active part in public affairs. The men who attended the meeting are leaders in their States. They return home determined not to have happen to them what happened to the agents of Ohio and West Virginia if they can prevent it. Some of them are active in State federations of agents and others are ready to become so. If the executive committee of the National Association of Casualty and Surety Agents decides to employ a manager, as President Fetzer recommended, and it is able to secure the right man at once, he will do much to organize the fight for the protection of the business of the members.

* * *

Plans for the Northwest Fire Insurance Meeting.—How the idea of co-operation has taken hold among the fire insurance men of the West is illustrated by the programme for the Northwest meeting, issued last week, on which appear as the title of three successive paper on the first afternoon: "Co-operation," "Competitive Co-operation," "Team Work." The authors are two field men and one local agent. The annual address will be delivered by W. E. Haines, secretary of the Ohio Farmers, that wonderful company that grew great, operating in two States and writing largely a farm business during a period when only a very few stock companies would touch farm business in Ohio and Indiana. The technical address will be by A. R. Small, superintendent of the label service of the Underwriters' Laboratories. The leading candidates for the presidency are B. L. West, assistant Western manager of the Insurance Company of North America, and W. A. Blodgett, vice-president of the American Central.

La Salle.

Chicago, September 25, 1914.

FINANCE AND COMMERCE

Financial and Commercial Review.
Banking Situation at Home and Abroad.
Statistics of Cotton and Coffee.
Market Prices of Securities and Commodities.

A FEW things are being done and many things are being said which seem to take too little account of the possible effects of the European War on measures and projects for facilitating the recovery of business and banking activities. The great big fact which has to be kept in mind is that we are not now engaged so much in preparing to deal with the situation which will exist after the conclusion of the war as in coping with the conditions which the war has created and which will, with considerable variation, exist during the war. Much that is being done now will have to be undone after the war and the work of undoing it will constitute a post-bellum problem wholly apart from the tasks of post-bellum reconstruction. There is altogether too much blatant advertisement of advancing prosperity and the noisy optimism which persists in displaying itself increases the difficulty experienced by the leaders of the banking and business community and the heads of Government in meeting the exigencies of the war.

It would seem to be fundamental in all present reasoning that steps must be taken very slowly by finance and business in a world subject to the shocking turns of the catastrophic conflict abroad. It would seem far more reasonable to suppose that the immediate improvement of financial and business circumstances can only be carried up to a certain point or from point to point as the fortunes of the war permit. The really important British naval reverse in the North Sea reported this week was very disturbing of assumptions that British naval supremacy would remain unchallenged, and was a reminder that the outcomes of this war are not assured by a preponderance of American sympathy with the cause of the Allies. There is naturally vast impatience with the prospect of hardship which the war holds out for the American people in the near future, impatience mingled with resentment, but there is grave danger in pushing too rapidly schemes that seem to contemplates a restoration of all facilities as they were before the war and as though the result, the length and the contingencies of the war were more or less certain.

So far very much in the way of maintaining our economic position has depended on the success of plans for the rehabilitation of the London money market, but even British finance does not ignore the adverse possibilities which the war holds out and is not at all inclined to anticipate the future with any degree of rapidity. Confident as we are of our ability to maintain American neutrality and confident as we are in the strength of the enormous actual or potential resources of American wealth to cope with the emergencies of the war, we cannot apply those resources and make them effective as though our political exclusion from the area of war carried with it an economic exclusion.

It is accordingly gratifying that finance and business, in cooperation with the Government, are only moving step by step in dealing with the phases of this crisis, and are feeling their way but slowly despite the multiplicity of plans invented for suddenly making everything as it was before the war, and despite the vociferous clamour of the advance agents of the new prosperity. The first adoption of imperative emergency measures has been followed by careful examination of every problem that has presented itself for solution, by intelligent selection of those which could first be dealt with, and by diligent efforts to discover just what would be the consequences of putting into effect devices to fit the needs of the moment. Anything else would be recklessness and invite the risks of disaster. A whole set of formidable problems has not even been taken up for consideration, as, for example, the question of resumption of business in the securities market, and postponement cannot be protracted in the case of any of them.

Nevertheless there is encouragement in the painstaking headway that has been made, and there is more encouragement in the evidence of an intelligent appreciation of the lessons taught by the war which is being manifested in various quarters, notably in political circles. The war tax bill which Congress has been framing is not a miracle of legislative discernment but the nature of the emergency taxes is of very trifling import compared with the drastic revision of the river and harbor bill in the interests of economy. If Congress has discovered the vice of public extravagance we may be sure that private thrift is already in practice and economy, public and private, is going to help wonderfully in the material readjustments required by the war.

Nor when political portents are under discussion, should the reopening of the Eastern rate case be neglected. The ready agreement of the Interstate Commerce Commission to grant a rehearing in this matter implies a deep change in political attitudes which nothing but the war has compelled, but it is a change which must have profound and far-reaching effects on public policy in the business field. The relief for which the railroads have appealed is not assured by a reopening of the Eastern rate case, but it is difficult to believe that appreciation of the emergency which has led to a reconsideration is going to have an issue unfavorable to railroad contentions. The disposition of the case can hardly fail to be extremely significant of the new political disposition which the war is making necessary.

We are of the opinion that the betterment of business and banking conditions is going to be very limited until the cotton exchanges are reopened. A department of trade which is peculiarly American is almost completely suspended in the suspension of the future cotton markets, and finance is hobbled by the paralysis of the cotton movement. Of course, some very important consuming markets for cotton have been absolutely closed by the war, but compensations are precluded by the embargo under which the cotton trade lies. As for the securities market, it is altogether unlikely that the banking situation which is not good can become good as long as the stock exchange is closed. Indeed it is probable that the banking position will tend to get worse rather than better on account of the denial of all those money market facilities which the stock exchange affords.

We have no plan to offer for a resumption of regular dealings in securities, but we are persuaded that until the means for such dealings are restored, trade and industry will suffer for want of capital and credit. The stock exchange is the ultimate market for all American values. Without that market values are becoming more and more doubtful and in an atmosphere of doubt financial inclinations toward inaction become more and more pronounced. The happenings of the war and the circumstances of agriculture, commerce and manufacture, bearing on values, are without any means of reflection and with enormous amounts of capital locked up in securities, either through investments or loans thereon, and without any way to render funds liquid, bankers will not venture forth in loans which are indispensable to the prosecution of economic enterprise, old or new.

The large over-subscription for the New York City loan at the public offering was a satisfactory token of investment conditions conducive to a revival of dealings in securities if a way can be found to deal with the tremendous obstacle presented by the certainty of a heavy European liquidation here. In the foreign ex-

change market sterling bills have been distinctly firm, but it is believed that more workable levels must be established by the provision of gold exports made in the New York City loan operation and the further provision guaranteed by the $100,000,000 gold pool which the banking community of the country as a whole is raising.

Apropos the more strictly financial aspects of the situation there is matter for congratulating the country in the manifesto issued by Secretary McAdoo on the subject of the hoarding propensities of what are called the interior banks. It is not at all desirable that reserve money should be put into circulation at a time like this, but it is altogether undesirable that the conservation of reserve money should become an excuse for refusing the grant of credit which would increase bank deposits and automatically effect a reduction in reserve ratios. Contrary to a mistaken popular notion the emergency situation is not in its financial aspects one that calls for relief through a vast output of currency. The real banking relief for economic crises, however induced, comes through the extension of credit. If Mr. McAdoo's proclamation will move bankers to become freer lenders without making rates easy, the circumstances of general business will be vastly improved.

One of the delusions of the day which is being dissipated by the revelations of the war is that we have an immediate profitable foreign trade opportunity. Students of international trade know that the great volumes which it has attained in recent years have resulted chiefly from the provision of capital to those countries through the purchase of securities representing new enterprises for the exploitation of wealth creating resources. This provision has had the support of a very liberal indulgence of credit to the commerce of new countries, and it is now being perceived that the extent to which the war has presented the United States with a foreign trade opportunity is measured, for the most part, by America ability to supply both capital and credit to foreign markets which have been deprived of them by the plunge of all Europe into the abyss of war. The great trading nations of Europe have been the great capital and credit purveying nations of the world. The international trade which the war has cut off is not something which has been relinquished by Europe and only waiting for us to take.

Our foreign trade opportunity consists largely in the fact that Europe has been forced to withdraw from markets in which it has been making trade. If we are to expand our international commerce, we must in the main do it by going out and creating trade for ourselves.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Sept. 15, 1914			Week Sept. 22, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,546.8	616.1	2,162.9	1,599.6	630.6	2,230.2
Deposits (net)	1,444.4	475.8	1,920.2	1,495.4	488.7	1,984.2
Cash reserves	328.5	68.9	397.4	342.6	66.1	408.7
Reserve ratio (%)	23.4	17.2	20.6	22.9	13.5	20.5

Actual Status.

	Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both.
Loans	1,423.4	635.3	2,058.7
Deposits (net)	1,422.7	488.7	1,911.5
Cash reserves	344.3	67.1	411.5
Reserve ratio (%)	24.2	13.9	21.5

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	1914			
	Aug. 1.	Aug. 8.	Sept. 15.	Sept. 22.
Loans	570.8	569.7	572.5	588.8
Deposits (net)	567.6	563.1	564.2	580.6
Cash reserves	53.2	54.3	54.7	54.8
Other reserves	83.8	68.5	71.1	75.8
Reserve ratio (%)	26.4	24.1	24.4	25.0

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914		
	July 25.	Aug. 2.	
Loans	2,630.5	2,629.5	[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]
Deposits (net)	2,532.0	2,479.1	
Cash reserves	520.3	464.7	

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	100.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 4-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,004.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.64

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
September 12	1,840	1,408	3,248	*856	999	1,856
September 5	1,724	1,211	2,935	1,083	1,251	2,334
August 29	1,640	1,151	2,755	.....	.....	2,065

*Five days.

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
September 24	3	4½	5¾	8	8	8
September 17	3½	4½	5¾	8	8	7
September 10	3	4	5¾	8	8	7

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,063	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Sept. 3.	Sept. 10.	Sept. 17.	Sept. 24.
Deposits	262,494	155,110	263,684	153,938
Circulation	35,287	35,221	35,820	34,202
Gold	47,772	47,508	48,720	51,673
Securities	149,844	142,669	139,461	136,414
Reserve ratio (%)	19.00	19.81	21.25	23.33
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,019.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 9.	July 17.	July 25.	Aug. 15.
Gold and silver	1,596.4	1,681.6	1,722.7	1,590.2
Loans and discounts	1,026.0	867.3	801.0	180.9
Circulation	2,192.0	1,994.5	1,890.8	3,881.9
Discount rate (%)	4	4	4	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	April.	May.	June.	July.
Loans on call	208.4	197.1	204.5	193.9
Loans, other	924.4	927.5	925.5	888.1
Deposits, demand	350.5	340.7	355.0	346.8
Deposits, other	767.0	759.3	767.7	766.9
Circulation	93.0	97.7	99.1	94.8
Cash reserves	113.2	113.3	113.3	113.3

THE COUNTRY'S COMMERCE

	July		August	
Merchandise.	1913.	1914.	1913.	1914.
Imports	139,281,227	$160,178,133	$137,651,000	$129,400,000
Exports	160,515,941	154,082,225	110,337,000	187,909,000
Specie.				
Gold—Imports	7,859,463	3,391,715	5,803,753	3,034,824
Exports	8,653,448	33,669,424	1,194,657	18,125,617
Silver—Imports	2,796,190	1,238,104	3,401,335	2,162,095
Exports	4,936,456	3,952,956	4,907,806	3,627,337

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	51⅜	51½	52⅝	53	53	53
London	23 9-16	23⅝	24⅛	24¼	24¼	24¼

PLANS OF THE NEW YORK COTTON EXCHANGE FOR A NEW CONTRACT IN CONFORMITY WITH THE LEVER ACT

SINCE the passage of the United States Cotton Futures Act (Lever Act) on August 18, the Board of Managers of the New York Cotton Exchange, through a Special Committee, has been at work formulating a new form of contract in terms consistent with the requirements of the new law. The confusion resulting from the European War and the closing of all the cotton exchanges in the world has not interfered with the prosecution of this work. Indeed, the interruption to the regular business of the New York Cotton Exchange has seemed to give an opportunity for the introduction of the new contract at once upon the re-opening of the Exchange. The special committee having the matter in hand has now got far enough along to make a report to the Board of Managers with regard to the essential points that must be embodied in the new contract; and such a report was submitted on Thursday of this week. It is as follows:

* * *

To the Board of Managers of the New York Cotton Exchange.

Gentlemen:—In view of the operation of the "United States Cotton Futures Act," effective February 18, 1915, your Committee begs leave to suggest the immediate adoption of a new contract which shall conform as closely as possible with the terms of that Law, to be traded in up to and including February 17, 1915, and thereafter, except that the contract will be subject to such changes as will be necessary through the promulgation of rules and regulations which the Secretary of Agriculture is authorized to make.

In view of the near approach of the time when this Act becomes effective (February 18, 1915), we are of the opinion that new rules and by-laws should be effective on the day the Exchange re-opens, and that trading in existing contracts should be confined to liquidation.

The Secretary of Agriculture is authorized by the law to make new standards of Cotton prior to February 18, and thereafter on one year's notice to the trade. The standards which will be effective on February 18, will probably not be promulgated for some time to come. As it is practically certain that no changes will be made in the present standards excepting on the lower grades, we recommend that the new contract be based on the Government Standard as it now exists, and that such standard shall be in effect up to and including February 17, 1915, and that thereafter the standard shall be the official standard of the United States which is effective on any date of delivery. The changes that will probably be made in the lower grades will be correspondingly reflected in grade differences as established, and there should therefore be no change in the value of the contract provided that (as we feel certain will be the case) there is no change in the Middling Box.

Our present provision for Grade differences to be made by the Revision Committee is adequate until the law becomes operative, when, as it would appear, differences to be promulgated by the Secretary of Agriculture will automatically be substituted. We recommend, however, that Section 27 be so amended as to provide for the appointment by the Board of Managers of a Revision Committee whose duty it shall be, in case the Secretary simply designates five spot markets (the average of whose differences must be used) to arrive at and establish daily such differences, and who shall also be authorized to make daily differences in the event that the machinery provided by law should for any reason become inoperative.

The matter that has given your Committee the most concern, and which is of vital importance to the cotton trade, is the right of appeal on class and/or staple to the Secretary of Agriculture. In view of this clause of the law, we are unanimously of the opinion that guarantee of class and/or staple by the Inspection Fund is absolutely impossible, on and after February 18, 1915.

Under this condition, where a statute is now substituted for well defined customs of the Cotton Trade, we are of the opinion that our only practical course is to continue our Inspection Department as at present, with a Super-Board of Appeals, who shall have power to supervise at all times the work of the Classification Committee; the Inspection Bureau to continue issuing certificates of grade and such certificates to remain in force as to grade and staple as long as cotton is in store. We are aware, of course, that this certificate without guarantee is not of the same value to a receiver, and that the absence of this guarantee would no doubt result in an increased discount on nearby deliveries as compared with distant. But discounts in excess of actual carrying charges would undoubtedly be avoided if (as has been suggested by this Committee to the Department of Agriculture) the Government should have stationed at this City, officers or agents of the Department of Agriculture to whom appeals could be promptly made and thus all certificated cotton would carry the Department's approval. It is the opinion of this Committee that the Department of Agriculture will see the wisdom of pursuing this course.

Your Committee has been shown every courtesy and consideration by the Department of Agriculture and has had the pleasure and benefit of personal interviews with the Secretary himself and members of his staff. Your Committee believes the Department earnestly wishes to provide rulings and regulations which will prove to be for the best interests of the trade. Your Committee is of the opinion that the expression of our views as merchants will be reflected in such rulings by the Department as will permit the operation of sound and business-like methods in full compliance with both the spirit and intent of the United States Cotton Futures Act.

Your Committee deeply regrets that we are unable to secure from the Secretary of Agriculture as promptly as we had hoped and endeavored to obtain, such rules and regulations as he is authorized by law to make, and which are necessary to permit the framing of a more definite contract. However, we believe that the exigencies of the present situation compel us to proceed along the lines suggested.

In order to meet the provisions of the new law, we recommend that all proforma bills be abolished and that the exact language of the law on this subject be incorporated in our By-Laws and Rules.

On and after February 18, 1915, appeals to the Department of Agriculture may be made on cotton which has been classed by the Classification Committee, but notices of appeal on such cotton should be filed with the Superintendent of the Exchange within five business days after the issuance of grade certificates by the Inspection Bureau.

The new law requires the issuance of a five day notice before delivery of cotton. We have called to the attention of the Department of Agriculture the necessity for the issuance of a one day notice at the end of a month. Should such provision not be made by the Department of Agriculture, trading in the current month must cease in time to permit the issuance of notices as provided by law. Respectfully submitted,

ROBERT C. CAIRNS, Chairman,
S. T. HUBBARD,
BRUCE L. RICE,
ARCHIBALD B. GWATHMEY, JR.,
EDWARD K. CONE,
Special Committee.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	.....	.....	9.90	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	9.50	9.50	9.50	9.50	9.00	9.00
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Frl.
August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	32 points below January		
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		
May—						
High	.....	.....	.....	.....	.....	..
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Frl.
August—						
Opening 12:30 p. m. Close	25 points over J-F					
Aug.-Sept.—						
Opening 12:30 p. m. Close	15 points over J-F					
Sept.-Oct.—						
Opening 12:30 p. m. Close	6 points over J-F					
Oct.-Nov.—						
Opening 12:30 p. m. Close	4 points over J-F					
Nov.-Dec.—						
Opening 12:30 p. m. Close	1 point under J-F					
Dec.-Jan.—						
Opening 12:30 p. m. Close	1 point under J-F					
Jan.-Feb.—						
Opening 12:30 p. m. Close	5.50	5.50	5.50	5.50	5.25	5.25
Feb.-Mar.—						
Opening 12:30 p. m. Close	1 point over J-F					
Mar.-Apr.—						
Opening 12:30 p. m. Close	3 points over J-F					
April-May—						
Opening 12:30 p. m. Close	3½ points over J-F					
May-June—						
Opening 12:30 p. m. Close	4 points over J-F					
June-July—						
Opening 12:30 p. m. Close	2½ points over J-F					

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Frl.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	....	....	....	8 5/8	8 5/8	8 5/8
Galveston	8 5/8	8 5/8	8 5/8	8 3/4	8 5/8	8 3/8
Mobile	....	....	....	....	8 1/2	8 1/2
Savannah	8 5/8	8 5/8	8 5/8	8 1/2	8 1/4	8
Charleston	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/4
Wilmington	....	8 1/2	8 1/2	8 1/2	8 1/2	8 1/4
Norfolk	8 3/4	8 3/4	8 7/8	9	9	8 1/2
Baltimore	....	....	....	....	....	....
Augusta	9	8 7/8	8 3/4	8 3/4	8 5/8	8 1/2
Memphis	8 3/8	8 3/8	8 3/8	8 3/8	8 1/2	8 3/8
St. Louis	....	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
Houston	8 1/2	8 5/8	8 5/8	8 5/8	8 5/8	8 3/8
Little Rock	....	8	8	8	8	8

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Frl.
Middling fair	....	....	....	....	6.59	....
Good middling	....	....	....	....	6.11	....
Middling	5.80	5.80	5.80	5.80	5.55	5.55
Low middling	....	....	....	....	5.07	....
Good ordinary	....	....	....	....	4.11	....
Estimated spot sales..	....	....	....	1,200	3,600	4,200

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs	Frl.
Fully good middling..	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	438,629	379,865	370,055	99,287
Overland to mills and Canada	6,187	2,673	5,018	2,479
So. mill takings, est., exclusive of takings from Southern ports.	65,000	65,000	65,000	30,000
Gain of stocks at interior town	41,954	35,694	25,420	49,345
Brought into sight for week	551,770	483,232	465,493	181,111
Total Movement—				
Port receipts	1,472,099	1,200,697	1,327,566	290,042
Overland to mills and Canada	18,998	17,172	30,501	8,401
Southern mill takings..	242,032	215,873	254,796	78,000
Stocks at interior towns in excess of Sept. 1..	146,186	111,941	63,069	117,357
Brought into sight thus far this season	1,879,315	1,545,683	1,675,932	493,800

The total crop movement is respectively for 60 days, 58 days, 57 days and 56 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week—		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	146,322	688,572	160,365	52,502	150,702	86,308
New Orleans	17,524	52,096	24,205	8,240	20,607	54,480
Mobile	18,082	37,577	30,607	3,488	9,138	8,643
Savannah	92,934	267,310	101,683	18,574	55,012	32,906
Charleston	27,211	72,370	43,440	4,075	10,507	10,122
Wilmington	18,797	40,963	20,670	3,720	6,345	10,460
Norfolk	8,913	20,692	7,704	2,651	8,303	13,878
Baltimore	2,968	6,297	3,261	70	693	3,607
New York	.....	74	12,498	.....	50	82,320
Boston	88	710	3,457	215	1,470	2,992
Philadelphia	.....	36	2,738	.....	510	2,335
Newport News	.....	1,812	.....	332	7,609	.....
Brunswick	12,000	52,850	23,394	250	1,175	332
Pensacola	200	1,299	.....	.....	.....	.....
Port Arthur	.....	.....	.....	.....	400	.....
Pacific ports	3,179	7,148	.....	2,043	8,143	.....
Texas City, Tex.	21,401	73,650	28,731	1,615	6,259	6,472
Jacksonville, etc.	436	2,067	727	1,512	3,119	214
Georgetown	.....	.....	.....	.....	.....	.....
Totals	370,055	1,327,566	472,688	99,287	290,042	345,096

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	679	17,109	840	1,223	1,319	3,950	000	3,070
Dallas	3,563	10,118	3,852	4,196	3,503	6,281	2,034	2,230
Shreveport	4,941	16,521	4,155	7,306	5,830	10,406	225	13,123
Little Rock	2,731	5,007	864	6,022	1,042	1,811	846	5,352
Helena	864	1,350	.....	1,383	1,130	2,176	58	2,829
Vicksburg	654	1,086	348	1,389	968	1,337	137	1,759
Columbus, Miss.	1,340	3,114	138	2,236	352	907	32	1,053
Natchez	767	1,762	1,012	840	1,206	2,357	244	2,782
Memphis	8,390	19,660	2,908	18,587	9,707	19,366	2,441	25,063
Nashville	278	453	.....	442	6	6	.....	6
Selma	7,554	30,616	7,833	5,429	6,245	19,508	1,906	15,468
Montgomery	10,534	35,140	9,301	10,955	10,000	27,674	4,195	25,009
Eufaula	1,275	6,379	1,394	2,417	1,080	4,703	95	3,797
Columbus, Ga.	3,125	7,745	2,025	5,806	2,905	9,537	675	6,847
Macon	1,952	4,432	1,672	653	1,842	4,903	138	4,287
Albany	1,702	11,335	1,603	1,933	2,081	7,802	804	11,395
Atlanta	4,439	8,329	3,656	3,387	726	1,520	548	1,171
Rome	2,947	5,401	2,080	3,228	1,035	1,892	774	1,200
Augusta	11,644	51,040	10,402	18,791	13,584	41,554	5,859	31,794
Columbia	1,783	14,072	1,783	.....	976	3,857	076	.....
Newberry	444	2,605	444	.....	235	752	235	.....
Charlotte	172	519	172	.....	100	163	100	.....
Raleigh	538	1,698	600	205	24	65	25	25
St. Louis	2,680	12,344	2,887	3,380	986	7,073	2,032	12,692
Houston	136,418	558,799	126,934	79,811	52,193	187,826	46,060	47,741
Meridian	483	2,338	248	2,789	824	1,704	51	2,720
Cincinnati	1,213	9,022	826	18,955	933	6,995	363	5,102
Yazoo City	1,070	1,906	134	3,467	1,306	2,586	.....	3,464
Totals	214,170	942,107	188,111	204,920	122,237	378,910	72,653	229,934

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1014-15.
Great Britain	100,321	120,818	11,407
France	18,209	11,897	.....
Continent	70,126	84,024	15,495
Mexico	.....	950	392
Japan	1,931	3,179	2,221
Totals	190,587	220,798	29,445
Since August 1.			
Great Britain	301,358	310,671	27,696
France	104,777	101,141	.....
Continent	220,743	388,449	34,207
Mexico	53	6,288	1,096
Japan	2,831	10,931	8,143
Totals	629,762	817,480	71,142

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1013-14	1914-15.
This week	115,000	210,000	300
Since September 1	223,755	389,823	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	2,000	3,500	6,000	10,750	} 309	
To Manchester	.....	1,000	.....	3,250	}	
To Continent	2,000	10,048	3,500	12,955	.....	.....
To America	600	1,500	200	800	1,200	.....
Total exports	4,600	16,048	9,700	27,755	1,500	.....

BOMBAY WEEKLY.

	Last Year		This Year		
	Week	Season.	Week.		Season
Receipts	17,000	45,000	.....	.....	.....
Exports to Great Britain	.....	1,000	.....	.....	.....
Exports to Continent	11,000	65,000	.....	.....	.....
Exports to Japan and China	14,000	31,000	.....	.....	.....
Afloat in harbor	11,000	.....	.....	.....	.....

Exchange, 1s. 4⅜.

Receipts exclusive of ——— American this week, —— this season; —— this week last year, 1,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	449,000	274,000	.....	.....
London	4,000	.....	.....	.....
Manchester, in wareh'ses	29,000	17,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	3,000	.....	.....
Bremen	77,000	74,000	.....	.....
Havre	83,000	77,000	.....	.....
Other ports—Continent	25,000	16,000	.....	.....
Alexandria	96,000	.....	.....	.....
Bombay	314,000	.....	.....	.....
U. S. interior towns	204,920	204,920	.....	.....
U. S. ports	472,688	472,688	.....	.....
Afloat for—				
Liverpool	232,000	199,000	.....	.....
London	.....	.....	.....	.....
Continent	378,000	293,000	.....	.....
Afloat in Bombay harbor	11,000	.....	.....	.....
Coastwise to New York	17,000	17,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	2,400,608	1,647,608	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 195,135. Increase in American visible supply for the week, ———, against increase last year, 222,135.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	1,675,932	.....
Total supply	3,008,072	.....
Less visible supply, American, to-day	1,647,608	.....
World's takings, American, to-day	1,360,464	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	.....
Receipts at United States ports to date	1,327,566	290,042
Total supply at ports	1,488,855	543,243
Deduct.		
Stocks at ports to-day	472,688	315,069
*Exports to date	834,480	83,142
Southern mill takings from ports	7,924	18,025
Burnt at ports	.....	.....
Totals	1,315,092	416,236
To Northern mills from ports	173,763	127,007
Overland to Northern mills	30,501	8,401
Total Northern mill takings	204,264	135,408
Southern mill takings	262,720	96,025
Total American mill takings, including Canada	466,984	231,433

*Includes ——— in transit between Southern ports and New York, against 17,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season	Week.	Season.
America	126,560	466,984	.....	.....
Great Britain	54,818	401,671	.....	.....
Continent	57,851	474,590	.....	.....
Mexico	070	6,288	.....	.....
Japan and China	3,179	10,931	.....	.....
Totals	243,858	1,360,464	.....	.....

LIVERPOOL WEEKLY

	1912	1913	Last Week	This Week
Sales, all kinds	39,000	46,000	21,000	20,000
Sales, American	27,000	24,000	18,000	17,000
Sales, speculation	.....	2,000	.....	1,000
Sales, exports	1,000	1,000	1,000	1,000
Forwarded	69,000	80,000	30,000	30,000
Imports, all kinds	62,000	78,000	20,000	6,000
Imports, American	49,000	56,000	9,000	3,000
Actual exports, all kinds	3,000	2,000	3,000	2,000
Stock, all kinds	507,000	449,000	855,000	829,000
Stock, American	352,000	274,000	560,000	535,000
Afloat for Great Britain, all kinds	234,000	232,000	27,000	.....
Afloat for Great Britain, American	196,000	199,000	7,000	.....

Cotton Production in Peru.—Consul General W. W. Handley, of Callao, in writing of the commercial and industrial progress in Peru, says that the cotton industry of the country received an impetus during 1913 from higher prices for the staple and increased production, which offset to some degree the results of the poor crop and low prices of rubber and sugar. The ruling price in January for the semi-rough cotton of the country opened at 7.30d. (14.6 cents) a pound, declined to 6.64d. (13.28 cents) in August, and closed at 7d. (14 cents) in December. Fair and soft "Egypto" cotton was quoted at 7.5d. (15 cents) a pound in January, reached the high price of 8.4d. (16.8 cents) in September, and closed at 7.5d. (15 cents) in December. The prices received for both the foregoing qualities were considerably higher than in 1912.

Peruvian cotton to the value of $1,224,508 was exported to the United States during the year 1913, which is an increase of about 33 per cent over the preceding year. No official statistics are available giving the year's exports of cotton to all countries, but they have been estimated at $5,500,000.

The total production of cotton in Peru for the last five years

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Cotton for Spinners' Use.

was: 1909, 38,017,650 pounds; 1910, 33,029,105 pounds; in 1911, 38,389,535 pounds; 1912, 37,656,130 pounds; 1913, 52,344,640 pounds. This increase of more than 14,300,000 pounds for the five years ending 1913 is largely accounted for by the low price of sugar and the bull cotton market. A number of sugar estates in Peru have been planting a fair quantity of cotton, and in addition large areas hitherto devoted to other products or merely waste lands are being converted into cotton fields, because of the profits paid by this crop under present conditions. Not only is the quantity of cotton increasing but its quality is improving as well, owing to the wider use of modern machinery in handling the product. The prices quoted on the Liverpool market determine the price of Peruvian cotton, as there is practically no market in Lima.

* * *

The Production of Kapok, or Tree Cotton, in Ceylon.—Recent inquiries from the United States and Europe, particularly from Germany, writes Consul Charles K. Moser, of Colombo, seem to indicate that a considerable commercial interest has developed in the production and uses of kapok. The kapok is a tropical tree, found largely in both the East and West Indies. Another species, not so tall, is found in Mexico. In the East Indies the tree is more largely cultivated as a crop in Java and in the Philippines. Under American rule in the Philippine Islands the cultivation of kapok has been scientifically studied and developed to a certain extent along modern agricultural lines; but in Java, from which place considerable quantities are exported to Europe, kapok is cultivated only as a secondary crop, and the methods employed in its production are primitive. [Kapok cultivation in the Philippines was discussed in THE MARKET WORLD AND CHRONICLE, Vol. VII, page 797.]

In Ceylon kapok could hardly be described as a seriously cultivated crop at all, though it is one of the easily grown products of the island. It is generally planted along the roadside and around the boundaries of gardens as a sort of extra crop from what would otherwise be waste land. About the environs of Colombo the tree is largely grown as a border tree for canals and earthworks, where erosion might otherwise destroy the banks. It has a wide distribution, however, over the low country and up to an altitude of 2,000 feet.

The kapok is a fairly tall, gaunt, deciduous tree with a straight trunk, and its many branches jutting out in groups of three at right angles to the bole make it easily recognizable. The peculiar odor of its flowers has a strong attraction for fruit bats, and consequently flowers are destroyed by thousands which would otherwise produce pods of the silky floss or kapok of commerce. One of the drawbacks against attempting to cultivate the tree in Ceylon with

(Continued on Next Page.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3⅜	3⅜
Gray goods, 38 in., standard	4¼	4¼
Brown sheetings, Southern standard	7½	7½
Denims, 9-ounce	13½-17	13½-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	20-20½	20½-21
Southern 2-ply skeins, 60s	43-44	43-44
Southern single skeins, 20s	17½-18	18
Southern single chain warps, 20s	17½-18	18
Southern 2-ply chain warps, 20s	18½-19	18½-19
Southern frame cones, 20s	17¾	18-18½
Southern frame cones, 30s	20½-21	21-22
Eastern carded cops, 20s	20¾	20¾
Eastern carded cops, 30s	24¼	24¼
Eastern carded peeler warps, 30s	27	27
Eastern carded peeler warps, 50s	44	44

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	September			December			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 19..	1.11½	1.10⅜	1.10¾	1.14¾	1.13	1.13¼	1.21¾	1.20⅛	1.20⅜
Sept. 21..	1.11½	1.11½	1.11½	1.15	1.12½	1.13½	1.22	1.19¼	1.20⅝
Sept. 22..	1.11	1.08½	1.08½	1.13⅝	1.10½	1.11	1.21	1.17⅝	1.18¼
Sept. 23..	1.08¾	1.07	1.08¾	1.12¼	1.10	1.11⅞	1.19⅜	1.17	1.19¼
Sept. 24..	1.09	1.07	1.07	1.12¾	1.10½	1.10½	1.20½	1.17½	1.17¾
Sept. 25..	1.07	1.06¾	1.07	1.10⅝	1.09¼	1.10	1.17⅝	1.16¼	1.17

CORN (New Contract).

	September			December			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 19..	79¼	78½	79¼	73½	72½	72⅞	75½	74	74¾
Sept. 21..	79¾	79⅛	79½	73⅝	72¼	73	75⅝	74¼	75⅛
Sept. 22..	79½	79	79⅛	73	71¾	71⅞	75	74	74¼
Sept. 23..	79	78½	78½	72	71⅛	71⅞	74⅜	73⅝	74⅜
Sept. 24..	78⅛	77	77	72	70¾	70⅞	74½	73⅜	73½
Sept. 25..	77½	76⅞	77	71⅛	70⅜	70⅝	73¾	73	73¼

OATS.

	September			December			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 19..	48	47½	47⅞	51⅛	50¼	50½	54	53⅛	53½
Sept. 21..	48⅜	47⅞	48⅜	51⅜	50⅜	51	54¼	53⅜	53⅞
Sept. 22..	....	....	47⅝	51⅛	50⅛	50¼	54	53⅛	53¼
Sept. 23..	47⅝	47	47⅝	50⅜	49⅝	50⅜	53½	52½	53⅜
Sept. 24..	47⅝	46⅞	47	50⅞	49½	49⅝	53⅞	52½	52⅝
Sept. 25..	47½	46⅞	47	50	49⅜	49⅝	53¼	52⅜	52⅞

LARD.

	September			October			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 19..	....	....	9.62	9.67	9.62	9.65	10.22	10.15	10.22
Sept. 21..	....	....	9.50	9.67	9.52	9.52	10.20	10.05	10.07
Sept. 22..	....	....	9.37	9.50	9.37	9.40	10.05	9.95	9.95
Sept. 23..	9.45	9.35	9.45	9.45	9.35	9.45	9.95	9.87	9.95
Sept. 24..	....	....	9.45	9.52	9.42	9.45	10.02	9.92	9.95
Sept. 25..	....	....	9.50	9.50	9.45	9.50	9.62	9.47	9.60

RIBS.

	September			October			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 19..	.....	.....	11.45	11.05	11.00	11.05	10.85	10.80	10.82
Sept. 21..	.....	.....	11.45	.....	.....	10.97	10.82	10.65	10.72
Sept. 22..	11.45	11.45	11.45	10.92	10.92	10.92	10.67	10.55	10.55
Sept. 23..	11.35	11.35	11.35	10.85	10.80	10.85	10.57	10.47	10.55
Sept. 24..	11.45	11.37	11.37	10.90	10.80	10.80	10.62	10.25	10.37
Sept. 25..	.....	.....	11.37	9.62	9.57	9.60	10.02	9.92	10.00

PORK.

	September			October			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 19..	....	....	17.85	.....	.....	.....	20.90	20.80	20.87
Sept. 21..	.....	.....	17.85	.....	.....	.....	20.87	20.30	20.55
Sept. 22..	17.85	17.85	17.85	.....	.....	.....	20.45	20.30	20.30
Sept. 23..	17.75	17.75	17.75	.....	.....	.....	20.25	20.10	20.25
Sept. 24..	17.75	17.62	17.62	17.75	17.62	17.62	20.35	19.35	19.70
Sept. 25..	17.75	17.22	17.22	.....	.....	.....	19.77	19.52	19.77

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.60	5.70	5.65	5.65	5.60	5.65
September	5.77	5.84	5.60	5.65	5.65	5.65
October	5.90	5.81	5.71	5.73	5.68	5.65
November	5.91	5.82	5.76	5.75	5.75	5.75
December	5.95	5.86	5.86	5.84	5.84	5.86
January	6.09	6.01	5.97	5.95	5.95	5.96
February	6.17	6.08	6.04	6.05	6.03	6.03
March	6.29	6.22	6.17	6.16	6.16	6.16
April	6.30	6.24	6.21	6.20	6.20	6.20

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot	6¾	6¾	6⅞	6¾	6¾	6¾

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday	Monday	Tuesday	Wednesday	Thursday	Friday
Cables	4.96¼	4.96¼	4.97	4.96½	4.97¼	4.98½
Demand	.....	.....	.....	.....	.....	.....
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Francs—						
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Reichsmarks—						
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....

the expectation of any large remuneration is the presence of these destructive bats in immense numbers.

The principal obstacles so far encountered in its cultivation, however, are the cost of labor, as compared with the price paid for the product, and the difficulty of gathering the crop. Most of the pods containing the floss grow on the end of the branches, and it is not easy to induce the coolie laborer to take the risk among these slender branches at a considerable height from the ground. The use of stepladders as a means of gathering crops has never been introduced in Ceylon, and it is hardly probable that for such a crop as kapok alone they could be employed with advantage. Moreover, the business of gathering the ripened pods is a rather slow one, as only the most careful and experienced coolies can tell when they are ready for harvesting. Before ripening the kapok pods are of a light-green color and smooth, but at the right time they become wrinkled and brownish. If left even for a few days longer the floss often loses its luster and soft quality and is of little value.

Most of the kapok now being exported from Ceylon comes from the Matale district, to the north of Kandy. In this district the tree does not grow so tall and, with low outstanding branches, is more like a shrub; it is therefore easier to gather the pods. The pods are picked by hand and cured by being allowed to dry thoroughly in thatched sheds on the estate or in the homes of the villagers. They are then broken and the "cotton," or floss, is roughly hand-cleaned by coolie women. It is then packed in bales and sent to Colombo, where the seeds are removed by special machines made in Germany.

The exports from Ceylon to the various countries for 1912 and 1913 were as follows:

	1912		1913	
Exported to	Pounds.	Value.	Pounds.	Value.
British India	272,049	$10,092	92,239	$3,686
United Kingdom	125,507	11,719	14,645	1,085
Maldives	.....	.....	5,992	410
Natal	.....	.....	400	78
Belgium	83,204	10,314	25,941	2,478
Germany	29,676	4,077	82,994	7,974
Netherlands	53,186	6,986	7,247	628
Italy	.....	.....	8,285	816
All others	8,452	1,292	1,372	54
Totals	572,074	$44,480	239,115	$17,203

It will thus be seen that the United States is not now a buyer of Ceylon kapok and the records of this office show that very few shipments have ever been sent to American ports direct. It has been declared that the production of kapok in Ceylon will never be found profitable for European planters. At present (June, 1914) Colombo firms can purchase from the villagers a fair quality of amber-colored, well-cleaned floss, free from seed, at $10 per hundredweight of 112 pounds, delivered in Colombo. The uncleaned floss, i. e., with only the outer husk removed, of good quality and dried, can be purchased at $3 per hundredweight delivered. There is also a market for the seed at $0.73 per hundredweight.

The usual weight of bales for export is 168 pounds, and the present market price is $15 per 112 pounds net, c. i. f. Boston, New York or Philadelphia. Exporters state that they are prepared to sell to American firms c. i. f. New York, payment against letter of credit, 90 days' sight draft, with documents attached for full invoice value, to be drawn on London or New York.

[A sample of fair quality Ceylon kapok will be loaned, upon application, by the Bureau of Foreign and Domestic Commerce, and its branch offices, from which may also be obtained the names of four Colombo firms interested in this fiber.]

QUOTED PRICES OF STOCKS OF NEW YORK INSURANCE COMPANIES

American Surety	*170	176	Metropolitan Life	*160	...
Commonwealth	300	...	National Surety	185	193
Continental	885	905	New Amsterdam Cas.	110	125
City of New York	150	200	N. Y. Plate Glass	*325	350
Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
Germania Life	200	...	United States	*90	...
Globe & Rutgers	500	...	U. S. Casualty	190	200
Hanover	*180	190	United States Life	*80	90
Home	390	400	Westchester	*550	600
Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...	*Per cent price.		

Sea-Borne Trade of India for Fiscal Year.—The returns of the sea-borne trade of India for the twelve months ended March 31, 1914, show an increase of £16,428,214 in imports of merchandise, according to the "Australasian Insurance and Banking Record," and an increase of £1,985,517 in exports of merchandise as compared with the preceding twelve months. A comparison for the last three financial years is as follows:

Imports.	1911-12.	1912-13.	1913-14.
Merchandise	£96,036,959	£111,086,454	£127,514,668
Treasure	35,647,232	41,221,169	28,959,767
Totals	£131,684,191	£152,307,623	£156,474,435
Exports.			
Merchandise	£151,993,204	£164,145,556	£166,131,073
Treasure	6,915,938	7,087,843	4,721,923
Totals	£158,909,142	£171,233,399	£170,852,996

The alteration in the balance between imports and exports of merchandise has been largely balanced by the diminished imports of treasure. For the new financial year the reduced wheat crop appears likely to lead to an inelastic condition of export trade. The separate particulars of the gold and silver imports, included under the heading of treasure are not available for the financial year to March 31. But for the past two calendar years a comparison of gold movements is as follows:

Imports.	1912.	1913.
Sovereigns and other British gold coins	£22,339,731	£11,174,968
Bullion	9,466,711	10,965,627
Other coined gold	174,382	193,808
	£31,980,824	£22,334,403
Exports.		
Sovereigns, etc.	£2,047,115	£1,401,656
Bullion	2,322,328	2,284,403
Other coined gold	24,102	32,043
	£4,393,545	£3,718,108

Net imports of gold into India during 1913 were thus £18,616,295, against £27,587,279 for 1912, or a decrease of £8,970,984. The net imports (after deducting exports) of silver into India during 1913, amounted to £9,567,590, against £9,352,419 for 1912.

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United States Statement, Jan. 1, 1914

Assets	$2,578,165.43
Surplus in United States	1,053,888.67

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CHARTERED 1835

Assets, January 1, 1914	$66,168,702.53
Liabilities	61,182,456.00
Surplus	$4,986,246.53

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

IT is, we think, no exaggeration to say that up to two months ago American bankers, as a class, were ignorant of the very meaning of the words "intrinsic value," and did all their thinking in terms of "market value." The price obtainable for a security or a commodity, if immediately sold in the market, was the basis upon which they made collateral loans upon such security or commodity; and in estimating the credit to which an individual or a corporation was entitled they consciously or unconsciously took into account the presumed present worth in the market of the securities or property owned by the individual or corporation. In the larger financial centres, where stock exchanges and commodity exchanges are found, our bankers went even further than this, and assumed that for their purposes but one value need be taken into account, and that the quoted prices made upon these exchanges. Too often it was a matter of indifference to them what the intrinsic value of this or that security might be or whether the quoted price of a commodity in a single market, commonly followed by them, was reasonably consonant with its intrinsic value, judged by the criteria of the world's use of it, on the one hand, and of the cost of producing it in sufficient quantity to meet that use, on the other hand. Being busy men, they deemed their duty done if they kept track of the quotations registered on the ticker tape, and held borrowers to the quick adjustment of their collateral to these quotations. A security might be selling in the market at a price dictated by the hopes and desires and market operations of those interested in it or by the fears of those having commitments in it, and with but slight regard to the elements of true value in the property represented by it; yet the market quotations were very generally taken by bankers as having such finality that the safeguarding both of loans and of the legitimate interests of borrowers should be made to rest upon the basis of these quotations. A purely technical situation might exist in a commodity market,—as of dealers compelled to fulfill contracts they had made, at any price exacted of them,—and as a result the quoted prices in that market might be out of all relation to the intrinsic value of the commodity itself; yet bankers judged of the soundness of their loans upon the commodity by the prices reported in that market. In short, the obsession that securities and commodities can have no value except that measured by prices immediately obtainable for them in markets generally normal, but like all other human things, subject for brief periods to disturbing influences, whether internal and technical or completely external to themselves, had become so deeply ingrained in the thought of bankers that it is not extreme to say that in abnormal and difficult times the actions of bankers themselves, in supposed protection of their interests, were only to apt to add to, rather than alleviate, the confusion and distress. It is true, and ought to be said, that when the general trouble had reached such acuteness that the very failure of industry and finance was endangered, certain exceptionally courageous and resolute bankers were always found to intervene and, by their defiance of market quotations and insistence on the intrinsic value of properties and commodities, stay the disaster. But with this the generality of bankers had little to do; they simply fell in behind leaders who seemed to them to be doing extremely hazardous things, yet whom they felt compelled to obey.

Two months ago the sudden and to most business men totally unforeseen outbreak of the greatest war in history at one stroke destroyed, at least for the time being, the whole machinery of security and commodity markets, stopped instanter the quotation of prices upon them, and deprived bankers of the mechanical support of these prices in the conduct of their business. Not merely did the quoted prices stop, but the markets themselves stopped and no other took their place. Despite some desultory buying and selling on the stock exchanges and bourses at home and abroad, it is substantially accurate to say that there is no immediate market for securities anywhere in the world to-day. The same is true of all the commodities except foodstuffs. Cotton exchanges, coffee exchanges, sugar exchanges, metal exchanges, and all other commodity exchanges are closed from one end of the earth to the other. Hence no banker can say what the market price of either securities or commodities (except foodstuffs) really is. He may hear of prices made here and there in dealings between individuals; but he cannot say that these prices are really representative of a true market, in the modern sense of the word.

Yet the bankers of the United States are to-day carrying thousands of millions of dollars of loans with securities and commodities as collateral against them. The cataclysm caught them with these loans on their books and they had

no opportunity to apply the traditional rule that the market price of the collateral is governing in respect of the continuance of a loan. Markets for the sale of the collateral there have been and are none. And the result is that the bankers have been brought by *force majeure* to take intrinsic value, instead of temporary market value, in practice if not in theory, as the basis of their business. Most of them, of course, would refuse to admit this, even to themselves; but there can be no doubt that it is so. Everybody recognizes it in his practical dealing with the present situation of our banks. The Comptroller of the Currency and his bank examiners recognize it in respect of the National banks; the State banking departments and superintendents of banks recognize it in respect of State banks, trust companies and savings banks. Indeed, the principle is carried even farther and is applied to the thousands of millions of investments of our insurance companies of every kind.

It is probable that if such a state of things as now actually exists had been described six months ago to the average American bankers as possible and probable, he would have had, not the slightest hesitation in predicting that, the moment this came about, the country would be plunged into the most disastrous panic it had ever known and that the industry and commerce of the country would be absolutely paralyzed. And yet no such result has ensued from the reality of the incredible change. On the contrary, our banks are going on about their customary business, and with ever increasing freedom and courage. We venture to say that the sleepless nights of our bankers are for the most part all in the past. As they have forced themselves to look at their situation without traditional and inbred fears and anxieties, they have found that where they are sure of the intrinsic value of the securities or commodities pledged with them, they can await without serious apprehension the restoration of the temporary disabled machinery of finance and commerce, confident that market prices will in the long run reflect this intrinsic value, rather than the external uncertainties of the times or the necessitous selling after all of a relatively small number of individuals, whose position, when the great blow fell, was not such as to enable them to withstand its effects.

It is our opinion that very great good will result to the country, if the present experience of our bankers and the economic lesson it conveys are remembered and taken to heart. We want our bankers as valuable to us as we can have them; we want them to be wise and prudent, yet at the same time indomitably courageous, in the handling of the immense interests we entrust to them. As a class, they are peculiarly the leaders of our society in an economic sense, at the same time that they are its most valuable servants. It is all-important to us that they should not be thinking in terms which are in the largest way economically unsound. We cannot afford to have them followers of rules-of-thumb, unthinking acceptors of unreal criteria in the conduct of their business, rather than men capable, whenever the times are out of joint, of going straight to the realities, and using these as the basis of whatever they do. What we ask of them is that they should truly safeguard the genuine interests of the community, rather than show themselves optimistic and generous of credit when the wind blows fair, fearsome and unregardful of the welfare of those who deal with them and rely upon them, when the storm breaks. And we think that it is impossible for any banker to think justly and to act courageously, when his entire conception of the value of what he allows credit upon, is the market price it will fetch if instantaneously sold out. When all is normal and the machinery of markets is in usual operation, to be sure, this is no bad test of the worth of collateral; but we have again and again in the past seen markets disarranged and violently moved by influences of an obviously temporary kind, while now for the first time in a century we see markets completely destroyed for the time being. Yet somehow we must go on with our business; we cannot stop and idly watch multiplying distress on all sides of us. When such a juncture comes about, it is the duty of bankers resolutely to fall back upon reasoned knowledge of the permanent and intrinsic worth of the things whose value they must assess for the general good.

We are well aware that to all but a few bankers what has been said above will appear entirely visionary and, indeed, of the most dangerous import. Until the present stoppage of the customary machinery of industry, commerce and credit, we are confident that not one banker among those generally looked upon as authorities would have had anything but derisive words to apply to it. And yet, at this moment, virtually every banker in the land who is more than a local money-lender is doing in practice what is here set forth in theory. The trouble is, however, that with a few exceptions the bankers are not doing it widely enough and courageously enough. In respect of their present commitments they are accepting the inevitable and are finding out that no harm is coming to them, while great good is coming to the country as a whole, in consequence. But they are averse to permitting new commitments upon any such basis. They do not wish to become involved, for instance, in any plan to assist the producers of cotton over the difficulties occasioned by a temporary tie-up of their product. They say to these producers, in effect, that for them the hard law of supply and demand, not as a law really operating over months and years, but as one producing destructive effects for a brief period, must govern. They are unwilling to admit that the known character of an industrial property may give to the securities representing it an intrinsic worth in their eyes, irrespective of the momentary price at which those securities could be sold, while at the same time they take the position that a necessity of life like cotton, whose cost of production and whose average market value to the world are easily ascertainable, must be assumed to be worth only what it will bring at forced sale at a time when the outlets for it are choked up and the real demand for it cannot become effective. Yet in truth this is what the bankers are really declaring when they put cotton outside the category of collateral upon which it is not only advantageous but safe to make advances proportionate to its ascertained value to the world over a long period of years just past.

It cannot be expected, of course, that knowledge will come in its fullness in a day. It will be long before bankers in general will realize that it is their first duty, in times perilous to the economic welfare of the community, to fall back upon intrinsic value, in place of market price, as the rock upon which they can safely and confidently rest. These present times, however, with all their distresses, will not have been a pure loss to us, if the thinking of our bankers is through them more and more turned in this direction.

Arthur Richmond Marsh

TWO CURRENT MISCONCEPTIONS AS TO THE FOREIGN TRADE OF THE UNITED STATES

By J. J. Slechta
General Agent of the Lloyd Brazileiro, Formerly of the United States Consular Service

So much publicity has of late been given to the question of increasing our foreign trade, in view of the supposedly increased opportunities expected to result from the European War, that it would seem desirable to define with some degree of accuracy the actual position of the United States with relation to other great producers of manufactures and other goods for export. Constant reference is made to the fact that the United States has only a relatively small share of the import trade of non-European countries. For example, it is trite to repeat that of the large import trade of South American countries, the United States obtains only about 15 per cent, as compared with a somewhat larger proportion obtained by each of our largest competitors, England and Germany.

An academic discussion of reasons why we should increase our export trade is in reality beside the question. The vital point at issue is simply this: Is it plausible to suppose that the United States, in view of the world's market prices in relation to those of the United States, can actually succeed in acquiring a larger proportion of the world's foreign trade? The word "proportion" is used advisedly. That our exports will increase, is not open to question, but that they will grow in a greater ratio, relative to the present total, than those of our chief European competitors is not only doubtful but highly improbable. The basis of this conclusion may be stated briefly as follows:

A comprehensive familiarity with the industrial position of the respective countries bidding for the world's trade and of market values of the products exported from each will at once incline any open-minded student of the question to the conviction that while the United States produces for the domestic trade, and markets its surplus abroad if it finds it advantageous to do so, our European competitors produce primarily for the foreign trade. Basing its estimate on the last census, the Bureau of Manufactures calculates the total output of manufactured goods in the United States as closely approaching twenty-five billions of dollars, or rather more than the total of such products produced in England, Germany, France, Belgium and Holland, combined. Relating these respective totals with the totals of exports of manufactured and partly manufactured goods, it is significant that, while the United States ships to foreign markets a total equal to 4½ per cent of our production, the five countries mentioned ship abroad a total of manufactured goods equal to more than 60 per cent of their production. This should readily convince one that Europe needs her foreign trade very much more than this country needs it and, therefore, will work proportionately harder to hold what she has and to get more. So much for a comparison on the basis of nations as a whole. The comparison as regards the per capita export trade is even more striking. The per capita exports of the United States reached their highest point in 1913, when they were about $25. Those of Holland were $210; Belgium, $100; United Kingdom, $53; Germany, $33; and France, $32. These statistics, taken in conjunction with the fact that the total production of the respective countries is so much less than that of the United States, at once throws additional emphasis upon the logical conclusion that export trade is a matter of life and death to the European countries and only an incident in the total commerce of the United States.

Attention is frequently called to the tremendous increase in our export trade, but as a matter of fact this has only kept pace with our total production. In the twenty years from 1893 to 1913, production of manufactured goods increased about 160 per cent, while the total of our exports, including raw products and foodstuffs, increased 140 per cent in the twenty-one year period from 1892 to 1913, and the total exports of manufactures alone increased 650 per cent in the same period. In view of the situation of other nations, our competitors, it would seem that we could hardly expect to increase exports of manufactures any faster, and yet we have barely held our own with the competing countries referred to. Lest a wrong construction be placed upon this phenomenal increase, it must be borne in mind that by far the greater part of the increased export of manufactures has been absorbed in the very countries which we regard as our trade rivals, and should for that reason be largely disregarded, inasmuch as it represents the value of products not generally sold in competition with European countries in non-European markets.

Bearing the above analysis of the world's foreign trade in mind, it is readily seen how futile it is for this country to hope for any material increase of foreign trade as a result of the European War. Bearing in mind, too, the fact that the relative supremacy of the European manufacturing countries, and the comparatively smaller domestic consumption, has made them lending and not borrowing nations, it must be apparent that any disaster to the economic welfare of those countries must also be highly disastrous to the countries with which they have had such close commercial relations. War has shut off a large part of the supplies of foods and manufactured goods purchased by South America, Africa and the Far East, and it has no less shut off the exports of goods from these latter divisions of the world to Europe, and has thereby greatly reduced the purchasing capacity of Europe's customers. The United States, as the greatest borrowing nation in the world, obviously and necessarily has no capital to take the place of the vast streams of gold which Europe has been wont to send to all parts of the world, and which it is now rapaciously consuming with fire and sword.

As for the effect of means of transportation upon the possible increase of our foreign trade, the writer is convinced that it is a largely negligible factor. The following figures tell the whole story of the fallacy as to a possible lack of ocean carriers for any existing business.

During the latter half of 1912, the normal chartering rate which owners of tramp cargo steamers received for business in safe trades was from 7s. to 7s. 6d. per ton per month of the deadweight cargo capacity of the vessel, on voyages of from two to four months. From that time on, up to the period immediately preceding the present European trouble, the rates have steadily decreased, and during June and July owners were offering tonnage in the same kind of trade at from 3s. 6d. to 3s. 10d. per deadweight ton, thus representing a decline in the earning capacity of cargo tonnage of rather more than one-half. Let it be borne in mind that with rates at this figure, much British and some other tonnage is withdrawn from trade, owners preferring to tie up their vessels, in order to avoid operating expenses, for which they are not compensated at such low charter rates.

After the opening of hostilities, all German tramps were immediately swept from the seas, while upon British, French and Belgian tonnage there was placed a handicap of heavy war risk insurance. This has left a comparatively small amount of neutral tonnage available, mostly of Scandinavian, Dutch and Greek vessels. What is the result as to charter rates? Since August 15 this neutral tonnage has been available to charterers in such trades as that above described at from 3s. 9d. to a maximum of 4s. 3d.,

which was the rate generally quoted during the third week in September. British tonnage is available at rates just sufficiently below these rates to make up for the extra burden placed upon cargo shipped in its bottoms by the war risk insurance. American cargo vessels of a similar type cannot be operated, even with the recent modifications in the laws applicable to crews and officers, at less than 4s. 6d. per ton if the owner is to avoid a loss.

The reader may judge for himself as to the actual demand for tonnage which can only be met by the extraordinary expedient of a Government owned merchant marine. If the Administration will dispassionately face the facts, it must readily disabuse the minds of its misguided advisers as to the necessity of so absurd an undertaking, and as to the possibility of in any way serving the people by resort to so fantastic an enterprise. It is a fallacy to suppose that trade follows the flag. This country already has a normal foreign trade of over four billion dollars annually, which is all we are entitled to under the circumstance of the world's markets. Little Belgium, without a merchant marine of any importance and with a territory less than that of the State of Maryland, has a foreign trade equal to more than a third of the United States total imports and exports. Holland, with about the same area as Belgium has a foreign trade three-fifths as great as that of the United States. She has a merchant marine of some importance, but her trade is developed by reason of industrial supremacy and not maritime strength. Norway, with a merchant marine three times as great as that of Holland, has no foreign trade worth mentioning. Whatever we produce and sell more cheaply than another country, we can readily find a market for, regardless of the nationality of the carrier upon which we must rely to deliver it.

THE DESTRUCTION OF CAPITAL IN THE EUROPEAN WAR

CONSIDERABLE interest having been manifested in a line of thought suggested by us editorially in the THE MARKET WORLD AND CHRONICLE of Aug. 1, it has seemed worth while to pursue the subject somewhat further. We refer to the statement that the permanent destruction of the world's financial system will not result from the European War, and that the recovery of the principal nations involved will be rapid after the conclusion of peace. We supported this statement by a quotation from John Stuart Mill's "Principles of Political Economy," which was as follows:

"This perpetual consumption and reproduction of capital affords the explanation of what has so often excited wonder, the great rapidity with which countries recover from a state of devastation; the disappearance, in a short time, of all traces of the mischiefs done by earthquakes, floods, hurricanes, and the ravages of war. An enemy lays waste a country by fire and sword, and destroys or carries away nearly all the movable wealth existing in it; all the inhabitants are ruined, and yet in a few years after, everything is much as it was before. This *vis medicatrix naturae* has been a subject of sterile astonishment, or has been cited to exemplify the wonderful strength of the principle of saving, which can repair such enormous loses in so brief an interval. There is nothing at all wonderful in the matter. What the enemy have destroyed, would have been destroyed in a little time by the inhabitants themselves; the wealth which they so rapidly reproduce, would have needed to be reproduced and would have been reproduced in any case, and probably in as short a time. Nothing is changed, except that during the reproduction they have not now the advantage of consuming what had been produced previously. The possibility of a rapid repair of their disaster, mainly depends on whether the country has been depopulated. If its chief population have not been extirpated at the time, and are not starved afterwards; then, with the same skill and knowledge which they had before, with their land and its permanent improvements undestroyed, and the more durable buildings probably unimpaired, or only partially injured, they have nearly all the requisites for their former amount of production. If there is as much of food left to them, or of valuables to buy food, as enables them by any amount of privation to remain alive and in working condition, they will in a short time have raised as great a produce, and acquired collectively as great wealth and as great a capital, as before, by the mere continuance of that ordinary amount of exertion which they are accustomed to employ in their occupations. Nor does this evince strength in the principle of saving, in the popular sense of the term, since what takes place is not intentional abstinence, but involuntary privation."

This statement runs sharply counter to the almost universal tendency on the part of financial writers in this country and abroad to take a gloomy view of the permanently destructive effects of this war upon the European financial system. A representative opinion of this sort may be quoted from the London "Statist" of August 1:

"If the war were carried on with such determination and such rancor that it was protracted through three campaigns the waste of wealth in Europe would be inconceivably great, and when peace at last was concluded there would not be the means of immediately resuming the position which had been abandoned for the sake of slaughtering the peoples of neighboring countries. It seems safe to conclude, therefore, that in the present condition of Europe unless a war can be very quickly finished, it will exhaust the combatants and immensely lessen the predominance of Europe in the other Continents of the world."

In view of this conflict of opinion, it will be well to attempt to apply the principle set forth by Mill to the actual figures, in order if possible to establish a slightly more cheerful view than the one not unnaturally taken by the majority of men in the face of so great a disaster.

In the first place it should be said that emphasis has been laid upon the destruction of capital which the war would bring about. It is quite clear that the current income of the nations involved will be seriously disturbed. Let us examine more closely the question of fundamental wealth. Fortunately, as to the capital value of the belligerent nations we have the benefit of some very interesting figures. Before giving these it will be well to consider the estimated total wealth of the United States. The United States Census Bureau has published a careful estimate covering the total value of all property in this country in the years 1900 and 1904. The estimate for 1900 is $88,517,306,775, and 1904, $107,104,192,410. The estimate for 1904 was itemized as follows (omitting odd thousands):

Real property and improvements	62,340,000,000
Live stock	4,074,000,000
Farm implements and machinery	845,000,000
Manufacturing machinery, tools and implements	3,300,000,000
Gold and silver coin and bullion	2,000,000,000
Railroads and their equipment	11.245,000,000
Street railways, shipping, water works, electric light and power systems, telephone and telegraph systems, canals	4,841,000,000
All other property—products of agriculture, manufactures and mines, merchandise, clothing, furniture and miscellaneous personal property	18,462,000,000

It would be fair to say that not more than 10 per cent of this total was made up of so-called "consumption goods." It appears to us to be the fact that the waste of war falls largely on these consumption goods, and comparatively little upon the vast permanent capital value of the nation, and that, as John Stuart Mill has

pointed out, "what the enemy have destroyed, would have been destroyed in a little time by the inhabitants themselves."

It is true that in the present war there has been considerable destruction of buildings. But it is possible that when the final account is made up it will be found that the losses in this direction were more severe from an artistic, and hence hardly estimable, than from a financial point of view. In the estimated daily loss from a European War of approximately $50,000,000 a day, worked out by Dr. Charles Richet, "Destruction of towns, etc.," is placed at $2,000,000. This estimate has been widely accepted as based upon careful study of the possibilities, though Judge Gary, of the United States Steel Corporation, in a recent speech placed the daily cost at over $80,000,000 a day. On the basis of Dr. Richet's figures the capital loss resulting from a year's fighting would be $730,000,000. It would seem probable that $1,000,000,000 would certainly cover, as far as money can cover, the property loss in a year of fighting.

Let us now see what proportion this bears to the national capitalization of certain European nations. We have on this point the figures of Sir George Paish, as published in "The Statist" of London:

TOTAL WEALTH AND ANNUAL INCOME.

	Wealth.	Income.
Great Britain	$85,000,000,000	$12,000,000,000
France	50,000,000,000	6,000,000,000
Germany	80,000,000,000	10,000,000,000

While we consider these figures to be the best now available, the subject is of sufficient importance to justify citation of other estimates. A correspondent of the New York "Times" on September 18, gives some interesting figures:

"On January 1, 1913," he states, "on the occasion of its fortieth anniversary, the Dresdner Bank of Berlin issued a brochure entitled 'The Economic Forces of Germany,' containing, according to the bank's announcement, 'facts and figures taken from authentic sources,' specially prepared by the statistical department. Under the caption of 'National Wealth,' the estimates for the three countries were compared as follows, the authorities in each case being given: Germany (by Ballod), 270 milliards of marks; United Kingdom (by Mulhall), from 260 to 300 milliards; France (by Leroy-Beaulieu), 170 milliards. Reduced to equivalents in United States currency, four marks to the dollar, the figures compare thus:

France	$42,500,000,000
United Kingdom (averaged)	70,000,000,000
Total allies	$112,500,000,000
Germany	67,500,000,000
Excess allies' wealth	$45,000,000,000

"A year later a brochure was published by the Germanistic Society of America, giving a translation of a complementary part of the larger work, 'Deutschlands Volkswohlstand 1888-1913,' issued at the time of the celebration held by Germans throughout the world to commemorate the reign of the present German Emperor. This complementary part was prepared by Dr. Karl Helfferich, director of the Deutsche Bank, and it embraced a thorough-going study of statistics relating to Germany's economic progress and prosperity. The author, after elaborate calculations, estimated the annual income of the German people at 45,000,000,000 marks. This was contrasted with estimates made several years ago by Leroy-Beaulieu of 25,000,000,000 francs (about 20,000,000,000 marks) as the income of the French people and by Chiozza Money of £1,710,000,000 for the English national income, or about 35,000,000,000 marks. Reduced to our currency the comparison follows:

France	$5,000,000,000
England	8,750,000,000
Total allies	$13,750,000,000
Germany	11,250,000,000
Excess allies' income	$2,500,000,000

"Dr. Helffrich estimated the national wealth of Germany at from 290 to 320 milliards of marks. He quoted Edmond Théry for the estimate of 287,000,000,000 francs (232,500,000,000 marks) for the national wealth of France and gave the English estimates as running from 230 to 260 milliards of marks. Averaging Germany's wealth as 300 milliards of marks and England's as 245 milliards, the figures, in dollars, would show:

France	$57,400,000,000
England	61,125,000,000
Total allies	$118,525,000,000
Germany	75,000,000,000
Excess allies' wealth	$43,525,000,000

"This excess, it will be seen, corresponds closely with the excess as shown from the national wealth estimates of the Dresdner Bank.

"Furthermore, the Dresdner Bank gave the gold circulation of the three nations as follows:

	Million Marks.	U. S. Currency.
France	3,890	$972,500,000
United Kingdom	2,370	592,500,000
Total allies	6,260	$1,565,000,000
Germany	4,300	1,075,000,000
Excess allies' gold	1,960	$490,000,000

"The latter table does not agree with the estimates made by the Director of the United States Mint in his last report showing the approximate stock of money of the world as of December 31, 1912. On that date the gold in banks, in public treasuries and in circulation for the three countries was given as follows:

France	$1,200,000,000
United Kingdom	730,900,000
Total allies	$1,930,900,000
Germany	863,400,000
Excess allies' gold	$1,067,500,000

"The Mint figures for Germany are based upon an estimate by Dr. Arnold, a director of the Reichsbank, of 3,000 million marks in German gold coin in the country at the close of 1910. The estimate for France is that of A. De Foville in 1909. Since the date of the mint estimates in the foregoing tables the Reichsbank has gained about $150,000,000 gold and the Bank of France $180,000,000, while the Bank of England lost $18,000,000, so that the relative gold strength of the three nations is probably little changed. But to the stock of gold of the United Kingdom we should add the stock of her colonies and possessions, estimated by our mint at $166,900,000 for Australia, $147,800,000 for Canada, $374,000,000 for India, $57,600,000 for South Africa and $4,900,000 for the Straits Settlements, or a total of $751,200,000. This would bring the gold stock of the allies up to $2,682,100,000 by the United States authorities, against $1,075,000,000 for Germany as estimated by the Dresdner Bank.

"In connection with this phase of the situation we must remember that England is now enjoying without competition of Continental buyers the entire gold output of South Africa, which, allowing for the decline in production which has occurred in the Rand mines for the last year and a half, should aggregate $180,000,000 a year. Even should France secure part of this output it would be in the pot of the allies and so count against Germany."

Figures are not available for the other belligerent nations. But even if we suppose, for example, that the entire estimated loss from destruction of towns in a year, $1,000,000,000, would fall upon France alone, it will at once be seen how small an effect it would

have upon her total wealth as a nation. To emphasize this point, let us imagine a specific case. Suppose there is a textile mill at Amiens, capitalized at 1,000,000 francs. The stock is selling at the rate of 160, and the concern as a whole is in a thriving condition. Then the war breaks out. The mill is closed. Its stock drops to a nominal figure with the approach of the German troops. The soldiers, however, find nothing tempting in the mill and it is left unmolested. The war comes to an end, and once more the operatives are seeking employment, and textiles are in at least as great demand as they were before the war. The mill owners can borrow enough money on the plant to begin operations. At once the mill realizes profits and the stock goes up. Now the question is, what capital loss has taken place? From a fair business standpoint the property is exactly as good as it was a year earlier. And we must, by applying this same line of thought to the bulk of the capital goods of the belligerent nations, arrive at the conclusion that they will not be permanently or seriously depleted as a result of the European War.

THE PROPOSAL TO ESTABLISH A FREE PORT IN THE PORT OF NEW YORK

IN a recent memorandum to President Wilson, the Commissioner of Immigration has declared himself as favoring the establishment of a Free Port within the Port of New York. In taking this stand the Commissioner is supporting the campaign instituted by the Merchants' Association of this city during the Winter of 1913, and now being vigorously pushed along lines reinforced by careful study of the conditions involved, both in this country and abroad.

There appears to us to be on doubt of the potential importance to the United States of the economic principles underlying this problem, and they are obviously of special interest at a time when the possibilities of increasing the foreign commerce of the United States are receiving more searching consideration than at any time within the present generation. We propose, therefore, to set forth the commercial theory underlying the Free Port, and its applicability to New York conditions.

A Free Port is a zone in which the world's commerce may enjoy substantially all the advantages of free trade in a protectionist country. It is an area officially set apart, within or near an important harbor, where goods otherwise dutiable are permitted to enter without payment of duty, there to be stored without the expense incident to bonded warehousing; where merchandise, partly manufactured, may be finished and exported; where raw materials can be manufactured into articles for export; or where articles, manufactured or otherwise, can be transferred into different packages or containers and reshipped to new destinations. For example, a firm in the free zone of New York might import Panama hats, supply them with hat bands, put them in a salable condition and ship them to London; or a cannery might import fruit, sugar and cans, put up canned fruit, and ship the finished product to England without involving the complicated drawback on all three component elements.

The principal existing example of the Free Port is at Hamburg. The development of the institution of that port is of historic interest. Hamburg was one of the members of the Hausa League of free towns which did so much to make possible a healthy commerce during the fourteenth century, when the heavy duties levied by the numberless small States and principalities greatly reduced the profits of merchants. In 1871 Hamburg joined the German Empire, but remained a Free Port. In 1888 it was deemed advisable by the Government to incorporate Hamburg in the Zollverein, or Customs Union, but the advantages of the Free Port seemd too great to be given up. As a result, the actual port and the warehouses connected with it, covering an area of nearly 2,700 acres, half land and half water, were not included in the Union. The Free Port establishment, comprising practically the entire harbor of Hamburg, was shut off from the mainland by canals and floating palisades at a cost of $30,000,000, of which the Imperial Government contributed one-third.

Under this system the trade of the port has flourished to a remarkable degree. The following figures from the Statistical Abstract of the United States show the trade of Hamburg compared with that of London for the years 1910 and 1913:

FOREIGN TRADE OF HAMBURG AND LONDON.

	Imports.	Exports.	Total.
1910.			
Hamburg	$872,629,975	$661,480,532	$1,534,110,327
London	1,110,828,205	643,014,124	1,753,842,329
1913.			
Hamburg	1,096,550,183	864,229,672	1,960,779,855
London	1,164,769,445	702,161,337	1,866,930,782

It will be observed that the total trade of Hamburg exceeded that of London in 1913, and it is well to remember that the two ports are competing on substantially equal terms; for London, while not a Free Port in the technical sense of the term, is essentially a Free Port because of the fact that Great Britain is a free trade country.

The German Port of Bremen is another example of the Free Port, although it has not been granted the privilege of manufacturing within the free zone. In both these ports the development of port tonnage has been very rapid. The number of ships cleared from Bremen increased with rapid strides. The substantial figure of 4,953,164 tons was reached in 1912. The record of Hamburg is, of course, far greater. The average annual number of ships cleared between 1871 and 1890 was 2,207,760. The number in 1912 was 13,837,076. The tonnage cleared from the Customs District of New York during the same year totalled 13,549,138, although New York is comparatively free from the keen competition which faced Hamburg in its successful fight for the largest foreign trade in Europe. In connection with tonnage figures it is well to bring out a vital point in the development of all ports, namely low docking charges, such as are possible only in free ports. In this connection we quote from the able pamphlet written by Mr. Philip B. Kennedy, of New York University, who made a special study of the Free Port problem in Europe at the request of the Merchants' Association of New York.

"What makes a cheap ocean route," says Mr. Kennedy, "is primarily cheap terminal expense. The Interstate Commerce Commission, in the case of Western Traffic Association v. The Atchison, Topeka and Santa Fe Railway, 24 I. C. C. 570, decided June 6, 1912, presents the results of a study of the integral costs of water transportation between New York and Galveston, a distance of 2,200 miles. They assigned 60 per cent of the cost to charges incident to docking a vessel, and 40 per cent to the cost of ocean transportation.

"What a Free Port does is to cut down this major item in the cost of ocean transportation, the 60 per cent which goes to terminal cost. It does it, first, by quick service which releases the heavy capital investment in ships and cargo, and makes a rapid turnover possible; it does it, second, by freeing quick capital which may be tied up due to customs regulations; and it does it, thirdly, by cutting down operating costs in the way of handling, due to large scale and specialized terminals located at the crossing of the ways for transportation."

The financial results of the Free Ports, Mr. Kennedy adds, have

been satisfactory to the State as well as to the companies themselves. The State of Hamburg has made on its investment, from 1889 to 1906, 3.5 per cent; from 1906 to 1909, 5.5 per cent, and a somewhat higher return since that time. The shares of the company paid 5 per cent from 1889 to 1905, 5.5 per cent from 1906 to 1908, and were paying 6 per cent in 1913.

We are now in a position to consider the possible application of the Free Port principle to our own country. That there is need of it is the opinion of Mr. Frederic C. Howe, whose memorandum to President Wilson we referred to above. Mr. Howe states that the countries which have substantially free trade do the bulk of the world's carrying trade. He goes on to say:

"They are England, Germany (through her free ports), Belgium, Holland and Denmark. The great bulk of the carrying trade is done by Great Britain. Every country shipped to her ports for clearance, for here there were no obstructions, obstacles, or tariff barriers to interfere with traffic.

"In recent years Germany has competed with Great Britain for the carrying trade of the world. And she has been able to do this through her free ports. By this means a free counter is provided across which goods can be exchanged and transshipped to other destinations.

"America cannot hope to establish herself as the clearing house of the world until cargoes exist with which to fill ships' bottoms. For ships must not only be filled going and coming; they must be able to change their destination and do a tramp trade. As it is now we have cargoes of raw material for Europe and some outgoing and incoming cargoes to South America and the Orient. But our protective tariff prevents the importation of European wares and compels a large part of the transatlantic shipping to go empty one way.

"In addition to this obvious advantage from the recreation of our shipping, the diversion of trade to American ports would cheapen the cost of living. It would aid other businesses, for periodic surpluses of goods would accumulate which would find their way into the country, and would place near at hand many materials needed in industry."

Mr. Howe takes a broad view of the subject, and we are inclined to agree with his position and to believe that anything that can be done to benefit our commerce should be done without waiting for it to manifest signs of degeneration and decay. The tendency of the New York press when the proposition was first put forward appears to have been one of scepticism as to the need of such efforts as would be required to consummate so large a plan. And it is undoubtedly true that the figures covering international trade do not seem to give ground for immediate alarm. The Statistical Abstract of the United States gives the total foreign commerce of the three leading ports as follows, the latest available figures for New York being for the year 1913, and those for Hamburg and London being for 1912:

New York, $1,966,256,617.

Hamburg, $1,960,779,855.

London, $1,866,930,782.

Nor if we turn to home competition do we find the position of New York to be dangerously declining. In 1911 the value of imports into the Port of New York exceeded those of her nearest competitor, Boston, by $874,995,249, and in 1913 by $901,721,178, while New York's exports exceeded in value those of Boston in 1911 by $1,466,013,616, and in 1913 by $1,750,104,509.

We cannot, then, say that the foreign commerce of New York is in a critical position. Let us next see what direct savings would be presumed to result, first in the matter of drawback. As is generally known, when dutiable merchandise is imported into the United States and later exported, usually after being put through some process of manufacture, 99 per cent of the duties paid are refunded. In 1913 the Government paid out in this way over $4,500,000, of which $2,879,000 was recorded at New York. If a Free Port were to be created there would then result to such manufacturers as took advantage of its facilities, a saving of the difference between duties paid and drawback. One per cent of the total amount paid would be $28,790. It is estimated by a custom authority that 75 per cent of this sum is paid by firms located within fifty miles of New York, who would probably take the chief part in a move to establish plants in the free zone. If they all came in they would be able to divide on annual saving of less than $22,000. It is pointed out, further that a considerable part of the drawback is paid on sugar, lead and tin, which is put through various processes in plants which represent a very heavy investment. And quite possibly it would not be found financially profitable to move them. It seems clear that the saving in connection with drawback, even taking into consideration the saving of interest on the principal involved, would be negligible in comparison with the cost of transferring the factories, and the large initial outlay necessary for the establishment of the Free Port. It seems clear, also, that the charges now made by the Government for officials to supervise the operation of bonded warehouses are not so great as to make their saving a really vital consideration to a business handling a hundred million dollars worth of goods annually. It is, of course, obvious that warehousing charges are made within the limits of a Free Port as well as without. And it would be necessary for the warehousemen to consider relocating their establishments within the free zone, or to face the possibility of suffering serious losses through competition with the new warehouses thus advantageously placed. Furthermore, it is possible that the Government would require the Free Port managers to stand the expense of the customs guards who would have to be maintained on the inland side of the free zone.

It would not, therefore, seem to us to be primarily the direct saving in customs routine which would induce the merchants of New York to advocate a Free Port. Mr. Kennedy lays, perhaps, too much emphasis on this point. For example, in discussing the absence of Free Ports in Holland and Belgium, he concludes, "The large percentage of goods duty free, the low tariffs, the small bonded warehouse business and the inconsiderable drawbacks explain why these countries feel that they have a need for a Free Port too limited to pay for an expensive equipment." Now these things do not sum up the case. The almost entire absence of tariff and drawback operations does not explain the greatness of British trade. That greatness is due primarily to the underlying excellence of the British credit system and the skill of British traders. The German commercial growth of the past generation was not due primarily to the machinery of the Free Port of Hamburg. It was due primarily to the skill and industry of the German merchants and manufacturers, aided in all ways by Government co-operation. And, the life blood being there, the absence of all hampering routine of course added tremendously to the development of those great commercial systems. It is on this basis that our belief in the Free Port movement for New York must rest. Many high authorities believe we are upon the threshold of a largely increased trade movement, because our financial system is adapting itself to such development. We cannot expect to win a permanent position in foreign trade merely because our more skilled competitors are for the moment disabled. But if we employ our immense facilities with skill, study the trade situation as the merchants of Europe have studied it, and then strike while the opportunity [illegible] to a degree which will never be seen again, there is [illegible]

lieve that a period of commercial greatness hardly hoped for may await us.

In such a development a Free Port would be of tremendous service. In facilitating trade it is something which the world of commerce understands and appreciates. "It has," as Mr. Kennedy well says, "a standardized 'good will' which has been proved by experience." As such the plan merits the careful study and active support of the country.

In closing, it may be suggested that there is no room in a movement of this kind for local jealousy. New York's natural advantages as a great commercial port have been sufficiently demonstrated by the results. If other ports desire the Free Port privilege, and can obtain the funds required, let them approach Congress on their own behalf. But national interest cannot be subserved by opposing a plan to render greater the world's greatest port on the ground that local records would be damaged thereby. Finally, it may be well to remind those who are approaching this subject for the first time that a highly intelligent and able body of men have given the local application of the Free Port principle the most scientific attention. A competent engineer has pronounced the physical conditions of the Port of New York suitable for the location of a Free Port. The best action which can now be taken is along lines similar to that which induced the Commissioner of Immigration to express favorable views to the President.

INDUSTRY, COMMERCE AND FINANCE

Revenues and Expenses of Railways in the United States for June.—A recent bulletin of the Bureau of Railway Economics states that for railways operating 226,224 miles of line, or about 90 per cent of all steam railway mileage in the United States, operating revenues for the month of June, 1914, amounted to $244,123,428. This amount includes revenues from freight and passenger traffic, from carrying mail and express, and from miscellaneous sources connected with rail operation. Compared with June, 1913, total operating revenues show a decrease of $10,309,159. Total operating revenues per mile averaged $1,079 in June, 1914, and $1,135 in June, 1913, a decrease of $56, or 5.0 per cent. There was a decrease of 5.7 per cent in freight revenue per mile, and a decrease of 4.7 per cent in passenger revenue per mile.

Operating expenses, which include all the costs of maintaining track and equipment, operating trains, securing traffic, and of administration, amounted to $173,747,857. This was $5,728,228 less than for June, 1913. These operating expenses per mile of line average $768 in June, 1914, and $801 in June, 1913, a decrease of $33 per mile, or 4.1 per cent.

Net operating revenue, that is, total operating revenues less operating expenses, amounted to $70,375,571, which was $4,580,931 less than for June, 1913. Net operating revenue per mile of line averaged $311 in June, 1914, and $334 in June, 1913, a decrease of $23 per mile, or 7.0 per cent.

Taxes for the month of June amounted to $12,333,210, or $55 per mile, an increase of 9.3 per cent over June, 1913.

Operating income, which is net revenue from rail and auxiliary operations, less taxes, averaged $256 per mile of line, and in June, 1913, $284, thus decreasing $28, or 9.8 per cent. Operating income for each mile of line for each day in June averaged $8.51 and for June, 1913, $9.47. Operating income is that proportion of their

The operating ratio for June, that is, the per cent of total operating revenues absorbed in operating expenses, was 71.2 per cent, which is comparable with 70.5 per cent in June, 1913, and 68.5 per cent in June, 1912.

When the returns for the six months of the calendar year 1914 are compared with those of the corresponding months of 1913, they show a decrease in total operating revenues per mile of 6.4 per cent, a decrease in operating expenses per mile of 4.0 per cent, and a decrease in net operating revenue per mile of 13.1 per cent. This net operating revenue per mile decreased 21.1 per cent in the East, as compared with the corresponding period of the previous year, decreased 4.2 per cent in the South, and decreased 8.3 per cent in the West.

* * *

American Purchases of Artificial Dyestuffs.—The imports of artificial dyestuffs into the United States have been stationary for over five years, with a slight decline during the fiscal year ended June 30, 1914. The total average purchases from abroad of alizarin and coal-tar colors have been about $10,000,000 annually, but there was a drop in the year just closed to $9,500,000. The imports during the past three fiscal years ended June 30, with the share furnished by Germany, have been as follows:

	1912		1913		1914	
	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.
Alizarin and alizarin colors:						
From Germany.	5,373,087	$1,359,560	7,976,457	$1,797,086	2,593,758	$833,705
From all other countries	75,662	22,376	60,135	20,184	39,656	11,754
Aniline salts:						
From Germany.	4,252,143	337,035	4,545,798	337,832	2,768,191	202,722
From all other countries	548,276	45,671	418,569	32,461	316,276	20,006
Indigo:						
From Germany.	7,032,023	965,017	7,212,451	974,502	7,448,412	938,097
From all other countries	626,044	188,095	500,057	128,395	676,799	155,129
Coal-tar colors, all other:						
From Germany.	.....	5,757,052	.....	5,766,600	.....	5,065,537
From all other countries	.....	1,209,069	.....	1,338,684	.....	1,275,863
Total values:						
From Germany.	.....	8,418,664	.....	8,876,020	.....	7,940,061
From all other countries	.....	1,464,211	.....	1,519,724	.....	1,462,758

Note.—The statistics for indigo include imports of natural indigo from India, which average less than $100,000 worth annually.

The textile and other industries in the United States have been steadily increasing their consumption of synthetic dyestuffs, but the large increase has been supplied from the new and enlarged chemical works in the United States, the value of whose output was $7,350,748 in 1899, $10,912,224 in 1904, and $16,428,676 in 1909. This ratio of progress indicates that the American chemical industry is responding to the expanding domestic demands for synthetic colors. Adding the imports to the domestic production there was apparently a consumption in the United States in 1909 of over $25,000,000 worth of these articles.

* * *

The Production of Natural Gas in the United States in 1913.—The production of natural gas in the United States in 1913 was the greatest in the history of the industry, surpassing that of any previous year in both quantity and value. The total gas production in 1913 is estimated by B. Hill, of the United States Geological Survey, at 581,898,239,000 cubic feet, valued at $87,846,677, an average price of 15.10 cents per thousand cubic feet, as compared with a production of 562,203,452,000 cubic feet, valued at $84,563,957, an average price of 15.04 cents, in 1912, the increase being 19,794,787,000 cubic feet in quantity and $3,282,720 in value. Of this total product, about 32 per cent was utilized for domestic purposes, or 184,885,662,000 cubic feet, valued at $50,522,415, an average price of 27.33 cents per thousand cubic feet, and 68 per cent was utilized for industrial purposes, or 397,012,577,000 cubic feet, valued at $37,324,262, an average price of 9.4 cents. The industrial consumption includes gas used for both manufacturing and producing power.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

THE severity of the business contraction which has been brought about by the European War is making itself felt with the life insurance companies in the United States, in the form of an unprecedented demand for loans on policies. Even the panic of 1907 caused no such general recourse of policyholders to the accumulated savings represented by the reserves on their life insurance policies, in so far as those reserves are loanable to the insured. A marked feature of the present borrowing on policies, we are informed, is that a very much larger number of loans than ever before is sought by the smaller policyholders, those belonging to the class of clerks and similar employes. The smaller business men, also, are appearing in very considerable numbers. There is virtually none of the borrowing by rich or very well-to-do persons, desirous of taking advantage of the low prices of securities, in order to make a speculative profit upon the return of prosperity. This kind of borrowing was very noticeable at the time of the panic of 1907 and also in connection with the semi-panic of 1903. It was peculiarly irritating to the officers of the life insurance companies, because it emphasized for them the anxieties of the disturbed financial conditions, compelling them to some extent at least to sacrifice their own securities in an excessively weak market, in order that the least necessitous class of their policyholders might use the money to buy, perhaps, the very securities thus sacrificed, with a view to making money on them. As things now are, however, there is little disposition on the part of anybody to take money which is safe, for the purpose of investing it where it may show a very considerable shrinkage before the final adjustments of the huge military expenditures and the great economic losses of the belligerent countries in Europe shall have taken place and some idea can be formed of the price which capital will command for the next generation.

Nor is there much indication now that policyholders of what may be called the middle groups,—i. e. having neither very small nor very large policies,—are borrowing on these policies for the sake of buying automobiles or of obtaining any other kind of luxuries. For a decade past this kind of borrowing has not merely irritated, but shocked everybody having to do with life insurance. Inasmuch as life insurance has become what it is in this country through the cultivation of the instinct of duty towards the family, always exposed to the possibility of becoming suddenly dependent as a result of the death of its money-earning head, it has inevitably seemed to earnest men engaged in life insurance a flagrant abuse of unintended opportunity and essentially a breach of trust towards the policyholder's nearest and dearest, for him to diminish the protection provided for these in the event of his death and their helplessness, in order that he may gratify a mere desire for pleasure or satisfy an impulse of idle vanity. There is little trace of these motives, however, in the present borrowing on life policies. Stern reality has taken the place of cheerful and irresponsible optimism in the minds of the great mass of Americans with moderate incomes. Their last thought nowadays is of mortgaging the future for the sake of a present gratification. In fact, the greater part of them have either nothing at all or else are forced to put up with greatly reduced incomes. The necessary severity with which business enterprises have reduced their staffs to fit the business they are doing has left great numbers of even the better salaried employes without any regular income at all; and the smaller independent business men are compelled to adopt the greatest economies and to gather together every available resource, in order to keep their heads above water. It is from these necessities that the present insistent demand for loans on life insurance policies arises.

Nowhere has the abuse of life insurance policy loans been more sharply criticised than in the columns of this paper; and nowhere have the unanswerable arguments against this abuse adduced by the most far-seeing representatives of life insurance been more sympathetically received. It has, however, been suggested more than once by us that perhaps the extraordinary growth of life insurance in this country, particularly marked in comparison with the relatively very slow growth of savings banks in recent years, has been in no small part due to an instinct in the average man that he may not improperly look upon the accumulating loan value of his policy as savings which he hopes not to be compelled to draw upon, but which he is justified in drawing upon, in case of real need for money during his own life. In other words, the doubt has more than once occurred to us whether very large numbers of persons in the United States (and their prospective beneficiaries also) have not substituted for the old strict conception of life insurance as the fulfilling of a duty to the possibly dependent family, a decidedly more flexible conception of it as a combination of savings (to be drawn upon, if need be) and of family protection. And, as has been said above, it has seemed to us possible that the very growth of life insurance among us, far outstripping anything known in any other country in the world, is an evidence of the correctness of this conclusion.

It is, of course, undeniable that very serious problems are created for the officers of life insurance companies by this turn of affairs. The trouble is not so great if the cash premium income of a given company is sufficient to meet death losses and management expenses, and still leave enough cash to provide for the policy loans called for. If, however, it becomes necessary to sell out the securities, or any part of them, in which the reserves called for as cash loans are invested, then the difficulties of the officers of the company begin. The very conditions which have brought about the demand for policy loans have also brought about a severe decline in the market value of securities. In almost every case when securities are sold out on such a market as now exists there will be a substantial loss as between the price originally paid and the price realized. Then the question arises as to the allocation of this loss. The problem is exceedingly complex, not so much in respect of the mere accounting, as in respect of the fundamental equities. But to discuss it would be out of place here.

Fortunately, so far as we know, none of our American life insurance companies have yet reached the point of having the calls upon them for policy loans exceed the balance of free cash, over and above death losses and management expenses, derived from their premiums. As yet, they have been able to treat these loans as fresh investments, of course absolutely safe, so far as the companies are concerned, and yielding a rate of interest much above that obtained from their investments in securities. It is only in case the economic disturbance of the world should be prolonged beyond what seems humanly possible, that the problem stated above will become a vital one for the companies. It is, however, a problem to which they should be giving serious consideration even now. It is remotely possible that the proper solution and handling of it might become a matter of life and death to the companies.

THE HEALTH OF THE EMPLOYE

An Argument for the Physical Examination of Industrial Workers

By William Hall Coen, M. D.*

WERE any employer of labor to be asked which he would prefer to employ, a well man or a sick man he would undoubtedly consider that he had been asked a nonsensical question and, if he replied at all, would probably state that he would not employ a sick person if he were aware of that person's illness.

Were the same employer asked, however, "How many of your employes are in good health and able to give you their best work?" an answer might not so readily be forthcoming, although in either instance the query would be much the same in intent and purpose if not in actual wording.

Still another and pertinent question might be asked. Is it advisable for you as a manufacturer to maintain a system of medical supervision over the health of your employes, and should you by chance succeed in employing only those persons in good health is it for your best interests to take measures to insure if possible the continuation of this state of good health during employment?

This last question I have asked of several employers in your industry and I have received several different sorts of replies. Some have stated that they believed that this work might be taken up with material benefit to themselves and their employes. Some have flatly said, "No, it cannot be done." Others have said substantially this: "When we have provided well-lighted, sanitary factories for our employes and have paid them the best wage consistent with the industry, we feel that our responsibility ceases and that any other work directed toward the betterment of the health or other condition of the employe should have its place without the mill and should not concern the mill management." Such a statement as the last quoted has been made to me by men for whose judgment and sagacity I have such respect that I would hesitate to set forth my personal opinion against theirs were it not that from my own experience I have become convinced that the medical supervision of employes is advisable and that it can be made an economical procedure, of advantage not only to the employer but to the employe as well. I am strengthened in my belief by the fact that the plan is now successfully carried out in certain lines of industry.

That this phase in the relation between the employer and employe has been given thought by a former president of your association is shown in the following quotation taken from the address of your president in September, 1912, who said at that time: "Another plan of work which is being suggested and carried into effect by some of the larger corporations is the system of resident nurses, the object being to put in each mill a competent woman who will watch closely the physical condition of the women and girls in the establishment with the idea of advising them how to live wisely. It would probably not only pay the corporation from a money point of view, but will undoubtedly enable the corporation to perform a duty which perhaps many of us have overlooked."

I feel that it is almost unnecessary for me to do more than mention in passing the good that is to be had through an observance of the principles of factory sanitation, for to a manufacturer who fails to recognize and follow out these principles any appeal directed toward the betterment of the health of employes must be made in vain. It is highly probable that to-day the greater number of manufacturers recognize the advantages that come through the maintenance of clean, well-lighted, sanitary factories in which the comfort of the employe is carefully looked after. People work better under conditions of good light and cleanliness and it has been found that more and better goods are produced in factories where such conditions obtain than in similar establishments where work is carried on under lower standards of sanitation. So well are these facts recognized that modern factories are designed so as to utilize to the best possible advantage all available lighting areas, and to provide for every modern appliance of mill sanitation. All this, however, is not done because of sentiment, but for the very good reason that it pays, and pays well.

It would also pay, it seems, to people these factories with employes in good health capable of giving their best efforts through each working hour of the day and to provide for their continuance in good health by a carefully planned and carefully carried out system of medical examinations and inspection.

In giving my reasons in support of this belief, I wish it to be clearly understood that it is no purpose of this communication to associate conditions of ill-health in employes with the process of manufacturing cotton. Your industry, in this country, gives employment to approximately 500,000 persons and the natural occurrence of disease among this number of people would be sufficient cause for you to employ methods of medical supervision without reference to any hazards the industry may or may not possess.

Statistics on the causes of mortality among cotton operatives have been collected and published and have been used as the basis of criticism directed against you, but I cannot find that your association or any other association of the textile industry in this country has so far concerned itself as to gather accurate information concerning the vital statistics of that very important factor in your scheme of production, your employe. You have ample and carefully collected data relating to other details of your business, but you have passed by a field which might well be cultivated with profit, and have left for others the collection of facts concerning a subject with which through your own efforts and out of your own experience you could be fully and accurately informed.

Neither is it my purpose to outline or discuss in this paper any phase of the so-called welfare movement directed toward the betterment of conditions under which persons labor and live. I wish solely to point out to you why you can interest yourselves in the health of your employes to your own advantage and to the advantage of the people working for you.

The delay in the recognition of ill-health and the causes of ill-health among working people is due to several causes. Among these causes are:

(a) The lack of sufficient appreciation on the part of business men of the health of employes as a factor in industrial efficiency.

(b) The absence of a systematic supervision of the health of employes while at work.

(c) A lack of knowledge on the part of employes concerning the maintenance of their health, and the prevention of disease.

That the average manufacturer has failed, apparently, to consider the health of his employes a factor in the efficiency of his business, is shown when the conditions prevailing in the average factory is considered. A manufacturer builds his mill with due regard to economy of space and places in it machines designed to produce at the lowest possible cost the materials for which they are intended. That these machines may be kept at the highest point of efficiency a force of mechanics is maintained who quickly adjust any irregularity in their action that work may go on as far as possible without interruption. For the work of the machine carefully selected material the product of other machines, is prepared,

*An address before the semi-annual meeting of the National Association of Cotton Manufacturers, Lenox, Mass., October 1, 1914

and then, when all is ready the machine is useless unless there is some one at hand who is skilled in its use. And this some one must constantly watch the machine to see that it does its work properly and to remove from it the finished product. The employe in charge of the machine must be alert and on the watch for broken ends or imperfections, correcting each fault as it comes to his notice when it is possible for him to do so.

In other words, the efficiency of any machine rests upon the efficiency of the person operating it. You can speed a machine to its limit, but the material passing through will suffer if the person in charge is careless or inattentive, and time will be lost even though the imperfections in material may later be removed or repaired. This carelessness or inattention of the employe may be due to causes over which you can have no control and which no amount of work on your part could remove or anticipate. On the other hand, this carelessness or apparent inattention may be due to causes which you can remedy when you have found their cause.

Many instances have come within my personal notice in which the need for the medical supervision of employes was made apparent. The following instance illustrates what might have been avoided had a system of medical examination been in force in one cotton mill. In a certain mill where cotton cloth was made there worked at one time side by side three girls. These girls are now dead and the death certificate of each was signed "tuberculosis." It appears that while two of the girls were in good health there came to work beside them a third who was not well and had a cough, but who was not so ill but that she could manage in some way to get through her day's work. This girl continued at her employment for some months and then left her work, dying from consumption shortly afterward. It was not long before the two girls who had worked beside her showed symptoms of the disease, and were eventually obliged to leave their work. Both of these girls died of consumption undoubtedly contracted from the girl who had the disease when she entered the mill. How many others there were who were also infected there is no way of knowing, but it is not at all improbable that other persons were infected from this source.

These three girls were at the time they were obliged to leave their work, trained employes in a process requiring a considerable deftness of hand and quickness and accuracy of sight. To fill their places other employes had to be secured and taught to do the work. All this took time, and for the while the work at hand had to suffer until the new employes had become as proficient in the work as those who had left because of sickness. I will not attempt to estimate the monetary loss to the mill or to the community because of the loss of these workers. Those who have studied the monetary value of the worker in early adult life place this loss at a high figure, and no account is taken of grief, suffering or family loss, although when these enter our own experience they are by no means a negligible quantity.

The fact that these girls died from a preventable disease may not concern you, but the fact that two of the girls developed the disease in the mill and that through loss in efficiency and death the mill suffered a financial loss, must concern you.

That the situation just described may present itself in any mill or factory, may be understood by giving attention to the situation relative to tuberculosis in a state where registration statistics are available.

In the ten years, 1900-1909, about 64,000 persons died from tuberculosis in Massachusetts, and at the present time tuberculosis in all its forms causes about one-ninth of all the deaths in the State. The disease prevails in young adults and seems to associate itself with those who have failed to recognize and adopt the better standards of living.

It has been estimated that there are at present some 35,000 persons in Massachusetts ill with the disease.

Tuberculosis, however, by no means represents the only cause of ill-health possible in employes. Other organic diseases and physical defects are present in the mill employe as well as in the mass of people at large and correspondingly affects his capacity for work. Physical defects increase materially the hazards involved in any occupation. An epileptic in one of his seizures is liable to fall into moving machinery; an employe with a hernia may aggravate this affliction through strains in lifting. The employe with diseases of the heart is susceptible to heat, exposure or sudden exertion. Employes suffering from varicose veins may develop varicose ulcers or infections through slight abrasions, and a deaf employe is particularly liable to accident. Defects in eyesight or partial blindness may become total blindness from an accident to the good eye. Contagious diseases may spread from one employe to another.

Another cause for the examination of employes lies in the situation now arising out of the workmen's compensation laws. These laws have considerably increased the value of physical examinations because of the removal of the employe's responsibility for the accident, and the inclusion under the law of diseases both of an occupational type and of acute types that may develop from physical exposure during employment. In Massachusetts the Industrial Accident Board has defined as a "personal injury," "Any injury or damage or harm or disease which arises out of and in the course of the employment which causes incapacity for work and takes from the employe his ability to earn wages."

This definition of "personal injury" has been upheld in a decision sent down by the Supreme Judicial Court in the case of Johnson vs. London Guarantee and Accident Company, Ltd. In this instance an employe, seventy-two years of age, a paint grinder by occupation, became unable to withstand the influence of the poison due to lead constantly introduced into his system, the result leading to his inability to work. Here it was held by the court "Under the act 'personal injury' is not limited to injuries caused by external violence, physical force, or as the result of accident in the sense in which that word is commonly used and understood, but under the statute is to be given a much broader and more liberal meaning."

This decision is wide reaching in its importance, for although in this instance the injury arose from the effects of a mineral poison, it was nevertheless the result of the employe's occupation on his bodily health.

Similar opinions have been handed down by the Industrial Accident Board of Massachusetts, some of which have been appealed to the Supreme Judicial Court, while others have been uncontested.

In the case of Black vs. Travelers' Insurance Company, adjudicated by a committee of arbitration, an employe in a furniture factory received an injury to his ankle which arose out of and in the course of his employment. Some time later he became incapacitated for work, and three months from the time of his injury died of tubercular meningitis. It was held that the injury was a predisposing cause of the disease, and the widow was allowed compensation for a period of three hundred weeks at a rate of $8.25 per week.

Two facts showing the importance of the medical examination of employes appear in this case. In the testimony before the committee it was shown that some two years before the date of the injury, the man had suffered from a condition generally associated with tuberculosis. It was also shown that the injury, a fracture

at the ankle, was neglected by the patient as he appeared not to recognize its nature, and that for two weeks after the injury he continued at his work until compelled to quit because of pain.

Under a proper system of examination of employes such an occurrence as that noted should have been prevented. The injury perhaps could not have been foreseen, but had the man been a sufferer from tuberculosis his condition would have been known, and he would probably have been placed under suitable treatment outside the factory. With a competent physician at hand the injury to his ankle would not have gone unrecognized for two weeks

For an injury to the ankle received by a young woman while at work in a cotton mill, and which resulted in a tubercular affection, compensation for total incapacity for work has been awarded in a recent case settled by an arbitration board. This case was not further contested after the award was made.

Compensation has been awarded by a committee of arbitration for pneumonia resulting from colds and exposure, arising out of and in the course of employment.

In the case of Herrick vs. Employers' Liability Assurance Corporation, Ltd., compensation was awarded because of the death of an employe from strangulated hernia following an injury arising out of and in the course of employment. In this case it appears that the employe, a heavy man, had a fall on December 18, and on January 25, had another fall. On January 26, the employe was treated for acute indigestion, and remained home for a week or ten days and then returned to his employment and worked for two weeks or more, calling a physician on February 11, who afterward found a hernia on March 3 or 4. In this instance had a system of medical examination been in force in the factory in which the man was hurt, the injury which afterward resulted in his death might have been discovered and suitable treatment given.

In the case of Hurle vs. American Mutual Liability Insurance Company, compensation to the amount of $3,952 was awarded, because of total incapacity for work caused by loss of vision.

In this instance the employe's loss of vision was attributed to certain noxious gases which caused degenerative changes in the optic nerve.

Here again it would seem, an efficient system of medical inspection and examination would have anticipated the loss of sight.

In each of the cases quoted one question comes to mind.—What was the physical condition of the employe before he became ill or was injured?

Because of the interpretation which has been placed upon the meaning of "personal injury" if for no other reason, it would seem not only practicable, but necessary, that an employer should know the state of health of each of his employes. An initial physical examination at the time of employment or periodic examinations during employment would undoubtedly serve to prevent certain diseases and various types of accidents by affording the employer the warning of the employe's weakness. This procedure would undoubtedly minimize accident hazards, and where there existed a latent diseased condition, would prevent the condition from becoming acute.

Such an examination would also serve to prevent the infection of one employe by another. The liability of the employer for such a type of injury is suggested in the case of Hood vs. Maryland Casualty Company, 206 Mass. 223. This was a suit by an insured against the insurance company under a policy which was to insure the plaintiff against any accident suffered by an employe "in and during" the operation of the trade or business described in the policy. An employe contracted glanders while working in a stable which had been occupied by horses which had glanders. He sued the present plaintiff and recovered; the plaintiff sought reimbursement under the policy. The court held that the accident came within the policy.

This case is cited because it has recently been used in a brief submitted to the Industrial Accident Board where claim was made that an employe had become afflicted with a disease communicated from a fellow employe during employment. Because of the financial inability of the plaintiff to collect proof of injury the case was not decided. The plaintiff in this case was at the time of his injury an employe in a cotton mill.

The value of examinations as a means of detecting physical conditions in employes that render them unusually susceptible to disease or industrial injuries, has been recognized in a general way for some years. In certain lines of employment, such as steam railways, a complete physical examination of all new employes responsible for train operation is now standard practice, and this practice is gradually extending into other industries. Many large establishments which have as yet not taken up actual examinations of employes have provided for their first care in accident through hospital rooms or dispensaries in the factories, while other establishments have employed nurses in order to maintain a better standard of health among their female employes. Other large establishments have taken up the physical examination of applicants for employment and have provided for the periodical examination of employes during service. In one establishment in Chicago, in which some 8,000 persons are employed, and in which for some time a careful system of medical supervision has been carried out, the standard of health and resultant efficiency among the employes has been markedly increased. The physician in charge at this establishment states, "This work has raised the standard of health of our present working force to a very high degree. In tuberculosis alone we have reduced the number of tubercular cases occurring among our old employes over 80 per cent, as compared with five years ago. The employes look very kindly upon our efforts to safeguard their health. Naturally, at first, they were a little dubious as to the real reasons for this safeguarding; but as their confidence in us has increased, so also has the opportunity for helping them."

Representatives of other establishments in which this plan of medical supervision is carried out have expressed themselves as satisfied that it is an economical procedure.

In a recent conversation with the management of a corporation employing in this country some 65,000 people, I was informed that although the company already provided for the first aid treatment of injured employes, it contemplated going still further and was about to carry into effect a system of medical examination of employes for the reason that they felt such a procedure to be both practical and necessary.

If any member or group of members of your association should consider it practicable to establish a system of medical supervision the following results might be reasonably looked for:

(a) The health of the working force of the factory would be protected by the elimination of sources of infection.

(b) The physical deterioration of employes would be prevented by the early detection of disease and the immediate institution of measures directed toward treatment.

(c) Unnecessary financial loss to the employer should be prevented through the recognition of any slow growing reduction of the working power of employes through disease

(d) Personal injuries should be prevented through a knowledge of an employe's weakness to any hazard.

(e) A higher standard of the entire working force might be achieved through a system of individual and general instruction having as its object the increase of the resisting power of employes

below grade and the preservation of the health of those below normal condition.

The establishment of a system of medical examination and supervision in your factories presents no difficulties not easily overcome. Any such plan, however, should be carefully worked out with reference to the needs of each establishment or group of establishments, for several small factories in a community might combine in the work to good advantage. Too much should not be attempted at first, the change has been slow in coming and time should be taken to work out details carefully under the direction of a competent person. The work should result not only in a betterment of the health of the employe, but also in a better understanding between the employe and his employer. The work should also pay in dollars and cents because an establishment in which the standard of health is high should command a better insurance risk than one in which the standard is poor or indifferent. I have had it stated to me by an official of one of the largest liability insurance companies doing business in Massachusetts that there should be no expense connected with a well thought out and carefully conducted system of medical examination in any factory, because such a system would undoubtedly pay for itself in the reduced cost of insurance given to such an establishment.

The reasons for the medical examinations of employes as outlined in this communication while addressed to you as cotton manufacturers have equal reference to conditions in any establishment in which people are gathered together under the factory system.

THE RESPONSIBILITY OF A LIFE ASSURANCE COMPANY FOR THE ACTS OF ITS AGENTS

By Robert Thodey, F. I. A.*

(Continued from Page 335.)

Assuming the legality of the business it is proposed to write being beyond dispute, we may now further consider the agent in his capacity as a writer of new business, and ask in what degree the office employing him is responsible for his acts when obtaining completion of the proposed form by the prospective policyholders.

There are two sets of circumstances often alleged in connection with proposals—(1) that the agent misrepresented the contract, and (2) that the agent filled up the proposal incorrectly. As will easily be seen, both may be alleged in one case, but it is proposed to deal with them separately.

Misrepresentation of the terms of the contract has been a common ground for action against insurance companies. How serious its consequences may be can be gauged from the fact that one company (the Artisans' Free Home Assurance Company, alleged as one reason for its downfall, "Litigation instituted by certificateholders on acocunt of representations, or statements alleged to have been made by agents of the company, which, if made, were in contravention of the company's prospectus and instructions."

Some ten or twelve years ago a good many cases occurred in connection with the bond investment companies, which were then causing considerable scandal in England on account of the rash promises made. These bonds were issued promising, on certain conditions, loans after policies had been in force for some years, and, from their terms, evidently lent themselves to misrepresentation. Plaintiffs desiring rescission of contract on the ground of misrepresentation by agents met with varying fortune, some of the companies having been careful to insert in their proposal forms clauses such as:

"I hereby declare that the answers made by me to the above questions are true, and that I have made myself acquainted with the terms of business of the company contained in the above-mentioned prospectus (a copy of which I have in my possession), and that this proposal is based upon the terms, statements and representations written or printed upon it, and in the said prospectus, and upon no other."

One form of proposal had printed on the back:

"No application can be entertained excepting under the terms of the prospectus, and the usual bond conditions. The company will not be responsible for any verbal statements made by any person."

About the same time that the bond investment companies were in trouble, two assessment companies operating in England also had to face considerable litigation. One of the companies issued forms of contract which the House of Lords concurred with the Court of Appeal in describing as "tricky" (Foster v. Mutual Reserve Fund, 1904), and approved the rescission of the contract. Following on this case, in which misrepresentation by the agent does not appear to have been alleged, there were others in which the plaintiffs were successful on the ground that they had been deceived by the agent. In one case (Mack v. Mutual Reserve, 1905), the company accepted responsibility for letters written by their agent. In another case (Scar v. Mutual Reserve, 1905), the plaintiff was late in protesting against the increase of premiums, and, although rescission was allowed, mainly on the ground of the extreme difficulty of understanding the documents put forward by the company, he was not allowed costs.

A case decided in America (Clements v. Life Insurance Company of Virginia, 70 S. E. Rep. 1076, Supreme Court of North Carolina), shows that a policyholder alleging misrepresentation on the part of the agent must take prompt steps to assert his rights, and must not continue to pay premiums and so acquiesce in the terms of the policy. (A long extract from this interesting judgment appears in Volume XII, Transactions of the Actuarial Society of America, pp. 276 7.) In another case decided on the same day by the same judge (Briggs v. Life Insurance Company of Virginia), the policyholder "was unable to read, and the agent read the policies to him, misreading them in so doing. The court held that the plaintiff had the right to depend on the agent to read the policies correctly to him, and that if he did not so read them, the company was liable for the fraud." Both these decisions strike the reader as dictated by sound common sense.

Before passing on to the next section it is necessary to refer to the case of Kettlewell v. Refuge (1907), 2 K. B. 242; (1909) A. C. 243, which caused considerable comment at the time. It hardly has a direct bearing on the point under discussion, as the misrepresentation arose after the policy had been in force twelve months, and, moreover, was made not by a canvassing agent, but by a superintendent. As, however, it is a class of misrepresentations an industrial collector might easily make, it is important to allude to it here. Briefly, the plaintiff, after paying premiums for a year, proposed to discontinue, but was induced to continue on the superintendent's representation that if premiums were paid for five years she would be entitled to a free policy. This representation was untrue, to the knowledge of the person making it, and the plaintiff secured a refund of premiums paid since the date of the misrepresentation. The case went to the House of Lords, but the decision of the court below was affirmed without comment. One would have liked to have seen all the documents connected with this case, since it appears from the Board of Trade returns that the Refuge did, at the time the policy was issued, grant free or paid-up policies in respect of adult industrial assurance five or more years in force. The policy was, possibly, on an infantile life.

In connection with misstatements and irregularities appearing in proposals, it is necessary to remember that the peculiarity of

his height and weight incorrectly in the proposal form, and that he did not know they were wrong, while the agent of the company did know! On appeal the company was successful, the judgment containing the following:

"The finding of the jury in answer to the second question was preposterous, and could only be explained by the fact that the plaintiff was a poor man and the defendants were a rich corporation. To suggest that the agent knew that the height and weight inserted in the proposal form were incorrect, while the plaintiff did not, was absurd. If any one was likely to know the plaintiff's height and weight it was the plaintiff himself."

In some States in America, in which it is customary to annex a copy of the application to a policy, the question of the company's responsibility should an agent fill up a proposal incorrectly can hardly arise. There is a case directly bearing on this point (New York Life v. Fletcher, Supreme Court of the United States, 117 U. S., 519), in which it was pointed out that the policyholder had every opportunity of finding out the fraud which had been perpetuated not "only upon himself, but upon the company," and it was "his duty to make the fact known to the company. * * * The retention of the policy was an approval of the application and its statements."

Some attempts have been made in America to hold the company responsible where incorrect answers have been given to the medical examiner and the proponent has afterwards informed the agent of the errors, the contention being that the knowledge of the agent is the knowledge of the principal. In at least two appeals (Nettie Butler v. Michigan Mutual Life Insurance Company, and Mallen v. National Life Association) the companies were successful, it being held that what passed between the proponent and medical examiner was no concern of the agent as agent of the company.

When discussing the effect of misstatements in proposals we are reminded of an older case than Biggar v. Rock Life Assurance Company, viz., that of Bawden v. London, Edinburgh and Glasgow Assurance Company (1892, 2 Q. B., 534), in which inaccurate statements inserted in a proposal by the agent led to the company being held liable under the policy. These two cases have appeared hard to reconcile, but an examination of the report of the older case shows that the proponent was illiterate, and almost unable to read or write, although he could sign his name. This fact alone seems sufficient to explain the different decisions, for it is a matter of common knowledge that more than usual care is necessary when dealing with illiterate persons. But if a man of education and intelligence claims that he signed a proposal without reading it the courts would presumably only in very exceptional circumstances allow him to repudiate responsibility for his action. Business otherwise would be quite impossible.

A recent case, however (Thornton Smith v. Motor Union Insurance Company, Limited), has again raised doubts whether companies are free from responsibility when the agent inserts misstatements. The plaintiff, who had made numerous claims on another company in respect of a motor car policy, was told by that company to take his business elsewhere, and insured with the defendants. He informed the agent of defendants of his previous experience, but the first proposal reached the company with the questions re previous insurance answered in the negative, while the proposal in respect of another motor car was signed in blank. Both policies were held to be valid. (See J. I. A., Vol. XLVIII, pp. 199, 200.)

All policies are subjected to conditions. These conditions may sometimes be waived, or the terms of the contract altered, by agreement with the company. As a general rule the agent has no power to alter a policy or any conditions therein. From time to time,

however, we come across agents who are foolish enough to take upon themselves the responsibility of allowing the assured to exceed the days of grace, a practice which is fraught with so many dangerous possibilities that nearly every policy form contains a distinct condition notifying the assured that in this respect the agent's authority is non-existent. The proper observance of days of grace is important in industrial business—(1) because of the necessity for upholding the policy contract, and (2) to ensure the accurate calculation of the agent's earnings when the "maximum-debit" system prevails. One industrial policy form which has come under my notice contains the following as a condition: "No agent is authorized to make, alter or discharge any contract, or waive any forfeiture."

As in every other case in which the agent intervenes, attempts are made from time to time to show that the agent's action is a waiver of some policy condition, but the legal difficulties in the way of proving such contention are considerable, for it is one of the general rules of evidence that "when * * * any contract * * * has been reduced to the form of a document or series of documents, no evidence may be given * * * of the terms of such contract * * * except the document itself. * * * Nor any the contents of any such document be contradicted, altered, added to, or varied by oral evidence" (Stephens' Digest of the Law of Evidence, p. 95, edition of 1893). It is possibly to emphasize the existence of this rule, and to take full advantage of it, that some companies notify on their policies that they contain the whole contract between the parties.

A very interesting paper entitled "The Four Parties to Waiver," was read before the International Association of Accident Underwriters, Ontario, Canada, 1905, by Mr. Shepherd Bryan. [Extracts from this paper are reprinted in the "Insurance Record" (London) for the same year, pp. 404-5.]

The question of the authority of an agent to extend time for the payment of premiums was considered by the Supreme Court of Mississippi in the case of the New York Life Insurance Company v. O'Dom (56 So. Rep. 379). The policy here contained a stipulation that no agent was authorized to waive forfeitures, etc., but it was sought to bind the company on the ground that its agent (in this instance a cashier employed at a branch office) had agreed to accept two days after the expiry of the days of grace a dated-back cheque. The Court of Appeal, holding that the policyholder had received full notice of the cashier's inability to bind the company in the way suggested, gave judgment for the company. A local case now fairly old apparently decided on the same ground, is O'Mara v. National Mutual Life Association (1892), 4 Q. L. J., 121.

In another case (Slocum v. New York Life Insurance Company, U. S. Supreme Court, 288 U. S., 364) portion of a premium due was paid to the agent, a form being left with the policyholder's wife to enable him to create a lien on his policy for the balance. This document was not signed by the assured before his death, and the company successfully disputed its liability on the ground that the payment of the premium had not been properly completed. As against this, however, we have an Australian case (Equitable Life Assurance Society v. Bogie, 1905, 3 C. L. R., 878) in which the "company, after arranging to advance a policyholder a sufficient sum to pay overdue premiums," was held "bound to treat the premiums as paid, even before a proper security was given over the policy." It is, of course, possible for the company to waive a condition in its policy relating to payment of premiums by neglecting to insist on the premiums being paid on the dates or within the time stipulated in the policy, and in Slocum's case the court alluded to the fact that the policyholder was enjoying a contract the terms of which had been modified by the company's practice.

The author of the paper "The Four Parties to Waiver" quotes another rather important case, decided by the Supreme Court of Georgia in 1902. The plaintiff had effected an accident policy, and had, at the instigation of the agent, as he alleged, omitted to state in his proposal form that he was suffering from a physical infirmity. The policy contained a clause exempting the company from liability due to such infirmity and also a stipulation that "no agent has power to waive any condition of this policy." It was held, on the company contesting its liability to pay on the assured meeting with an accident, that he could not recover as the agent had no authority to waive the condition regarding physical infirmity. This decision is the more interesting as it has a direct bearing on the responsibility of the office for the acts of its agents in withholding information that should appear in the proposal.

As all well-conducted life offices set their faces rigidly against any interference with the existing business of a competing office, there is not much necessity to refer at any length to the subject of "twisting." The practice, it is to be feared, exists to a somewhat large extent in industrial assurance, usually on the agent changing his company, although, necessarily, it is very hard to obtain satisfactory proof. The "transfer," as it is called, of a policyholder from one industrial company to another is made an offense by the English Collecting Societies and Industrial Assurance Companies Act of 1896, unless the policyholder transferred gives his written consent and the company to which he is being transferred gives prompt notice to the company from which he is being transferred. From time to time cases occur in the courts in which agents, and sometimes the companies themselves, are fined for non-compliance with these requirements of the Legislature.

Similar legislation would probably be a benefit in Australia, although some companies have lately been taking steps to minimize the evil by requiring their agents to agree, as a condition of their employment, that they will not approach any policyholders of the company they have left with a view to policies being effected in another company, and these agreements have been upheld by the courts as not being sufficiently in restraint of business to warrant their interference. An agreement of this nature, to be readily efficacious, requires the nomination of a sum of money to be recovered as liquidated damages. It is not worth while dragging an unsatisfactory agent through expensive Equity Court proceedings to obtain redress.

(To be Continued)

BIG AND LITTLE COMPANIES COMPARED AS TO LOSSES AND EXPENSES

[We have been favored with the following interesting communication from a Western correspondent, who, although desirous of remaining anonymous, has made it possible for us to check up the tabulation appearing at the end of the article. The figures are from a compilation for 268 stock fire companies, as of December 31, 1913, published in Best's "Insurance News," March 15, 1914, pp. 171-175.—Editor.]

THE following table shows the loss and expense ratios of six groups of fire insurance companies arranged in the order of total amount of assets reported December 31, 1913. The figures are for the year 1913. The total number of companies in this compilation is 268. The smallest companies—those having assets less than $500,000—form by far the largest group, while the largest companies—those having assets in excess of $10,000,000—comprise the smallest group.

Both as to losses and expenses the largest companies seem on the whole the most fortunate of them all. No other group can boast

such a low loss ratio, and only one other—the group having assets between $5,000,000 and $10,000,000—claims a smaller expense ratio, and the difference is very slight.

The smaller companies have the largest loss ratios. The difference between the average loss ratio of the smallest companies and the largest is nearly 10 per cent. The decrease in the loss ratios is quite consistent from the smallest companies to the largest, there being but one exception, i. e.—in the group of companies having assets between $1,000,000 and $2,000,000.

It would seem that the smallest companies are so far as straight underwriting is concerned a losing proposition. The sum of their average loss and expense ratios is nearly 103 per cent of the premiums written. On the other hand the largest companies have the greatest underwriting profit apparently, the sum of the losses and expenses being but 91.3 per cent of the premiums written. For some reason the companies having assets between $2,000,000 and $5,000,000 have a combined loss and expense ratio greater than either group just above or below.

Number of Companies Reporting.	Having Total Assets of	Total Premiums Written.	Total Losses Paid.	Total Expense.	Ratio Losses to Premiums.	Ratio Expenses to Premiums.
90 less than	$500,000	$7,435,403	$4,614,960	$3,032,093	62.1%	40.8%
54 less than	1,000,000	16,992,193	9,487,143	6,602,564	55.9	38.9
59 less than	2,000,000	39,457,041	20,859,555	15,621,435	52.9	39.6
35 less than	5,000,000	62,334,734	34,504,763	25,135,437	55.4	40.3
18 less than	10,000,000	66,962,910	36,052,855	25,973,041	53.8	38.8
12 more than	10,000,000	105,813,292	55,292,931	41,235,868	52.3	39.0
268		$298,995,573	$161,112,207	$117,601,438	53.9%	39.3%

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Employers' Liability Insurance in Great Britain in 1913.—A recent issue of the "Post Magazine and Insurance Monitor," of London, makes it possible for us to give a summary of the results of employers' liability (workmen's compensation) insurance in Great Britain in 1913. Of particular interest to American readers are the evident efforts of the British companies to supplement the increased rates that it has been found necessary to charge by a rigid holding down of expenses and commissions. The grand total of premiums collected in 1913 amounted to £3,554,392, as against £3,114,827 in 1912, an increase of £439,565, or 12.36 per cent, a large part of which must undoubtedly be due to an actual increase in premium rates charged rather than to any increase in total payroll insured, since 1913 was distinctly a year of depression and slackening trade, rather than one of great activity with its corresponding boom in numbers employed and wages paid.

Expenses of management show a marked falling off in 1913 both from the previous year and from the five year average of 1908 to 1912. The percentage of premiums consumed by the expenses of management was, in 1913, only 19.59, as compared with 21.46 in 1912 and 22.11 for the five years 1908-1912. The percentage of commissions paid to premiums earned appears to remain practically static, although here too a tendency toward reduction is to be noted. The percentages for 1913, 1912, and the five years 1908 to 1912 are, respectively, 13.51, 13.76 and 13.77.

American underwriters will be glad to see workmen's compensation insurance in Great Britain at last on an apparently sound foundation, with a margin on the right side of the balance sheet. It will not do, however, to lose sight of the long struggle, involving the reduction of expenses to absolute rock bottom and the constant increase of premium rates charged, before this happy consummation was accomplished. Even now the total underwriting profit on six years of hard work and risk incident to establishing a tremendous new branch of the insurance business in England is only 1.37 per cent of the total earned premiums of that period.

We give below what the "Post Magazine and Insurance Monitor" has to say of the results for 1913:

* * *

In our last annual review of the results of employers' liability insurance in the United Kingdom we had the qualified satisfaction of recording, for the first time since the Workmen's Compensation Act of 1906 came into force, the emergence of a perceptible profit from the volume of business regarded in the aggregate. This year it is gratifying to be able to point to a surplus from the operations of 1913 sufficient to wipe out the accumulated deficiency of the preceding five years and to encourage the hope that in future there will be some return to the companies less disproportionate to the risks assumed and the exacting work undertaken. * * * The approximate outcome for the whole period, 1908-13, with the separate totals for last year, is as given below:

	1913 £	1913 %	1908-13 £	1908-13 %
TARIFF COMPANIES.				
Claims	1,369,689	50.51	8,182,933	61.00
Commission	361,920	13.34	1,804,905	13.46
Expenses	561,408	20.70	2,906,146	21.66
	2,293,017	84.55	12,893,984	96.12
Profit	418,889	15.45	520,041	3.88
Earned premiums	2,711,906	100.00	13,414,025	100.00
NON-TARIFF COMPANIES.				
Claims	530,154	62.93	2,982,122	71.61
Commission	118,386	14 05	612,037	14.70
Expenses	134,781	16 00	849,300	20.39
	783,321	92.98	4,443,459	106.70
Profit	59,165	7.02	—279,213	—6.70
Earned premiums	842,486	100.00	4,164,246	100.00
TOTALS.				
Claims	1,899,843	53.45	11,165,055	63.52
Commission	480,306	13.51	2,416,942	13.75
Expenses	696,189	19.59	3,755,446	21.36
	3,076,338	86.55	17,337,443	98.63
Profit	478,054	13.45	240,828	1.37
Earned premiums	3,554,392	100.00	17,578,271	100.00

In comparing the results of the last two years the improvement in the claim ratio of the tariff offices is very noticeable and will be found distributed pretty generally throughout the offices. It has made possible a profit of 15.45 per cent on the annual premium income, in succession to one of 8.16 per cent, and a favorable margin of nearly 4 per cent on the premium income of the six years. It is evident that the associated offices have turned the corner, but it will not be safe to rely upon the ratio of profit being maintained, as the cost of claims is almost certain to increase. There is also the risk, invariably present when premium rates are temporarily on a profitable footing, that some companies will break away from the tariff and undercut in order to secure additional business, when the bad experience of the earlier years will be repeated. Hence the results of the past twelvemonth can only be

regarded as affording a respite, a breathing space before the struggle starts again. It is therefore satisfactory to note the tendency, especially observable among the tariff offices, to retain a substantial amount as a special reserve in addition to the provision for outstanding claims and unexpired risks. These extra reserves may quite possibly be needed, as some conservative companies are still suffering from the fact that reserves made a few years back have proved inadequate. Where profits are wisely kept in hand in the shape of additional reserves there will be a protection against the first shock of a rising claim ratio, and it is to be hoped that the experience will be so watched by the tariff association that, as soon as the business shows signs of again becoming unprofitable, rates may be raised without delay.

A very satisfactory improvement is also being exhibited by non-tariff offices, which have still, however, as a class, a large amount of loss to make good. Having only just succeeded in making ends meet in 1912, they disclose on the present occasion a profit margin of £59,165, or 7.02 per cent—an encouraging result, but to be viewed in relation to the fact that, whereas in the six years they have collected upwards of four mililons sterling in premiums, the business has shown a loss of over a quarter of a million.

Combining the tariff and non-tariff figures, the gain of £478,-054, which has rewarded the efforts of the past year (as against £202,591 in 1912) has sufficed to convert a prior loss of £237,226 for the five years into a profit of £240,828, or 1.37 per cent on the total earned premiums of £17,578,271. There lies probably before the offices a period of diminished income, due to falling trade consequent on the war. Some employers may be inclined to carry their own risk in the bad times which threaten, especially in those industries where the hazard is lightest and the business to the companies correspondingly profitable. The withdrawal of young and able-bodied men from many trades, caused by the vigorous recruiting which is going on, may tend to enhance the risk of insuring those left behind, as older and less active men will be employed in greater proportion than usual. Finally, the fact that the companies have begun to make a profit will excite pressure for a reduction of rates. This pressure should be firmly resisted, or the business may easily slip back into its former unsatisfactory condition, and a very short period of adversity will suffice to wipe out altogether the attentuated margin of 1.37 per cent, which is all the recompense that, according to the fairly close approximations we have made, the community has so far afforded the companies for their arduous labors in distributing equitably a heavy burden.

* * *

Analysis of Deaths by English Life Company.—Any statistics dealing with life assurance which will give a true insight into its science, says the "Review," of London, should be welcomed. The work of Dr. Byron Bramwell, chief medical officer of the Scottish Union and National Insurance Company, is warmly to be commended. He has published annually for eight years, an analysis of the deaths in his company. His report for 1913 is now before us. * * * Dr. Bramwell, in an explanatory note, says: "It must be remembered that an analysis of deaths only deals with one aspect of the subject: to make the investigation exhaustive and complete, the particulars of each proposal and the result of each proposal accepted by the company, whether terminating in death or not, would have to be analyzed. This, both from a medical and actuarial point of view, would be a very large undertaking; but it is hoped that the more limited investigation which has been attempted in this analysis may, more especially if it is carried on for a series of years, be of real and substantial value." We find that five great system are responsible for the majority of the deaths, viz., digestive, 17.98 per cent; circulatory, 17.71 per cent; nervous, 16.62 per cent; respiratory, 13.9 per cent; urinary, 10.08 per cent. Curiously enough, senility comes next, and this has been consistent throughout the years of investigation.

* * *

Part IV of New York Insurance Report.—Superintendent Hasbrouck has issued Part IV of the annual report of the New York State Insurance Department covering financial returns of the Fraternal Beneficiary Orders or Societies, Co-operative Town and County Fire Insurance Companies and Assessment Life and Accident Insurance Associations for the year 1913. The statistical tables and abstracts printed in this volume are based upon the department audit of the annual statements of the various companies and associations included therein. It also includes detailed statements for that year of the above classes of insurance organizations now being liquidated by the department under the provisions of section 63 of the insurance law.

A general summary of the report is shown by the following comparison of the results of the business of 1912 and 1913:

FRATERNAL BENEFICIARY ORDERS.

	1913.	Increase.
Assets	$132,961,600	$11,437,228
Liabilities	17,464,151	1,119,341
Received from members	81,103,039	731,721
Total income	83,790,347	2,144,858
Claims paid	65,721,192	1,620,847
Total disbursements	76,731,995	2,304,548
Total insurance in force	6,200,034,879	37,044,327
Insurance in force in New York State	612,343,794	*835,433

*Decrease.

In conenction with the above stated "liabilities" of fraternal orders, attention is called to the fact that at the present time fraternal orders carry no statutory policy reserve, which accounts for the large excess of "assets" over "liabilities."

CO-OPERATIVE FIRE CORPORATIONS.

	1913.	Increase.
Assets	$1,057,587	$18,527
Liabilities	932,577	43,875
Received from members	1,830,889	*28,150
Total income	2,231,552	*11,069
Claims paid	1,356,347	26,161
Total disbursements	2,218,181	40,640
Total insurance in force (all in New York)	522,272,775	11,229,831

ASSESSMENT LIFE AND ACCIDENT ASSOCIATIONS.

Assets	$3,787,170	$95,077
Liabilities	2,078,093	*10,647
Received from members	2,665,619	13,830
Total income	2,949,123	*87,220
Claims paid	2,050,753	*184,669
Total disbursements	2,583,204	*136,753
Total insurance in force	92,161,038	382,655
Insurance in force in New York State	60,904,838	*621,356

*Decrease.

The issue of Part IV closes the department report covering the financial operations and condition, as shown by the audited annual returns, of each of the various classes of insurance corporations reporting to it, of which there are more than 650.

Part V. The miscellaneous volume of the report, now being printed, will contain abtracts of all reports of examinations of companies made by the department during the year ending July 1, 1914, Court of Appeals' decisions, Attorney General's opinions, rulings of the Superintendent of Insurance, amendments of 1914 to the insurance law, circular of fees and taxes charged insurance corporations by the various States, and other matters of general interest to the insuring public.

INSURANCE NEWS IN THE WEST

Prospects for Northwest Fire Underwriters' Meeting.—Next week comes the Northwest meeting, the big event of the year in

Western fire insurance circles. In years past it has been the custom of Western managers to invite their field men into Chicago at this time, and some of them have made the week of the meeting the occasion of a general round-up. For several years past, there have been certain managers who did not instruct their field men to come in, but rather gave them to understand that it would be more agreeable to the management if they continued at work. This year the number of those who did not write to the field men about the Northwest meeting is said to be larger than usual. Managers are not to be censured for considering the time and expense of attending these meetings. In the old days the Fire Underwriters' Association of the Northwest was the big one among a comparatively few organizations. Now nearly every State has its fire prevention association or a field organization, or both, to say nothing of the ponds of the Blue Goose, and the number of days in each year that the field man who is active in organizations gives to them is really quite large. While the Northwest Association still has its educational value, agencies of this character have multiplied to such an extent that it no longer holds the distinctive position in this respect that it once did.

It is forecast that B. L. West, assistant Western manager of the Insurance Company of North America, will be elected president of the Northwest Association. His chief competitor for the honor is W. A. Blodgett, vice-president of the American Central. Both are fine men, but Mr. Blodgett appears to have turned some votes away from himself through a reference to the "T. & T. Club" in an address he delivered before the association several years ago. While the reference was facetious, this implied accusation of getting out on Tuesday and coming home in Thursday and calilng it a week's work, seems to have struck some of the field men where they are sensitive. The refernce has been mentioned during the campaign now closing.

* * *

War Clouds in Western Automobile Circles.—Troubles in the automobile insurance business in the West, which have continued for some time, appear about to come to a head. Whether the result will be war or peace the next two weeks are likely to determine. Half a dozen companies or more, which are not members of either automobile conference, have been issuing fire floaters at a rate lower than that charged by the conference companies for marine floaters. The marine coverage is so much broader that it certainly is entitled to a higher rate. However, there are many owners of cars who do not want to pay for being covered against perils of transportation and other hazards which the marine form covers. Large numbers of these have been buying the cheaper fire floaters and the conference companies have seen much business getting away from them, especially business on new cars. The Eastern Automobile Conference has shown no inclination to ignore this competition, but the Western Conference has at last reached almost the end of its patience, and a few days ago it received the approval of the Eastern Conference to open rates on October 15, unless an understanding can be reached with the outsiders. A meeting has been called for the latter part of this week, at which a committee will be appointed to visit the Western managers of these companies and make at least one more effort to settle the differences by pacific methods.

* * *

More Signs of the Federation Movement.—W. S. Diggs, of Cincinnati, president of the Insurance Federation of Ohio, stated last week that he had received invitations to visit nine different States and participate in the organization of federations. He did not expct to accept them, however, as he cannot afford the time, and it is expected that the manager of the National Association of Casualty and Surety Agents will take up this work. The manager has not been appointed yet, but there apepars no doubt that the executive committee will carry out the expressed wish of the association and name one as soon as provision has been made for financing the office for a sufficient time to justify the right kind of a man in accepting it.

* * *

Superintendent Small on Agents' Licenses in Ohio.—Superintendent R. M. Small, of Ohio, has just issued his annual report. In it he makes a number of recommendations for new laws or amendment of present ones which would give the Superintendent much greater power in dealing with agents. The Ohio law, like that of many other States, provides only for the licensing of agents of foreign companies. The result is that if any agent of such a company loses his license for disreputable practices, he can promptly make a connection with an Ohio company, if one will atke him, and snap his fingers at the Superintendent. In order to get their agents under State supervision, Mr. Small would have the law changed to require the Ohio companies to secure licenses for their agents also. In addition he asks for an agents' qualifications act and for more authority to cancel licenses.

After his report was in print a case came up which illustrated the need of just such laws as he recommends. The casualty department of the National Life, U. S. A., filed complaint with him that its former salaried district manager at Akron, after resigning, had undertaken the systematic twisting of its business to the Columbus Mutual Life, with which he had become connected. Mr. Small had a hearing on the case on Monday and from the remarks he is reported to have made, it appears that he considered the charge fully substantiated. However, he could do nothing more than appeal to the Columbus Mutual to discharge the agent, or threaten to make trouble when it seeks its renewal of license next year, if it refuses to accede to his request. A man who recently visited Mr. Small's office, says he has a stack of complaints against industrial accident agents, and that a large part of his time is taken up in investigating them.

* * *

The Compensation Rate Situation in the West.—The new workmen's compensation rates for Illinois have created quite a stir in Chicago. Some of the agents are not pleased with them by any means. They are lower in certain cases than local experience seems to justify. Furthermore, the reductions on certain classifications cause the assured to feel that they have been greatly overcharged in the past. At least that is what they claim as the reason for turning the cold shoulder on brokers. These rates are computed by the new system, the basis being secured on experience and then modified by the State differential worked out by the actuarial committee of the Workmen's Compensation Service Bureau. It is to be expected that they will not be subject to the great fluctuations that have occurred in the past.

In Michigan, where new rates also have been promulgated, mutuals are reported to be endeavoring to make capital out of the reductions, claiming that the stock companies charged too much until they were "found out" and then reduced the rates. It does not appear, however, that this attack is having much effect, as Michigan employers, aside from a comparatively few large ones, have not shown much friendliness to mutuals.

In Minnesota there is complaint because the new rates, which it is known are coming, have not appeared as soon as they did in some of the neighboring States.

La Salle.

Chicago, October 2, 1914.

FINANCE AND COMMERCE

Financial and Commercial Review.
Banking Situation at Home and Abroad.
Statistics of Cotton and Coffee.
Market Prices of Securities and Commodities.

TWO months after the outbreak of the general European War what are the conditions which bankers and business men find? The answer has to be made up of a mass of facts and considerations taken in detail, but the general conclusion which forces itself is that the American economic position is to-day much better than might have been expected.

How much improvement there has been in the international money market is conjectural. That there has been some is proved by the sharp recovery in our export trade in the latter part of September. This recovery would not have been possible unless monetary conditions permitted the outward movement of goods and commodities to be satisfactorily financed with cash payment on the nail to American shippers who could not afford to take a chance with the buying power of foreign markets. The whole problem of international finance is complicated by our huge capital debt represented in the vast European holdings of American securities, but up to a certain point the international money market can become very favorable to us without regard to the question of the securities market, and if it does become so favorable the question of meeting European liquidation of American securities will be less troublesome to solve.

Just now we are engaged in trying to discharge our actual balance of indebtedness on current account. There is a rough agreement of all estimates that we owe something like a half billion dollars abroad which is due and payable in or through London, but the indications are that settlement of this debt will be rapidly effected. Although our inward and outward foreign trade will be a shrunken aggregate for a long time to come, there is certainly a widening gap between imports and exports in favor of the export trade and trade bills are supplying exchange which is going to help materially in discharging our foreign obligations. Quite apart from that the country is giving through its bankers unmistakable evidence of its purpose and ability to use gold to any reasonable extent in meeting foreign obligations.

After something like $130,000,000 gold had been exported from the United States from the beginning of the year to the early part of August, New York bankers arranged to ship $80,000,000 gold if necessary in the New York City loan operation, and the success of the country-wide banking subscription to the $100,000,000 gold fund was this week assured. Here, in all conscience, is a sufficient surrender of gold in one year to encourage European finance, especially British finance, to do its utmost to restore the customary processes of the international money market to an extent which would enable the American banking and business community to maintain solvency by providing for it the credit instruments through which international transactions in goods and securities are ordinarily conducted.

Furthermore, the portents of the London money market are such as to suggest that with the encouragement given to foreign confidence in our position, it will not be long before London will be forcing credits upon us for employment. Funds promise to become a drug in London, thanks to the adoption of numerous emergency measures conducive to a present plethora of money whatever the developments of the future may be, and the high going rates of interest here compared with the falling price of money in London must suggest to foreign lenders the existence of an excellent American opportunity for the profitable use of credit. So far foreign exchange quotations have not been significant of anything more than the dreadful shock which the war has administered to the whole financial structure of civilization. Rates continue unprecedentedly high, and such fluctuations as have taken place recently around $5 for sterling have not denoted any distinct trend. It may be that developments in the war are a necessary precedent to any distinct change in the character of the international money market, but it would seem that in time anyway our sacrifice of gold, that is of the reserve basis of credits which could be used to great advantage in domestic trade, must, together with our merchandise and commodity exports, give us a foreign credit balance.

It is a hopeful indication that there is more adequate appreciation of what our foreign trade opportunities consist in. To increase external commerce permanently, however, the American merchant, the American manufacturer and the American banker have got to go in for economic fitness and achieve competitive ability to a degree that has not been exemplified in our past. It is a question, also, if American finance has not neglected too much the opportunity which the war has offered to established dollar exchange as a medium for international payments and it might not be a bad thing if British finances should fail to see the desirability of making less strain on our resources than that to which they have been subjected. If we should be thrown back on our own resources, if national defense of our neutrality compels us to become aggressive, American ingenuity and enterprise may be entirely adequate to setting up the United States as banker for the world.

Still, it might be pointed out in this connection that while our eyes are opening to many new facts there are rampant delusions which interfere with perfect vision. Of such is the campaign for the exclusive purchase of "made in America" goods. This is all right so far as it means the encouragement of commerce and industry to supply those articles and staples of which the war has deprived us. It is all right also as a discourager of extravagant importations at a time when it is most desirable to build up a trade credit balance. It is all wrong if it conduces to any check on purchases abroad which will stimulate in turn the foreign consumption of goods "made in America."

Until the foreign exchanges become more comfortable it is not to be supposed that the domestic money market will manifest relaxation unless unwise efforts are made to inflate the supply of funds. The comparative stringency of the home money market is a protection against the tug which other countries are making through the foreign exchanges at our bank reserve basis of credit. For this reason it is somewhat disturbing that the Secretary of the Treasury has evinced the survival of some of those notions which threatened to make trouble last year when currency legislation was pending. Mr. McAdoo acted within his duties in directing attention to the excessive accumulation of reserves by some banks, but the good which his utterances might have done in promoting a recognition of the sound principles of banking in a time of strain and the impulse which he might have given to a freer proffer of accommodation was more than counterbalanced by his pretences to regulate the rate of interest and the recklessness with which he endorsed hallucinations about the relations of currency to credit as well as by the irresponsibility which he displayed in catering to the unpopular prejudice against money lenders.

It is rather distressing to find that the finance minister of the Government believes that bankers can charge more for money than it is worth. Nevertheless, Mr. McAdoo has probably learned another lesson in discovering that his assault on the New York banks for charging too high lending rates was without merit and his

fresh exploit in interference with the money market may not be without its useful consequences after all. Meanwhile, by naming the Class C directors the Federal Reserve Board has paved the way for an early organization of the Federal Reserve Banks and the inauguration of the new banking system will help us to mobilize our financial facilities far more effectively for all requirements than has been possible under the old banking system with its higher reserve percentages, its scattered reserve holdings, its utter lack of any real rediscount machinery and its sanction for accommodation paper instead of real commercial bills.

Rates for loans in this country to-day might be quoted at a 7 per cent minimum. The terms which are being arranged for public borrowings, as by municipalities and corporations, together with the prices made for short term notes in the investment market all tend to establish this as the basic level for operations in credit. It goes without saying that such a price for money is not conducive to expansive business activity and represents necessity rather than opportunity. Much of the stringency of the money market results from the suspension of regular business in securities for which the restricted dealings for cash that are now permitted are not a substitute from the standpoint of the banker whose assets are locked up in call and in time loans on collateral security and in investments therein.

As yet there is no evidence that Stock Exchange reopening is at all imminent and the reopening of the cotton exchanges, which would make a contribution of relief to the banking situation, is still a matter of the future. Efforts to do something for cotton have not yielded anything substantial and it begins to look as though the South would have to absorb a heavy loss on its staple with only a moderate amount of outside help, but even in this regard much depends on nearby events which may cause relaxation in foreign exchange and an increase in foreign trade. It is not open to dispute that cotton next year will be worth much more than it is bringing at forced sale now, and if purchases could be financed spinners everywhere would probably hasten to protect themselves against a future shortage of cotton supply. So far as concerns other agricultural commodities nothing but higher prices are in sight, although for the moment banking restrictions impede the speculative undertakings which would discount advances. Agricultural convictions as to the outlook are manifested in the large increase of Winter wheat acreage which is reported.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Sept. 25, 1914			Week Sept. 26, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	[illegible]	[illegible]	[illegible]	634.1	2,223.7
Deposits (net)	[illegible]	[illegible]	[illegible]	494.2	1,930.2
Cash reserves	[illegible]	66.1	458.7	319.1	65.1	384.2
Reserve ratio (%)	[illegible]	13.5	20.5	[illegible]	13.2	[illegible]

Actual Status.

	Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both.
Loans	1,473.4	604.2	2,078.7
Deposits (net)	1,142.7	488.7	1,631.5
Cash reserves	241.2	67.1	311.5
Reserve ratio (%)	21.1	13.9	21.5

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	1914			
	Aug. 8.	Aug. 15.	Aug. 22.	Aug. 29.
Loans	[illegible]	[illegible]	[illegible]	[illegible]
Deposits (net)	[illegible]	[illegible]	[illegible]	[illegible]
Cash reserves	[illegible]	[illegible]	[illegible]	[illegible]
Other reserves	[illegible]	[illegible]	[illegible]	[illegible]
Reserve ratio (%)	[illegible]	[illegible]	[illegible]	[illegible]

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914	
	July 25.	Aug. 24.
Loans	[illegible]	5,029.5
Deposits (net)	[illegible]	2,170.1
Cash reserves	[illegible]	464.7

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	100.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913			1914.
	June 1-5.	Aug. 9-11.	Oct. 21-22.	Jan. 13-14.
Loans	692.3	692.5	700.4	667.2
Deposits	1,001.2	918.3	1,003.2	997.4
Cash, other reserves	465.5	440.6	449.5	470.2
Reserve ratio (%)	46.3	47.9	44.3	47.2

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913		1914	
	Oct. 21.	Jan. 13.	Mar. 4.	June 30.
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,057.0	6,111.3	6,268.6
Cash reserves	889.2	981.9	968.0	962.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.51	21.74	20.62	20.69

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week of	New York.	Outside.	Total.	New York.	Outside.	Total.
September 12	1,807	1,408	3,215	*876	999	1,856
September 5	1,124	1,211	2,335	1,083	1,251	2,334
August 29	1,619	1,151	2,755	.....	.....	2,065

*Five days.

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
Oct. 1	4½	4½	5½	8	8	8
September 24	3	4½	5¾	8	8	8
September 17	2½	4½	5¾	8	8	7

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	2,629,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Sept. 10.	Sept. 17.	Sept. 24.	Oct. 1.
Deposits	175,410	202,684	153,978	135,489
Circulation	[illegible]	[illegible]	24,202	24,974
Gold	[illegible]	48,129	51,073	52,926
Securities	112,[illegible]	132,171	133,414	111,551
Reserve ratio (%)	[illegible]	21.25	23.23	22.75
Discount rate (%)	[illegible]	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 9.	July 16.	July 23.	July 30.
Deposits	3,[illegible]19.2	1,2[illegible]8.9	1,343.5	1,331.0
Circulation	6,079.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	627.4	629.7	661.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 9.	July 17.	July 25.	Aug. 15.
Gold and silver	1,5[illegible]6.4	1,684.6	1,722.7	1,590.2
Loans and discounts	1,026.0	857.3	801.0	180.9
Circulation	2,1[illegible]2.0	1,994.5	1,8[illegible]8.8	3,881.9
Discount rate (%)	4	4	4	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	May.	June.	July.	August.
Loans on call	1[illegible]1	[illegible]	1[illegible]9	165.7
Loans other	[illegible]	[illegible]7.0	[illegible]	928.2
Deposits, demand	[illegible]	[illegible]0	[illegible]	
Deposits, other	759.3	[illegible]	[illegible]9	755.1
Circulation	[illegible]	[illegible]	[illegible]	[illegible]
Cash reserves	113.3	113.3	113.3	113.3

THE COUNTRY'S COMMERCE

	July		August	
Merchandise.	1913.	1914.	1913.	1914.
Imports	12[illegible] 1,227	$[illegible]5,[illegible]2	$[illegible]65[illegible]0	$[illegible]4,[illegible]0
Exports	1[illegible]0,[illegible]41	[illegible]2[illegible]5	11[illegible]37,[illegible]0	187,909,0[illegible]0
Specie				
Gold—Imports	[illegible]	[illegible]	[illegible]	2,024,894
Exports	[illegible]	[illegible]	1,191,[illegible]	18,127,617
Silver—Imports	2[illegible]	[illegible]	[illegible]	2,142,065
Exports	4,[illegible]	[illegible]	1,[illegible]	3,624,387

THE PRICE OF SILVER

The following are the quotations of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	21½
London	23[illegible]	23	23[illegible]	24	24	24

COTTON

October 3, 1914.

ALTHOUGH the cotton situation has the appearance, on its face, of remaining essentially unchanged, both in respect of those difficulties of the trade which still keep the cotton exchanges closed and also in respect of the anxieties of the cotton producers and those dependent upon the financial results obtained by them from their crop, there have been certain indications within the past week that the resumption of regular business is not so very far off. There is always danger of premature optimism in such a matter and it is easy to be misled by signs that later prove to have had no significance; but, on the other hand, it is the greatest of mistakes to pay no heed to the first faint evidences of the renewed operation of those underlying forces which in the long run will without a shadow of a doubt have their way in restoring the world's commerce in one of the chief necessities of life to its regular course. During the weary weeks through which the cotton trade has been passing, it has been somewhat too easy for many whose livelihood depends upon cotton to fall into the error of supposing that things can go on indefinitely as they have been since the outbreak of the European War. Unable to see clearly how the disturbed processes of finance and trade could be re-established and, if necessary, readjusted to the existing conditions, dealers in cotton who have suffered many losses and have become as a result inclined to despondency, have lost the art of discerning in the present the seeds of the future. The old formulas, immediate offspring of the cataclysm of war, occupy the minds of such, and they forget that after all the human race, with its needs, is infinitely greater than any nation or even group of nations. Interrupted though commerce be between the different parts of the globe, the population of the earth will be clothed, and clothed with cotton. Even war itself cannot prevent this nor long interfere with it. Even the belligerent countries cannot long hold off so imperative a necessity as this for themselves. It is obviously the case that not for a century have we had a war so completely involving the countries in which a great part of the world's industrial and financial initiative manifests itself; but commerce, as we know it, is mightier than armies and will be blocked only for a brief space of time by the exigencies of nations at war. Its courses cannot, to be sure, be changed in an instant, but from the moment of stoppage they begin to change; and almost before men know it, they are found to run not against but around the obstacles in their way. It may be, for example, that Germany and Austria will this year be isolated and hence unable to buy cotton or to spin it. Such consumption of the products of cotton as the populations of these countries normally show may be considerably diminished. But somewhere and somehow the cotton that these countries have hitherto been spinning will be spun again this year, and the products of it will be distributed to the markets that require them. Nor will this be long prevented by the disarrangement of international finance; in that field, too, the seemingly insuperable difficulties will be overcome and a way will be found for the manufacturer of cotton to get money for his products, wherever he may sell them. There is no industry, except the production of food, that is so hard to cripple and permanently restrict as is the cotton industry. No better illustration of this could be found than the fact that, according to the best information, the cotton mills of Lille and Roubaix, in France, of Mulhausen, in Alsace, and of the Western provinces of Belgium, are actually in operation at the present moment, despite the fact that they are actually within the fighting zone. But for the military usurpation of the railways, making it almost impossible to get cotton in or goods out, these mills would at this very time be running as fully as the available labor would permit. But these are, after all, not the particular hopeful indications referred to above. Chief among these may be put a returning confidence that the worst is over on the part of those most closely in touch with the manufacturing industry both in the United States and in England. The American spinners have been deeply discouraged until recently by reason of having on hand a large amount of high-priced cotton and of goods made from such cotton. The immediate reduction of their selling basis for goods would mean the loss to them of many millions of dollars; yet the distributors of goods have been insisting that the spinners must bear this loss in its entirety and sell their product on the new low basis for cotton. This meant trouble now and still greater trouble hereafter; for the spinners know that cotton cannot long sell cents per pound below its economic cost of production and yet that it is a long and expensive task to restore the prices of goods once marked down. But now that is happening which may give the spinners, rather than the greedy distributors, the better end of it; for large, indeed immense, orders are reaching us from foreign governments, particularly England and France, for blankets and other goods required for armies engaged in a Winter campaign. There can be no doubt that such mills in those countries as are equipped to make such goods already have their fill of orders, and yet the overflow to us is enough to remove some of our largest mills from the competition of the domestic market. From other directions also, as from the West made prosperous by the high prices obtained for its foodstuffs, our mills are beginning to receive abundant offers, giving them courage to demand sufficiently high prices for their goods. Other things become less formidable, when it is seen that the world's demand for cotton goods will no longer be stayed.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.05	.....	.....	.....	.....	.....
Low	9.60	.....	.....	.....	.....	.....
Close	9.90	.....	.....	9.90	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	9.00	9.00	9.00	9.00	9.00	9.00
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	32 points below January		
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May—						
High	.....	.....	.....	.....	.....	..
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
Opening, 12.30 p. m., Close	25 points over J-F					
Aug.-Sept.—						
Opening, 12:30 p. m., Close	15 points over J-F					
Sept.-Oct.—						
Opening, 12:30 p. m., Close	6 points over J-F					
Oct.-Nov.—						
Opening, 12.30 p. m., Close	4 points over J-F					
Nov.-Dec.—						
Opening, 12:30 p. m., Close	1 point under J-F					
Dec.-Jan.—						
Opening, 12:30 p. m., Close	1 point under J-F					
Jan.-Feb.—						
Opening, 12:30 p. m., Close	5.25	5.25	5.25	5.00	5.00	5.00
Feb.-Mar.—						
Opening, 12:30 p. m., Close	1 point over J-F					
Mar.-Apr.—						
Opening, 12:30 p. m., Close	3 points over J-F					
April-May—						
Opening, 12.30 p. m., Close	3½ points over J-F					
May-June—						
Opening, 12:30 p. m., Close	4 points over J-F					
June-July—						
Opening, 12:30 p. m., Close	2½ points over J-F					

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active delliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	8⅛	8¼	8⅛	8 1-16	8 1-16	8 1-16
Galveston	8⅛	8⅛	8	8	8	8
Mobile	8¼	8⅛	7⅞	7½	7½	7¼
Savannah	7⅞	7⅞	7½	7½	7½	7½
Charleston	8¼	7⅞	7½	7½	7½	7½
Wilmington	....	8¼	7½	7½	7½	....
Norfolk	8¼	8⅛	8	7¾	7¾	7¾
Baltimore	....	....	....	....	....	....
Augusta	8⅛	7⅞	7⅝	7⅝	7⅝	7⅝
Memphis	8⅝	8⅛	8⅛	8	8	8
St. Louis	8½	8½	8½	8¼	8⅛	8½
Houston	8	7⅝	7¾	7¾	7¾	7¾
Little Rock	8⅛	8⅛	8	7⅝	7⅝	7⅝

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	....	6.34	....	....
Good middling	....	....	....	5.86	....	....
Middling	5.55	5.55	5.55	5.30	5.30	5.30
Low middling	....	....	....	5.07	....	....
Good ordinary	....	....	....	4.11	....	....
Estimated spot sales	.....	5,000	5,600	4,100	5,000	4,300

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	447,659	450,344	424,947	160,192
Overland to mills and Canada	7,350	5,084	8,465	3,299
So mill takings, est., exclusive of takings from Southern ports.	75,000	75,000	75,000	45,000
Gain of stocks at interior towns	70,852	31,591	60,442	75,671
Brought into sight for week	600,861	562,019	568,854	284,162
Total Movement—				
Port receipts	1,919,758	1,651,041	1,752,513	450,567
Overland to mills and Canada	26,348	22,256	38,966	11,700
Southern mill takings	317,032	290,873	329,796	123,000
Stocks at interior towns in excess of Sept. 1	217,038	143,532	123,511	193,028
Brought into sight thus far this season	2,480,176	2,107,702	2,244,786	778,295

The total crop movement is respectively for 67 days, 65 days, 64 days and 63 days.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	148,565	837,137	114,738	80,306	231,008	113,414
New Orleans	27,286	79,382	48,435	13,899	34,506	54,935
Mobile	15,684	53,261	33,330	3,565	12,703	11,089
Savannah	106,294	373,604	111,586	31,336	86,348	46,121
Charleston	32,919	105,289	54,009	10,087	20,594	18,148
Wilmington	27,811	68,074	26,759	5,626	11,971	14,485
Norfolk	10,950	31,651	10,953	4,691	12,994	16,613
Baltimore	2,266	8,563	1,978	136	1,524	3,743
New York	.....	74	17,989	.....	50	72,231
Boston	656	1,366	3,279	47	1,517	2,890
Philadelphia	.....	36	3,298	.....	1,450	5,728
Newport News	.....	1,812	.....	115	7,724	.....
Brunswick	14,106	66,950	13,234	1,175	2,350	1,457
Pensacola	7,410	8,709	.....	.....	.....	.....
Port Arthur	.....	.....	.....	.....	400	.....
Pacific ports	10,749	20,640	.....	7,997	16,178	.....
Texas City, etc.	19,401	93,051	12,961	1,616	7,875	7,235
Jacksonville, etc.	847	2,914	495	1,596	4,715	233
Georgetown	.....	.....	.....	.....	.....	.....
Totals	424,947	1,752,513	455,048	162,192	452,567	368,322

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks
Brenham	1,542	18,651	1,537	1,228	1,444	5,394	556	3,958
Dallas	2,732	12,850	1,207	5,721	3,522	9,803	2,722	3,030
Shreveport	6,260	22,781	2,888	10,768	6,407	16,813	925	18,605
Little Rock	5,980	10,987	1,232	10,770	3,736	5,547	1,099	7,989
Helena	1,530	2,880	290	2,623	2,072	4,248	218	4,683
Vicksburg	1,016	2,102	579	1,826	823	2,160	282	2,300
Columbus, Miss.	1,766	4,880	1,267	2,735	665	1,662	75	1,643
Natchez	1,420	3,183	51	2,209	1,285	3,642	150	3,917
Memphis	21,666	41,326	8,949	30,804	19,568	38,934	6,045	38,086
Nashville	440	893	.....	798	.....	6	.....	6
Selma	9,325	39,941	7,738	7,016	7,547	27,055	1,627	21,388
Montgomery	11,919	47,059	7,769	15,805	11,250	38,924	3,375	36,149
Eufaula	994	7,373	1,524	1,887	1,384	6,087	1,077	4,104
Columbus, Ga.	3,670	11,415	2,750	6,726	3,580	13,117	575	9,852
Macon	3,792	8,224	3,607	838	3,137	8,040	203	7,215
Albany	2,551	13,886	2,204	2,280	1,917	9,809	421	12,891
Atlanta	13,093	21,422	8,522	7,958	1,656	3,176	1,216	1,611
Rome	3,081	8,482	2,271	4,038	2,083	3,975	1,656	1,627
Augusta	20,151	71,191	13,107	23,159	18,402	59,956	6,292	42,167
Columbia	2,160	16,232	2,160	.....	4,199	8,356	4,199	.....
Newberry	1,442	4,137	1,442	.....	714	1,466	714	.....
Charlotte	609	1,128	609	.....	471	634	471	.....
Raleigh	1,166	2,864	1,050	321	125	190	100	50
St. Louis	3,173	15,517	3,495	3,058	1,538	8,611	1,703	12,527
Houston	132,069	697,868	113,744	98,136	78,238	267,134	67,491	58,558
Meridian	617	2,955	617	3,142	798	2,502	135	3,383
Cincinnati	2,495	11,517	2,495	17,008	604	7,599	587	4,819
Yazoo City	293	2,199	293	4,508	1,762	4,348	140	5,086
Totals	256,849	1,198,956	192,697	265,362	179,297	558,207	104,354	305,635

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	162,466	144,993	31,635
France	83,468	82,462	.....
Continent	136,422	161,047	24,469
Mexico	200	117	1,803
Japan	4,614	10,749	7,997
Totals	387,170	399,368	65,904
Since August 1.			
Great Britain	463,824	455,664	59,731
France	188,245	183,603	5
Continent	357,165	549,496	57,296
Mexico	253	6,405	2,899
Japan	7,445	21,680	16,178
Totals	1,016,932	1,216,848	136,109

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	210,000	320,000	3,000
Since Sept. 1	423,089	709,823	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	4,250	7,787	5,000	15,750	500	.....
To Manchester	3,750	4,750	7,250	10,500		
To Continent	4,000	14,023	6,000	18,955	300	.....
To America	1,000	2,500	100	900	200	.....
Total exports	13,000	29,060	18,350	46,105	1,000	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	25,000	70,000	.....	.....
Exports to Great Britain	1,000	1,000	.....	.....
Exports to Continent	32,000	97,000	.....	.....
Exports to Japan and China	.....	31,000	.....	.....
Afloat in harbor	3,000	.....	.....	.....

Exchange, 1s. 4⅜.

Receipts exclusive of ——— American this week, —— this season; —— this week last year, 1,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	411,000	240,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses	31,000	19,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	3,000	.....	.....
Bremen	96,000	93,000	.....	.....
Havre	61,000	55,000	.....	.....
Other ports—Continent	26,000	18,000	.....	.....
Alexandria	125,000	.....	.....	.....
Bombay	245,000	.....	.....	.....
U. S. interior towns	265,362	265,362	.....	.....
U. S. ports	455,048	455,048	.....	.....
Afloat for—				
Liverpool	357,000	317,000	.....	.....
London	.....	.....	.....	.....
Continent	559,000	470,000	.....	.....
Afloat in Bombay harbor	3,000	.....	.....	.....
Coastwise to New York	12,000	12,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	2,718,410	1,953,410	.....	.....

Increase in general visible supply for the week. ———, against increase last year, 308,802. Increase in American visible supply for the week, ———, against 305,802 last year.

NOTE.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	2,244,786	.....
Total supply	3,576,926	.....
Less visible supply, American, to-day	1,953,410	.....
World's takings, American, to-day	1,623,516	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	.....
Receipts at United States ports to date	1,752,513	450,567
Total supply at ports	1,913,802	703,768
Deduct.		
Stocks at ports to-day	455,048	368,322
*Exports to date	1,228,848	149,109
Southern mill takings from ports	11,202	24,613
Burnt at ports	.....	.....
Totals	1,695,098	542,044
To Northern mills from ports	218,704	161,724
Overland to Northern mills	38,966	11,700
Total Northern mill takings	257,670	173,424
Southern mill takings	340,998	147,613
Total American mill takings, including Canada	598,668	321,037

*Includes ——— in transit between Southern ports and New York, against 12,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season	Week.	Season.
America	131,684	598,668	.....	.....
Great Britain	50,993	452,664	.....	.....
Continent	69,509	544,099	.....	.....
Mexico	117	6,405	.....	.....
Japan and China	10,749	21,680	.....	.....
Totals	263,052	1,623,516	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	61,000	64,000	15,000	16,000
Sales, American	48,000	38,000	11,000	10,000
Sales, speculation	2,000	6,000	.....	.....
Sales, exports	2,000	1,000	1,000	1,000
Forwarded	69,000	76,000	30,000	34,000
Imports, all kinds	52,000	40,000	6,000	22,000
Imports, American	46,000	26,000	3,000	4,000
Actual exports, all kinds	4,000	3,000	2,000	2,000
Stock, all kinds	487,000	411,000	829,000	815,000
Stock, American	339,000	246,000	535,000	511,000
Afloat for Great Britain, all kinds	357,000	357,000	15,000	.....
Afloat for Great Britain, American	313,000	317,000	20,000	.....

GOVERNMENT REPORT ON CONDITION OF THE COTTON CROP OF SEPTEMBER 25, 1914.

The Crop Reporting Board of the Bureau of Crop Estimates of the United States Department of Agriculture, has issued its monthly report on the condition of the cotton crop, estimating from the reports of the correspondents and agents of the Bureau, that the condition on September 25 was 73.5 per cent of a normal, as compared with 78.0 on August 25, 1914; 64.1 on September 25, 1913; 69.6 on September 25, 1912, and 68.5, the average on September 25 of the past ten years.

Comparisons of conditions, by States, follow:

	Sept. 25, 1914.	Aug. 25, 1914.	Sept. 25 1913.	Sept. 25 1912.	Sept. 25 Ten-Year Average.
Virginia	80	86	75	70	76
North Carolina	79	82	70	70	73
South Carolina	72	77	71	68	72
Georgia	81	81	72	65	72
Florida	81	83	78	65	71
Alabama	78	77	67	68	69
Mississippi	68	75	63	63	66
Louisiana	67	66	60	69	62
Texas	70	79	63	75	67
Arkansas	69	75	63	68	68
Tennessee	70	76	68	68	74
Missouri	72	72	64	72	75
Oklahoma	80	80	42	69	66
California	96	98	100	90	..
United States	73.5	78.0	64.1	69.6	68.5

Yields per acre indicated by condition figures, September 25, 1914; final estimates of yield per acre 1913 and 1912, and ten-year average and acreage planted 1914, follow. (In 1913 about one per cent of the planted area was not harvested; in 1912 about 1.4 per cent.)

	Yield Per Acre (Pounds, Lint—			10-Year Average	Acreage 1914.
	1914, Indicated.	1913, Final.	1912, Final.	Final.	Acres.
Virginia	248	240	250	222	46,000
North Carolina	261	239	267	235	1,589,000
South Carolina	223	235	209	219	2,826,000
Georgia	214	208	159	191	5,398,000
Florida	138	150	113	122	194,000
Alabama	199	190	172	174	3,912,000
Mississippi	201	204	173	197	3,148,000
Louisiana	194	170	193	184	1,398,000
Texas	178	150	206	171	12,052,000
Arkansas	194	205	190	192	2,527,000
Tennessee	192	210	169	200	866,000
Missouri	281	286	260	293	124,000
Oklahoma	224	132	183	184	2,854,000
California	...	500	450	...	35,000
United States	200.2	182.0	190.2	187.2	36,960,000

SECOND REPORT OF SEASON OF COTTON GINNING.

At 10 a. m on October 2 the Bureau of the Census published the report of cotton ginned prior to September 25, 1914. There were ginned up to then 3,381,863 bales as compared with 3,246,655 last year and 3,007,271 in 1912. Particulars, by States, follow:

GINNED TO SEPTEMBER 25.

	1914.	1913.	1912.
Alabama	392,655	325,735	192,310
Arkansas	99,179	70,086	41,438
Arkansas	25,388	16,367	9,770
Georgia	769,118	491,511	272,335
Louisiana	94,175	77,865	73,992
Mississippi	161,125	120,593	57,393
North Carolina	82,849	49,952	101,683
Oklahoma	109,050	148,979	77,394
South Carolina	238,589	193,318	174,251
Tennessee	16,033	18,359	990
Texas	1,324,778	1,727,639	2,002,975
Other States	8,924	6,251	2,740
United States	3,381,863	3,246,655	3,007,271

Included in this year's ginning were 3,292 round bales, as compared with 26,983 last year and 19,574 in 1912. Of Sea Island there were included this year 13,895 bales, as compared with 10,570 last year and 3,051 in 1912.

* * *

The Causes of the Decline in the Production of Sea Island Cotton.—The United States Department of Agriculture has just issued a bulletin stating that co-operation between spinners and growers is essential if the Sea Island cotton growing industry is to be replaced on a profitable basis. In recent years the growing of Sea Island cotton has not been profitable, and under existing conditions it is hardly likely that it will be. It is highly desirable, however, both for the farmer and for the spinner, that this long-staple cotton should continue to be raised without any deterioration in its quality. The Department of Agriculture has just completed a study of the market and economic conditions in the Sea Island cotton industry, the results of which will appear in the forthcoming bulletin entitled "Economic Conditions in the Sea Island Cotton Industry." This inquiry was prompted primarily by the fact that although the crop of 1912 to 1913 was approximately only three-fifths of that of the preceding year, the prices were lower and a much larger stock was carried over.

For this condition of affairs the investigators found four causes primarily responsible:

1. A deadlock in the market; growers holding the cotton for higher prices than spinners were willing to pay.

2. The successful competition against Sea Island cotton of the new Egyptian variety known as Sakellaridis.

(Continued on Next Page.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3 5/8	3 5/8
Gray goods, 38 in., standard	4 1/4	4 1/4
Brown sheetings, Southern standard	7 1/2	7 1/2
Denims, 9-ounce	12 1/2-17	12 1/2-17
Ticklings, 8-ounce	13	13
Standard prints	7 1/4	7 1/4
Standard staple ginghams	6 1/4	6 1/4
Yarns.		
Southern 2-ply skeins, 30s	20 1/2-21	20 1/2-21
Southern 2-ply skeins, 60s	37 1/2-41	37 1/2-41
Southern single skeins, 20s	18	18
Southern single chain warps, 20s	18	18
Southern 2-ply chain warps, 20s	18-18 1/2	18 1/2-19
Southern frame cones, 20s	18-18 1/2	18-18 1/2
Southern frame cones, 30s	21-22	21-22
Eastern carded cops, 20s	20 1/2	20 1/2
Eastern carded cops, 30s	24 1/4	24 1/4
Eastern carded peeler warps, 30s	27	27
Eastern carded peeler warps, 60s	44	44

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions.

WHEAT.

	September			December			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 26..	1.05 1/4	1.05 1/4	1.05 1/4	1.09 1/4	1.08	1.08 3/4	1.16 1/4	1.15	1.15 5/8
Sept. 28..	1.07 3/8	1.06 3/4	1.07 3/8	1.09 7/8	1.08 7/8	1.09 3/8	1.16 7/8	1.15 3/8	1.16 3/8
Sept. 29..	1.08 1/2	1.06	1.06 1/2	1.11 3/8	1.08 7/8	1.09	1.18 1/4	1.15 5/8	1.15 3/4
Sept. 30..	1.05 3/8	1.04	1.04	1.08 5/8	1.07 1/4	1.08 1/8	1.15 3/4	1.14 1/4	1.15
Oct. 1...	....	....	....	1.09 1/4	1.06 3/8	1.06 1/2	1.16	1.13	1.13 1/8
Oct. 2...	....	....	....	1.06 7/8	1.05 1/4	1.05 3/8	1.13 1/2	1.11 1/4	1.11 7/8

CORN (New Contract).

	September			December			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 26..	76 5/8	75 7/8	76 1/4	70 3/8	69 1/2	70	73	72	72 1/2
Sept. 28..	76 3/4	75 3/8	75 5/8	70 3/8	69 1/4	69 1/4	72 7/8	72 1/8	72 1/8
Sept. 29..	75 1/2	73 1/2	73 1/2	68 3/4	67 7/8	67 7/8	72 1/2	70 3/4	70 7/8
Sept. 30..	73 1/4	71	71	67 7/8	67	67 7/8	70 3/4	69 7/8	70 3/4
Oct. 1...	....	....	....	68 3/8	66 7/8	66 7/8	71 1/4	69 1/2	69 1/2
Oct. 2...	....	....	....	66 7/8	66 1/8	66 1/8	69 7/8	68 7/8	68 7/8

OATS.

	September			December			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 25..	47	46 5/8	47 1/4	49 1/2	48 7/8	49 1/8	52 1/2	52 1/8	52 3/8
Sept. 28..	47 1/4	47 1/8	46 7/8	49 7/8	49	49 1/4	52 7/8	52	52 1/2
Sept. 29..	47 1/4	45 7/8	45 7/8	49 1/4	47 1/2	47 7/8	52 7/8	50 5/8	51
Sept. 30..	45 1/4	44 1/2	45 1/4	48 1/8	46 7/8	48	51 1/4	50 1/8	50 7/8
Oct. 1...	....	....	....	48 3/8	47	47 1/8	51 3/8	50	50 1/8
Oct. 2...	....	....	....	47 3/8	46 1/2	47 1/4	50 1/2	49 1/2	50 1/4

LARD.

	September			October			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 26..	....	....	9.65	9.55	9.50	9.55	9.67	9.62	9.67
Sept. 28..	....	....	9.65	9.65	9.55	9.65	10.15	10.05	10.12
Sept. 29..	....	....	9.55	9.65	9.52	9.55	10.15	9.97	9.97
Sept. 30..	9.6	9.60	9.60	9.62	9.52	9.62	10.10	9.95	10.10
Oct. 1...	....	....	....	9.65	9.52	9.55	10.10	9.92	9.95
Oct. 2...	....	....	....	9.60	9.42	9.42	9.97	9.77	9.77

RIBS.

	September			October			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 25..	11.50	11.37	11.50	10.85	10.80	10.80	10.50	10.45	10.50
Sept. 28..	11.95	11.75	11.95	11.10	10.85	11.10	10.57	10.50	10.57
Sept. 29..	12.15	12.07	12.10	11.25	11.15	11.17	10.55	10.40	10.40
Sept. 30..	12.25	12.10	12.25	11.25	11.05	11.25	10.47	10.35	10.47
Oct. 1...	....	....	....	10.85	10.75	10.85	10.47	10.20	10.20
Oct. 2...	....	....	....	10.70	10.60	10.60	10.25	9.95	9.95

PORK.

	September			October			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Sept. 26..	....	....	17.25	....	....	....	19.90	19.75	19.77
Sept. 28..	....	....	....	....	....	17.25	19.97	19.75	19.97
Sept. 29..	....	....	17.50	....	....	....	19.97	19.67	19.67
Sept. 30..	17.20	17.20	17.20	....	....	....	19.87	19.62	19.82
Oct. 1...	....	....	....	17.00	16.70	16.70	19.75	19.15	19.20
Oct. 2...	....	....	....	....	....	16.50	19.30	19.00	19.02

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.65	5.63	5.50	5.57	5.60	5.60
October	5.63	5.63	5.50	5.58	5.61	5.61
November	5.76	5.77	5.68	5.75	5.74	5.71
December	5.84	5.86	5.78	5.85	5.84	5.80
January	5.97	5.98	5.90	5.96	5.95	5.91
February	6.05	6.04	6.01	6.05	6.04	6.01
March	6.17	6.18	6.11	6.16	6.15	6.13
April	6.22	6.25	6.18	6.21	6.20	6.18
May	....	6.32	6.26	6.27	6.29	6.26

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot	6 3/4	6 7/8	6 3/4	6 5/8	7	6 1/2

3. Deterioration in the quality of Sea Island cotton due to the difficulty of obtaining proper seed.

4. Changes in fashion which have resulted in an increased demand for coarser goods and a diminution in the consumption of the longest and finest cottons.

THE CONSERVATION OF COTTON AS A NATIONAL ASSET

By Hon. W. P. G. Harding*
Member of the Federal Reserve Board

THE cotton industry is perhaps as seriously affected by the European War as any other, and this statement applies with equal force to all connected with it,—the producers of raw cotton, the manufacturers and the distributors of cotton goods. The opportunity for expansion of our textile trade which is anticipated as an aftermath of the war, while undoubtedly a potentiality, does not as yet appear to exist to any appreciable degree. The titanic struggle between the great powers of Europe has disarranged credits, and has disturbed the exchange of commodities throughout the world; and while cotton is classed as a staple crop, and goods manufactured from it are necessities, they are not as supremely and immediately necessary as foodstuffs. Because of this fact the first effect of a great war is to advance the price of grain and to depress that of cotton. Yet the economic law of supply and demand, while apparently suspended at times, is never abrogated and always in the end reasserts itself. When a dam or other obstruction is thrown across a stream the flow below it is reduced until the water impounded flows over the top, when the normal volume is restored; and if the obstruction be removed the flow becomes abnormally large. At the present juncture, the war is operating as an obstruction to the normal current of the cotton trade. Sooner or later, however, even should the war continue, the level of the obstruction will be reached and the flow of business, except in some of the countries actually engaged in war, will again become normal. Restoration of peace would act as a removal of obstruction and would release a large volume of business now being held back, so that we are justified, if we look ahead, in taking a more cheerful view of conditions which appear at this time to be depressing. Cotton goods are the cheapest of all textiles and should replace during hard times finer and more expensive fabrics. Cotton can be used in considerable quantities as a substitute for jute and other materials in the manufacture of burlaps and nacks; mills in England are reported as running double time on khaki for army uniforms, and there is no reason to doubt that the trade will ultimately absorb the world's production. Cotton manufacturers must solve the problems which have grown out of the closing of the cotton exchanges of this country, whereby they have been deprived of a standardized price and of their power to hedge on contracts, and must overcome the further difficulty, occasioned by loss of confidence and curtailment of credits, of financing purchases. Compared with the prices that have obtained for the past three or four seasons, present quotations seem very low, but it is doubtful if large stocks of cotton could be secured at prevailing prices, as an active buying movement would undoubtedly enhance values. It is argued that the Southern States have produced a cotton crop, which added to that grown in other countries, is under present conditions about 5,000,000 bales greater than is required for the world's needs; and the fear that this is true is causing much apprehension in the South. There have been predictions of general bankruptcy and ruin; and yet, regardless of all the pessimistic talk and in spite of increasing receipts, the price has advanced during the last three weeks 1½ to 2 cents per pound; and it is well worth while for cotton manufacturers to consider these facts, to analyze them carefully, and to anticipate the probable effects. The cause is not hard to find. For many years the South has been gaining in wealth and its farmers have been growing more independent, better methods of agriculture have been introduced, marked progress has been made in the diversification of crops, large plantations have been sub-divided into small farms, and in many cases the tenant farmer has become his own landlord. There is in every normal year a certain proportion of the crop which comes in early and which seeks the market at any level that it can find, which is commonly called "distressed cotton." This is the cotton that is now being sold at 7½ to 8 cents, and it would be well for manufacturers to bear in mind that at these figures much cotton will be withheld from the market for months to come. It is true that there is a great amount of indebtedness which can be liquidated only by the sale of cotton, but in view of the increased cost of production in recent years, sales at present prices would be in many cases inadequate for the discharge of these obligations, so that even if the producer, being unable to sell his cotton for enough to pay his indebtedness, should turn it over to his creditor, many of these creditors would be in a position to hold, and much of the cotton will be withheld from the actual market.

The financing of the present crop began with its planting last March and April. It is the one crop in the South on which loans are always freely made until it is harvested, and investigations recently made by chambers of commerce in Southern States show that advances on cotton in different States, made from the time of the planting of the crop until it left the gins, range from $30 to $44 per bale. The last four crops, including seed, have brought the people of the Southern States a gross average of nearly one thousand million dollars per year, of which amount about one-half has come from domestic and Canadian mills, and the remainder represents the value of exports to foreign countries. By the sale of this crop the South has been enabled not only to discharge its obligations promptly every Fall, but has added half a billion dollars each year to the National trade balance. Cotton production is stimulated by high prices, and conversely it is curtailed when prices fall below the cost of production. This has been particularly true in those years when prices were low throughout the season and continued low during planting time in the early Spring. Never have the evils of over-production been so universally appreciated in the South as now, nor ever before has there been such grim determination to hold cotton and to radically curtail acreage. Public sentiment in many Southern States has been so aroused that there is now a general clamor for legislation by the States to regulate the production of cotton, and some farmers have gone so far as to demand that the planting of any cotton whatever in 1915 be prohibited. Of course, extreme action of this kind is not anticipated, but it is undoubtedly true that should prices considerably below the average cost of production, which is probably about 10 cents per pound, prevail for the next six months, cotton will be parted with only as necessity arises, and most serious curtailment in acreage for the next crop will be the inevitable sequence. Many of those who might be financially able to put their lands in cotton would be attracted by the high prices for grain and would plant food crops, while others less independent might be willing to continue in cotton, but would find themselves unable to secure the necessary advances. No man well informed on Southern conditions will deny that further diversification in Southern farming is desirable, and that more attention should be paid to cattle raising and to the production of

*An address delivered at the semi-annual meeting of The National Association of Cotton Manufacturers, at Lenox, Mass., on Wednesday, September 30, 1914.

foodstuffs. But it would be most unfortunate if, by any chance, the production of cotton next year should be so small as to make the trade dependent upon the present crop for the greater portion of two years' supply. Cotton goods can compete with more expensive fabrics only up to a certain price level, and if a year hence the prevailing prices for raw cotton should be as abnormally high as they are now abnormally low, the manufacturers of cotton goods would have their present problems aggravated, and would be fatally handicapped in a movement for trade expansion at the very time when it is probable that conditions would be ripe for efforts in that direction. I shall not undertake in the presence of the foremost experts to hazard any guesses as to the probable consumption of cotton within the next few months, but I will be bold enough to predict that as the season progresses there will be a steadily increasing demand for raw cotton by the mills, with a marked increase in the demand for export. Of course, as long as present conditions continue the demand from Germany, Austria-Hungary, Belgium and France will be greatly curtailed, but there should be a good demand from Great Britain, Spain, Italy and from Russia, which can obtain its supplies independently of routings through the Baltic Sea. Ship room is now available, prompt action by Congress has enabled our Government to provide marine insurance, the Bank of England is again discounting bills and practically all obstacles in the way of exports to all foreign countries, except Germany and Austria-Hungary, have been removed. Foreign exchange conditions have within the last few days been vastly improved by the formation of the gold fund as approved by the Secretary of the Treasury and the Federal Reserve Board, and as our exports of grain and cotton increase in volume, as they must do in the very near future, normal quotations for sterling bills will again prevail. I am violating no confidence when I state that rapid progress is now being made in the organization of the Federal Reserve Banks, and it is my personal opinion that the system will become effective during the ensuing month. The Secretary of the Treasury has acted with wonderful celerity throughout the crisis, and by his promptness in authorizing and issuing emergency currency under the provisions of the Aldrich-Vreeland Act as amended, has, in the face of moratoria in practically nearly all other civilized countries, kept the United States not only upon a cash basis, but upon a gold basis, and he asks only the intelligent and unselfish co-operation of the business community, which he confidently expects, to aid him in the speedy restoration of normal financial and commercial conditions throughout this country. The tremendous waste incident to war, will, of course, be felt all over the world, and losses will inevitably ensue, but there is no reason, as far as this country is concerned, why those losses should not be so uniformly distributed that they will not fall with crushing force upon any section, or upon any industry; and I firmly believe that American pluck and American energy are going to reassert themselves, and that American farmers, merchants, bankers and manufacturers will co-operate with their government, and with each other, in solving present problems, and that they will put themselves in a position to grasp the opportunities that the future is bound to offer.

THE COTTON SITUATION IN THE UNITED STATES FROM THE POINT OF VIEW OF THE COTTON TRADE

By Arthur R. Marsh*

THE present European War has revealed with painful clearness an economic fact of which only a few, even among eminent authorities upon industry, commerce and finance, have hitherto had more than a vague conception, and of which the generality of men of affairs have had no knowledge at all. This fact is that the international subdivision of productive industry, made possible by the fluidity of international credits, has now gone so far and has specialized the productive functions of so large a portion of the human race, that the mere temporary stoppage of the free flow of these credits instantly affects every country on the globe, disarranges the internal as well as external economy of every country, and produces the severest hardships for a large proportion of the population of each. No country in the world is now sufficient unto itself alone. All are dependent for the economic welfare of their population at home upon the undisturbed operation of the machinery of their commercial and financial intercourse, direct and indirect, with all other nations. Above all are they dependent upon that portion of this machinery which at first sight might seem to be not the reality, but the reflection of the reality of their commerce one with another,—the organized and continuous functioning of the world credit system which to-day makes possible the balancing, clearing and liquidation of their multitudinous interexchanges of the commodities which are, of course, the realities of all commerce. It has become in our time virtually impossible for countries to exchange goods for goods directly. The United States has cotton to sell and wool to buy; Australia has wool to sell and cotton (in form of goods) to buy; yet the modern world affords no direct means at all for an interchange of the cotton of the United States for the wool of Australia. Only by the use of international credits,—and these of a decidedly complicated kind,—can the interchange be effected. And if, for any reason, the system of international credits is blocked or interrupted, the United States cannot sell her cotton and Australia cannot sell her wool.

This is precisely the situation to-day all over the world; but it is most marked in respect of those countries which have come to rely upon the sale in international commerce of one or two great commodities for the annual balancing of their accounts with other countries. A few of the countries of Europe,—notably England and France,—in which the century-long accumulation of capital, largely invested in other countries, has produced an annual balance of account against the rest of the world,—are spared in part the embarrassment of being unable to meet their international indebtedness, because they canont find a market for some pre-eminent commodity they produce. But all the countries which, in an economic sense, are new and still in the stage of self-development with borrowed money, are to-day unable to meet their international obligations, because the breakdown of international credits has deprived them of a ready market for their great debt-paying commodities. More than this, the effect of this condition of things in the domestic markets in which these commodities are first sold in each country is a tremendous depreciation of their price, threatened ruin for the immediate producers of them, and a spread of this ruin to other portions of the home population which stand in credit relations with these producers, cannot get their money from them, and hence cannot meet their own obligations in other directions. Thus the disease runs through all parts of the economic society of each such country, and all trade and industry suffer.

At the present moment there is no market at all for wool in Australia and New Zealand, and a true economic crisis in those countries is the result. There is no market in India for tea, cotton and jute. In Japan there is virtually no market for silk. Per-

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sia and Asia Minor cannot sell their rugs and carpets, their figs and dates. Greece cannot sell her currants and wines. Italy cannot sell her silks, marbles, wines and olive oil. Spain has no market for her copper, her cork-wood, or her wines. Brazil is in desperation with her coffee, and cannot ship her rubber. Chile can find no buyers for her nitrates; nor Peru for her guano and her cotton. Despite the fact that foodstuffs among the great commodities are so indispensable to nations at war that money is found somehow for their purchase, even at the expense of all other necessities, it is reported that there is virtually no market for corn in Argentina, and that the beef, mutton and wool produced there are in hardly better case.

While we in this country are not remotely, but directly concerned with the commercial and financial difficulties of all the countries just named, in respect of the commodities which they have produced in response to our own demand as well as that of the rest of the world, but which they now can find no way to market, our chief thought is naturally given to that commodity of our own, which means so much to us in our international commercial and financial relations,—I mean, of course, cotton. We have produced this season such a crop of cotton as the world would normally require and would normally pay us for at a price somewhat above the cost of production. We have usually consumed at home not far from forty per cent of the cotton we raise, and it is probable that by the end of this crop year American manufacturers will be found to have spun up fully this percentage of the present crop. But sixty per cent of our cotton production is for foreign consumption; we raise this portion of every crop to be sold in international trade; we rely upon the amount realized from it as the chief single factor in balancing our accounts with the rest of the world; and our cotton producers form so considerable a part of our population that, if they receive an insufficient return from the sale of what they have raised, they will be unable to meet their already incurred obligations and will cause a similar disability all the way up the line of those dealing with them directly or indirectly, until even our metropolitan banks are subjected to strain, on the one hand, and, on the other hand, industrialists of every kind, including our cotton manufacturers, will have curtailed markets for their products. It is the idlest of idle talk, then, to assert that the problem of marketing the present cotton crop is one concerning only the producers of cotton; that they must submit to the operation of the inexorable law of supply and demand; and that the other departments of our national production will suffer no harm, and, in the case of cotton manufacturers, may even be benefitted, if the cotton producers are left to shift for themselves. On the contrary, the opposite of all this is true, not only of cotton in the United States, but of all those great commodities produced in other countries mainly for international commerce. The wool growers of Australia cannot be left to take care of themselves in a time like this; nor can the cotton growers of India and Egypt. The nitrate producers of Chile, the tea and jute producers of India, the coffee and rubber producers of Brazil, the corn and cattle producers of Argentina, the currant growers of Greece, all occupy a place in the economy of their respective countries which makes it pure economic stupidity on the part of those countries to leave them to bear alone and unaided the disastrous present effect of a sudden disarrangement of the international credit machinery which they have been accustomed to rely upon for distributing what they produce to the consumerfs all over the world who need it and are willing in due course to pay for it what it is economically worth.

The American cotton crop, however, is our immediate business and we had best return to that. It is unnecessary here to rehearse the details of the situation that presents itself. These are known to every member of this audience. In the rough, we are producing a cotton crop that now promises to be well over 15,000,000 bales, and may exceed 16,000,000 bales. But for the war, there is no reasonable doubt in the mind of any member of the cotton trade that even the larger of these quantities of cotton could have been sold by the producers for an average price above 10 cents a pound, the lowest limit of the economic cost of production of cotton in the United States to-day. But the war has changed all that, or at least it has completely changed the price that can at present be realized for cotton, and would have changed it still more, had it not been for the tenacity shown thus far by great numbers of cotton farmers in refusing to sell at such prices as have been offered them. Yet there is much confusion of thinking about the fundamental causes of this new and unhappy state of things. And in all the discussions of the matter that have come to my attention, the commercial reason given for this great decline in the price of cotton, shown even before the real weight of the crop has come upon the market, is that the war is going to occasion a tremendous reduction in the consumption of cotton this year. It is common to estimate this reduction in consumption at between 4,000,000 and 5,000,000 bales; and it is assumed that at the end of the season something like this quantity of cotton will remain in this country, to be carried by somebody, instead of having been exported to foreign countries and paid for with the money of those countries. The load appears to be one of mammoth proportions; and by the vast majority of those who are discussing the matter it is assumed to be necessarily a pure dead load. There is, according to this view, no escape from the conclusion that we ourselves must assume this load in its entirety. We must find ways in which this great mass of immobilized cotton can be stored in warehouses and carried along until the war is over. The great question, it is urged, is how to find a means by which the load can be carried and still money enough provided for the cotton producers, on the basis of their unsold cotton, to preserve them from ruin and to enable them to pay enough of their debts to preserve from ruin the merchants, banks, etc., that have advanced upon the cotton in anticipation of its marketing. Hence the stress laid upon the usefulness for the occasion of the Allrich-Vreeland emergency currency and of the soon to be issued Federal Reserve currency; hence the eager haste to erect warehouses all over the South; hence the innumerable schemes for valorizing or quasi-valorizing cotton; hence the attempts to lighten the load somewhat by means of "buy-a-bale" movements, "nothing-but-cotton-garments" movements, and the like. The central idea in all these suggestions and plans, save perhaps the very last, has been to remove the weight of the supposed 4,000,000 to 5,000,000 surplus bales from the market and to make it possible to carry them over to future years, when restriction of the acreage, voluntary or forced, will have reduced the supply of American cotton to such an extent that a very high price may be obtained for the cotton thus carried forward.

At this point I shall venture to digress a little, to say that when I was invited in July by your persuasive Secretary, Mr. Woodbury, to address you at this metting, the theme suggested to me by him was the Lever Bill for the regulation of cotton exchanges and its effects upon the cotton trade. Since then the European War, with all its direful consequences, has intervened, and it has seemed more fitting that I should take as my subject the cotton situation as a whole from the point of view of the American cotton trade. The Lever Act has its place, and a considerable place, in the discussion of this subject and I shall have occasion to speak of it; but what is of more importance at this juncture than the Lever Act is what the cotton trade thinks can be done and ought to be done to relieve the cotton situation; and, further, what part the cotton trade can

take, or might take but for certain obstacles, in the doing of this. I think I may say without acrimony that the cotton trade has not as yet been invited to take any part at all. On the contrary, the trade has been very clearly shown on more than one occasion,—as, for example, at the important cotton conference called at Washington by Secretary McAdoo,—tha its participation is not desired or expected. But after all, the cotton trade has had considerable experience with cotton; and, in respect of the foreign commerce in cotton, it perhaps knows more than any or all of the three classes of persons whom Secretary McAdoo mentioned at the conference as having been called together by him to make suggestions about the cotton problem, i. e. the cotton producers, the American cotton manufacturers and the bankers. At some time, either in this or in future years, it is going to be the task of the cotton trade to find foreign buyers for the surplus cotton of this year's crop. Neither the cotton producers, nor the cotton manufacturers, nor the bankers of the United States can do this, because, in the first place, they do not know how, and, in the second place, their credit as reliable cotton merchants is not good enough with foreign merchants, foreign spinners and the foreign banks that regularly finance these merchants and spinners. Hence it may not be impertinent for a member of the cotton trade, who has had some opportunity to study the methods of the trade and the manner of thinking of its members, to give brief expression to their point of view.

The cotton trade generally, although it fully recognizes the painful immediate effects, for the cotton producers and for the country at large, of a large production of cotton at a time when unprecedented events make the disposal of it at any reasonable price a matter of prodigious difficulty and risk, does not believe that the world's normal consumption of American cotton is going to be materially reduced, even in the period immediately following the European War, or that the crops which the United States is producing year by year are too large to supply this consumption, or that the market value of American cotton is going to remain below the economic cost of production,—now almost universally accepted as rising 10 cents per pound,—for more than a brief time after the ways of commerce are opened again, the international credit exchanges are re-established, and the general machinery of commercial intercourse between the nations of the world is once more in operation. Although the trade is, of course, necessarily somewhat affected by the enormous estimates of the economic loss occasioned by such a war as is now raging in Europe, it knows that these estimates are to a great extent illusory and that in an astonishing short time after the conclusion of the war, the losses will be automatically repaired. Whatever may be the effect upon the credit of individuals, there is no economic loss in a shrinkage of the market value of evidences of the ownership of property, such as stocks and bonds, so long as the property itself is not destroyed and remains capable of being put to its original productive use. The loss of the munitions of war expended by the warring countries is virtually none at all, for they have already met the cost of these before the war began. The loss of the season's crops of the belligerent nations means simply a year's privation for the citizens of those nations, and as soon as the next year's crops are produced it will leave no economic trace behind. The loss of lives in battle and the permanent disablement of the wounded and sick by reason of the war is, of course, a true economic loss, but the number of the killed and permanently disabled, even in the greatest of wars, is so small in proportion to the number of the human race or even to the populations of the countries involved, that the effect upon the consumption or the price of any of the great commodities is of the most temporary and insignificant kind. In only one respect is the population, even of the countries at war, permanently affected in respect of its purchasing power; the great expenditures of governments of money and credit in the prosecution of the war must finally be capitalized in the form of enormous debts, whose interest and amortization must be met by taxation, reducing by so much the net incomes of the citizens. The truth is that the ultimate economic result of modern war, on however great a scale it be conducted, is to make the rich somewhat richer and the wage-earners and small people somewhat poorer, as regards their power to purchase commodities. But every sound economist since John Stuart Mill has observed that the influence of this upon the demand or the price for the great commodities, like cotton, is slight and ephemeral.

Of all this the cotton trade as a whole is well aware; and, consequently, it takes with more than a grain of salt all confident predictions that the coming years are to see a very marked decrease in the world's consumption of cotton, American or other, and a severe reduction in the price of cotton, unless the production of it is violently restricted. In other words, the most intelligent part of the cotton trade is convinced that there is an intrinsic value in cotton, quite distinct from the temporary market price which present embarrassments due to the European War have brought about, and that this intrinsic value is at least the economic cost of production of such a crop as we have raised in the United States this year.

Looking at the cotton problem from this point of view, the cotton trade finds it essentially one purely of the temporarily disordered machinery of modern financing and marketing, and not one of fundamental conditions which must be met by permanent changes in production and distribution. A temporary gap must be bridged; and the whole question is how to do this without false starts, unnecessary and disturbing expedients, and the initiation of programmes and policies whose ultimate outcome none can foresee. It is obvious that it will be profoundly harmful, not only to the cotton producers of the South, but also to the entire country, that the prices realized for the cotton which has been produced, should be ruinously below the cost of production. This cotton will not realize any such price, however, if sound means are employed to enable the cotton trade to make a market for it. There is a general belief in the trade that there are such means; but it is certain that they have not yet been clearly seen and made effective by those within whose power they lie. On the contrary, almost all that has thus far been suggested has been of a nature to impress the trade with its futility, its danger or its lack of adaptation to the end in view.

It must be frankly stated that the cotton trade, relying upon its own experience in the past, regards the mere withholding of cotton from the market, storing it for the future and borrowing money upon it, as one of the surest means of depressing the price and keeping it depressed for an indefinitely long time, that can possibly be adopted. Any experienced cotton merchant will say that the accumulation in the hands of inexperienced holders, whether farmers or others of 4,000,000 or 5,000,000 bales of cotton, would keep the price of cotton low, not merely this year but probably for several years, despite any conceivable reduction in the acreage that might be brought about. The cotton trade has learned that there is but one certain way to take care of a temporary surplus of cotton, and that is to sell it not for present but for future delivery,—to spread it over future years, instead of leaving its whole weight to bear down upon the market of the present year. Twice at least, during the past decade, ruinous low prices for a single over-abundant crop have been prevented by the ability of the cotton trade to make contracts for far distant deliveries of the cotton,—contracts which the merchants concerned protected, or "hedged," by purchases of contracts sold against the immediate

supply. The surplus of the record-breaking crop of 1904-1905 was thus spread over the next three years at least. But, more striking still, the surplus of the monster crop of 1911-1912 was spread in this way over years as far ahead as 1920. It is well known in the trade that at this very moment and at the very prices now quoted there are responsible spinners in all the accessible cotton manufacturing countries in the world, even including Belgium and France, who would be glad to contract for deliveries of cotton to them in 1915 and later years, if the machinery for so doing were in operation. Every hundred bales thus sold would mean the purchase by the merchant making the contract of a "hedge" contract representing 100 bales of our present unmarketable supply. I have myself recently heard of a spinner desirous of contracting for no less than 25,000 bales of cotton, with the deliveries to him to begin in October, 1915. Could this transaction have been consummated, the burden of our surplus of this year would have been diminished by this not inconsiderable amount.

But the transaction could not be consummated; the machinery for its consummation is not now in operation. And this brings me to the matter of the difficulties with which the cotton trade is now contending, the obstacles in the way of the operation of the machinery by which in the past it has produced its beneficent results in preventing a temporary over-supply of cotton from causing ruinously low prices for the producers and a grave economic loss to the country as a whole.

As everybody knows, the cotton exchanges are closed both here and abroad. Hence the making of contracts for future delivery, whether as "hedges" or for the purpose of acquiring or disposing of the beneficial interest in cotton, is virtually impossible. The entire organization of the modern cotton trade centres about cotton exchanges and the contracts for future delivery made upon them. These contracts are the instrumentalities devised during the past hundred years by merchants who buy and sell the great world commodities, cotton among them, for the sub-division and spreading of the risk of loss occasioned by fluctuations of the prices of these commodities. Though not insurance in set form, they constitute insurance in reality. By reason of them, dealers in such commodities are enabled to conduct their business with a lower margin of profit and a smaller proportionate amount of capital than any other merchants must have. In the cotton business the expected margin of profit is less than 1 per cent; and the total amount of capital devoted to the cotton business in the United States and England together, though not exactly ascertainable, is almost certainly less than 10 per cent of the value of the American cotton crop in a normal year. The merchants, spinners and speculators who make contracts on the cotton exchanges for one or another purpose are scattered throughout all the countries of the world where cotton is grown or manufactured. And a result of this fact is that the European War has tempararily made it impossible for the cotton exchanges to go on with their business until their members have found ways in which to adjust or liquidate contracts made for persons now inaccessible by reason of the war or unable to make remittances from distant countries by reason of the break-down of a large part of the machinery of international exchange. Very heavy losses have had to be submitted to by the members of the exchanges,—certainly over 10 per cent of their total capital; and they are still in uncertainty with regard to a large mass of outstanding commitments, not knowing what further losses they must bear. On the other hand, they are making progress with the untangling of their affairs; and, if other conditions are favorable, it may be expected that they will find themselves in a position to open the exchanges in the not far distant future.

But other conditions must be favorable; and it is here that the rub comes. There are two primary requirements for the re-opening of the cotton exchanges, and several secondary requirements. The two primary requirements are: first, that the mechanism of international credit should be in free motion again. Remittances from country to country must be possible at a reasonable cost, and it must be possible for cotton merchants to ship cotton to whatever foreign markets promise an outlet for it, drawing the customary bills of exchange against it. In other words, they must be able to distribute the cotton to all the points of vantage that they can discover in foreign consuming countries and to finance it in such a way that their correspondents in those countries can in their turn conveniently dispose of it to spinners or investors. It is, in the opinion of the cotton trade, a very fortunate thing that American bankers have undertaken to provide London, the great centre of international credits, with some $180,000,000 in gold, and that the Federal Reserve Board has approved of and assisted the plan. As a basis for new acceptances in London and as an aid to the free movement of foreign exchange this gold in London, (or, what is the same thing, in Ottawa), will, as time goes on, afford cotton merchants more and more fully the indispensable facilities for getting a large part of the exportable surplus of American cotton off of our hands, and into the hands of foreign merchants, manufacturers and investors, who are in a position to finance it in their own countries.

The second essential prerequisite of the renewed activity of the cotton trade, both in respect of its individual members and in respect of the co-operative activities of these members on the cotton exchanges, is that there should be a calculable basis upon which the banks, South and North, backed by the Federal Reserve Board, will loan money upon cotton and will stand by their loans until the recuperative and corrective forces have time to come into play. A point that appears to have been entirely overlooked in the discussions about providing currency to enable the banks to finance the surplus cotton this year, is that the carrying of cotton in the South has not hitherto been done to any large extent by the producers of it or by the country merchants who first buy it,—a few bales for this man and a few bales for that,—but by the cotton merchants who must borrow upon tens of thousands and in some cases upon hundreds of thousands of bales. Protected by "hedge" contracts made on the exchanges, loans thus made, with a very narrow margin, of the merchants' own money, have been found in the past almost the safest of all the commercial loans made by our National banks. But as things now are, the exchanges, if they were to open, could not possibly supply buyers for all the "hedge" contracts that merchants would have for sale. Time must be given for the trade to get into communication with its clientèle all over the world and to bring buyers into the market. How, then, can the cotton be cared for until this has been accomplished? Only by courage and resolution on the part of the banks in valuing cotton for loaning purposes at a reasonable approximation to its intrinsic worth, instead of at its temporary fluctuating market price, and by determining on the part of the Federal Reserve Board that the inevitable ups and downs of prices of a period of known international maladjustment shall not be taken as measuring the worth of the cotton collateral which banks hold against their loans, and thus indirectly against the paper which they offer for rediscount to the Regional Banks, and through them to the Federal Reserve Board itself. This is substantially the course which the English Government of Egypt has resolved to take with regard to the present Egyptian crop, the loaning value being fixed at £2 per cantar of 99 pounds, as against a normal market value of somewhat above £3. It is not improbable that the same expedient will be adopted by Australia with regard to her wool; and other coun-

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Cables	4.99½	5.02	5.01¼	4.98½	4.97¼	4.97
Demand	.....	.....	.....	.....	.....	.....
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Francs—						
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....
Reichsmarks—						
Sixty days sight	.....	.....	.....	.....	.....	.....
Ninety days sight	.....	.....	.....	.....	.....	.....

tries with important export commodities are not unlikely to follow suit. This, obviously, is neither governmental valorization, nor even indirect valorization, for the borrower, through his own bank, is still held for any ultimate loss that may be incurred. But it is a means for enabling the borrower to have a reasonable time in which to set in motion all his agencies for the sale of the cotton, whether at home or abroad; and, at the same time, it re-establishes in the minds of all who resort to the cotton exchanges a sound conception of the value of cotton, rids them of the fear of a sudden deluge of sales from disheartened or over-burdened holders, and stimulates the impulse of spinners in the uttermost parts of the earth to secure for themselves, through contracts for future delivery, whether on the exchanges or made with cotton merchants, some portion of the supply of cotton which in their hearts they know to be selling decidedly below the cost of its production and below the price that such cotton must bring as soon as the peaceful intercourse of nations one with another is renewed.

Such are the requirements of prime importance to enable the cotton trade to resume its usual functions and to exert all its powers in order to get in touch with every merchant, manufacturer and investor (or speculator, if you will) from one end of the world to the other, who can be made to see that the time is propitious for him to make provision of cotton for years ahead, as well as for this year. The number of such persons is enormously great, if they can be found and brought into the market; and they are willing to pay much more than a bargain-counter price for their cotton. As they buy, spinners will also buy for this year's consumption; and it may be well to express here a private opinion that most of the estimates of the reduction in consumption this year are fantastical. It is my personal belief, from a study of the entire field, that not less than 13,000,000 bales, and possibly 500,000 bales more than this, will be consumed by spinners before this season is over. If this forecast is correct we shall have no unbearable carry-over at the end of the year,—certainly not more than can be cared for by the sales for forward years of which I have spoken. Indeed, our carry-over, visible and invisible, at the end of the season of 1911-1912 was nearly, if not quite as great.

I have spoken of secondary obstacles to the opening of the cotton exchanges and to the resumption of the activities of cotton merchants. I have already too much prolonged this paper, and I shall accordingly speak, and that but briefly, of but one of these obstacles, the United States Cotton Futures Act, more commonly known as the Lever Act. Even the cotton trade itself is only beginning to perceive the imperfections and obscurities of this Act as a piece of legislation, and the unthought-of consequences of the Act when its terms are interpreted, as they must finally be by the courts. The New York Cotton Exchange has recently been endeavoring to frame a form of contract in conformity with the law, and has been in continued consultation with the Department of Agriculture upon the subject. I do not think I am exceeding propriety when I say that as regards important provisions of the Act, it is impossible to interpret them in strict accordance with the terms employed, without producing effects which are contrary to all reason and which certainly never were intended by the proponents of

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Fidelity-Phenix	265	275	Niagara	*310	330
German Alliance	275	290	North River	*145	155
German-American	505	520	Pacific	*175	...
Germania	*310	325	Stuyvesant	100	125
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Home Life	240	...	Williamsburg City	150	200
Manhattan Life	*325	...	*Per cent price.		

the measure or by Congress itself as a whole. An initial difficulty is that, inasmuch as the Act is ostensibly a taxing measure, its final interpretation rests with the Commissioner of Internal Revenue, and not with the Secretary of Agriculture at all. If the latter endeavors by his rulings to adapt the law to the obvious necessities of the commerce in cotton, the former may rule that the law must be interpreted in accordance with the language actually used. Even rulings by the Commissioner of Internal Revenue are not absolutely final, for a provision for a reward to informers will assuredly lead to the insistence of such persons upon a literal, rather than an accommodating interpretation; and the courts will be called upon to decide the issue. But these are not the most dangerous features of the law, from the point of view of the cotton trade. It is known that the foreign exchanges cannot possibly adopt the provisions required to be made a part of the contract for future delivery used on cotton exchanges, if the contract is to be tax-free. The very nature of the business of those exchanges precludes this. Hence every order sent from this country to a foreign cotton exchange involves the payment of a tax of 2 cents per pound, or $10 per bale. It is obvious how perilous the position of a somewhat over-burdened futures market in the United States is made by this provision. If a slight selling movement begins, no one can buy the cotton here and sell it abroad until there has been so great a decline here as to provide not only the profit of the arbitrageur, but also the money to meet this tax of $10 per bale, which he must pay. Nor does this requirement apply only to future contracts, pure and simple; it applies also to sales of actual cotton for future delivery ordered to be made "in, at or on" a foreign exchange. Virtually all the cotton merchants of Liverpool have their offices in the Liverpool Cotton Exchange. Hence an order from a cotton merchant in Waco, Texas, to a Liverpool cotton merchant, for the sale of, say, 1,000 bales of actual cotton for delivery in a future month, implies the payment by the Waco merchant of a tax of $10,000.

These are but examples of the hazardous and, in many cases, still uncomprehended provisions of the Lever Act. I have called the Act one of the secondary obstacles to the resumption of the buying and selling of cotton by the cotton trade, whether on the cotton exchanges or outside of them. Perhaps I should better say that the fact that such a measure is on the statute books and must somehow be put into effect on February 18 next, is one of the greatest pieces of misfortune for the cotton producer and for the country that attend this disturbed and uncertain time.

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

WE have heard it wisely said that only one who has been himself an experienced speculator in times of peace is competent to judge the probabilities of success on one or the other side, in respect of great nations embroiled in war. Military men, even the most competent, are trained to observe the technique of strategy and tactics, the mechanical perfection of armament and other provisions for war. They know little of spirit of nations, the state of mind of governors and soldiery, that work incessantly for ultimate victory or defeat. To them the difference between national ideas and ideals, reasonably and hence unshakably held, and national delusions is inconsequential for the determination of the outcome. The experienced speculator, on the other hand, has seen and taken part in war in microcism, and he finds therefore nothing unfamiliar about war in its larger and more savage manifestations. He has seen Napoleons of finance wax and wane; he has faced them and fought them; he has witnessed the growth about them of a legend of invincibility and assured success, with its compelling influence upon the majority of persons brought in contact with them; and he has observed and profited by the illusions of greatness and all-powerfulness that gain upon their minds, lead them on to more and more desperate projects, and finally bring them to their Waterloo. The experienced speculator becomes, without knowing it, a genuine Greek of the great Athenian time, with his firm conviction that the laws of life are: "Carry nothing too far," and "success begets immoderate self-confidence, and this delivers one touched with it to the Furies of Hell." Imponderable forces withstand the best efforts of such an one; time fights against him; his errors accumulate to thwart him; and at the end he loses not only what he would gain by the assertion of his force, but also all that he had thought was solidly his. To the experienced speculator the whole doctrine of Nietsche is pragmatically absurd. He has found that there are no "super-men," and that "force" incarnate is synonymous with ruin at the end. These are considerations that appear idle to military men and that commend themselves little to such as conceive the life of men and of nations from the point of view of the chess-board of the past which is history. To both these classes of persons the skill of the move is the main thing; to them the man or the nation that is master of the move on the board is the assured victor. But the experienced speculator knows that there must be something more, i. e., that simpleness and clearness of prevision which is incompatible with any assurance on the part of the player that he is master or that his opponent is doomed to defeat. It is not the "super-man," whether in markets or in companies, who is finally able to say "Check" to his antagonists.

From the standpoint of the experienced speculator it is an ill omen for Germany in the present European War that there is, in so large a part of the utterances of her leaders, whether of the military class or of the business class or of the class of thinkers and publicists, a note of conscious and asserted superiority over the enemies with whom the nation is contending. The delusion of proved greatness and of undeniable right to ascendancy is an extraordinarily dangerous accompaniment of thinking when alert foes must be met. The very carefulness engendered in them by the assumed superior force of what they oppose is a perpetual peril, and makes their strokes, when they given them, exceptionally telling. The damage done by these strokes is enhanced by the surprise they occasion. And when the strokes are multiplied, surprise is only too apt to yield to distraction. The distracted "super-man" is the weakest of all creatures in the world.

These reflections are the result of no inconsiderable amount of reading, during recent weeks, of such financial and economic publications as have reached us from Germany. We have been much struck, in perusing these publications, with the unanimity of German opinion to the effect that the dreadful confusion and the irreparable losses in the field of finance and commerce, outside Germany, occasioned by the European War, demonstrate finally the superiority of all that is German in this domain and the fundamental weakness of all that is not Germany. According to the writers in these publications, Germany alone among the nations of the world has had a financial and commercial system, product of the disciplined knowledge of her financiers and leaders of industry and commerce, able to withstand, without interruption of its normal operation, the most violent shocks of the greatest and most extensive of known wars. In Germany almost alone among European nations no moratorium has been found necessary; there alone manufacturers and merchants have been able to obtain an abundant supply of credit; there alone industry has not been checked and workers have not been thrown out of employment, except in so far as they have been called to take their places in the ranks; there alone the population has been able to make the sacrifices which every war implies without any material disturbance of the normal course of its affairs. In the great-

est contrast with this fortunate state of things is the paralysis of business activities and of the operations of credit in the other countries of Europe, and most of all in England. There the test of stern reality has been applied, and the fabric so long trusted and admired has been found a sham. The prestige of London must from now on be regarded as a thing of the past. That great market place of the nations has been tried and proved wanting in all the powers hitherto believed to be there.

It is perhaps well to give what the French call a *piece justificative*,—a bit of documentary evidence,—of what has just been said. One of the best known and most widely read writers upon financial subjects in Germany is Herr Georg Bernhard, who publishes a study of some aspect of finance or commerce every week in his own paper, "Plutus." Soon after the war broke out, and when the shock of it was producing its maximum effects upon international credit and commercial intercourse, Herr Bernhard undertook to point a moral and adorn a tale by contrasting what was taking place in London with the easy functioning of the financial and commercial machinery of Germany. Here are some passages which illustrate the whole:

"It is certain that the legend of the all-powerfulness of the English money market is already completely confounded. England has suffered a blow in the field of commerce and finance from which she will be very slow indeed to recover. It is no new thing for the Bank of England to give up for the time being her antiquated system; and it would hardly have occasioned surprise if upon this occasion also, as often in earlier years, the out-of-date Peel Act, which narrowly limits the extent of the note circulation of the institution, should have been suspended. But it is not probable that even England's bitterest enemies expected the total collapse of the English financial system which has occurred on the present occasion. England owes her political friendships not merely to the *beaux yeux* of her people or to the mighty reputation attending her fleet, but far more to the belief in the unlimited ability of London to absorb foreign loans. Of late, even in times of peace, Russian finance has looked askance at London; but certainly in St. Petersburg, as well as in Paris, the opinion was universal that in case of necessity London would finance Russian and French war loans. But a speedy end was put to these dreams by the raising of the English discount rate to 8 per cent and then to 10 per cent. * * * But what followed was far worse. For if England at the start had merely proved to the world that her financial abilities in times of peace had been generally rated too high, she now destroyed her reputation for honorable business dealings by locking up private German money within her borders. What England did in this matter was indeed the very thing that might have been expected of her; for it had been English publicists who first gave it out as a self evident principle that there is no obligation to make payments to a country with which one is at war. * * *

"Up to now it had been believed that the solidity and the peculiar construction of England's credit system, which had produced the result that English industry and commerce for the most part had to get along with their own capital resources and knew nothing of such a credit economy as we have in Germany, made the English industrial system completely independent and to a great extent modified the imperfect results of departing from the true system of operation of the central bank of issue. But exactly the opposite proved to be the case. Here in Germany we have as yet got along perfectly without any moratorium at all, while England was compelled to put the moratorium into effect immediately. Here in Germany, the credit crisis has passed off mildly, while it has already brought catastrophes in England. A little reflection makes it easy to perceive the reason for this difference: In England the granting of credit on a large scale for industrial purposes is exceptional. Hence the entire English banking system,—not only the Bank of England, but the private banks also,—is not perfected to this end. If all at once a considerable number of enterprises call for such credit, it is not to be had."

Such is the German interpretation of the difficulties of the financial and banking organization of England, by reason of the European War. Defective planning, unscientific adaptation to the requirements of industry and commerce,—these are the causes, according to our Germany authority, for the interruption of that free flow of credits through London upon which the entire world, Germany included, has come to depend. And over against the technical faults, as well as the over-rated resources, of London's credit system, must be set the scientific adequacy of the German system, with its freedom from moratoria and similar signs of profound disturbance.

But the truth is that all this is little less than financial insanity, a form of megalomania which has not the slightest justification in fact. For it is Germany herself, more than all other causes, that is responsible for the clogging of the world's credit machinery, as that has for long years been in operation through London. We do not mean by this assertion to show partisanship for England in respect of the responsibility for bringing on the European War. That is another question altogether. But we do mean that all the information available points to the conclusion that what the London market is now suffering from more than all else and what is the chief cause of the blockade of international credit in London, with its deplorable effects for the whole world, is the enormous burden of unpaid acceptances and of advanced-upon securities which London is carrying for Germany herself and for her ally, Austria-Hungary. Somewhere from £150,000,000 to £200,000,000 is believed to be the extent of this load; and this is the money which, kept at home, instead of remitted to London to pay debts, is enabling Germany to do without a moratorium and to afford the necessary credits for her industries. It is no doubt true that London is carrying a similar, though far smaller load, for other European countries, some belligerents and some not; but the great immovable mass of unliquidated credits and advances in London is for German or for Austrian account. And it is the fear of the losses that may have to be borne by English banks and bankers because of this state of things that the paralysis of the customary international activities of these banks and bankers is so complete. This is the reason, for example, why the United States cannot export her cotton, nor Austria her wool, nor India her jute. Bills of exchange cannot be drawn against these commodities, because there are no banks or bankers in London who dare to increase their commitments in the form of acceptances until they have found out whether they are to be paid for the immovable mass of German and Austrian bills already in their portfolios.

Arthur Richmond Marsh

POSSIBILITIES IN PORTO RICAN TRADE.

A WELL-KNOWN Western manufacturing firm recently sent an agent to Porto Rico. Large results were not expected, but the agent selected was an able investigator and spoke Spanish. He found to his surprise that his line of goods had been very poorly covered in the island, and succeeded in securing customers who now give his house several thousand dollars in business each month. He concluded an arrangement with an influential resident of Porto Rico for permanent representation of the house, and now regards this venture as one of the most valuable recent developments in his line of business.

We are inclined to think that a thorough knowledge of the commercial possibilities of this rich section of United States territory is confined to a very few. It may not be without value at this time to examine its tremendous development during the past fifteen years.

We may well be proud of the results of American occupation of Porto Rico. We cannot claim to be the discoverers of the island, for Columbus sighted it on his second voyage, in 1493, and it served as a plaything for a long line of adventurers, beginning with his lieutenant, Ponce de Leon. Fleets and land expeditions of Spain, England, France, and Holland contended for its rich products. Rapacious and ignorant governors exploited the natives. And the riches which were the coveted prize of all were dissipated, or even prevented from coming into existence, by the relentlessness of the struggle to possess them. In the sense that we have given the island an opportunity to realize its own possibilities we may very justly claim to be its discoverers, as well as its liberators.

Before setting out the striking figures covering the recent commercial development of Porto Rico it will be well to review its location and physical characteristics. It is the easternmost section of American territory, on the longitude with St. John, New Brunswick, and is also the southernmost, lying one hundred miles south of the extreme southern point of Cuba. The climate, however, appears to be superior to that of the rest of the West Indies, owing to the effect of the North East trade winds. Insects are less troublesome here than in Cuba and venomous snakes are unknown. The area of the island is about one-half that of the State of New Jersey, or 3,435 square miles, about a quarter of it being under cultivation; and the Government is spending several million dollars in irrigation development which will substantially increase the fertile area. The natural beauty of Porto Rico is a very considerable asset to its people. A mountain range, two thousand to three thousand feet high, runs East and West along the entire one hundred miles of its length, dropping abruptly to the sea at either end. Gorges and tumbling streams, and a rich and varied foliage give the landscape an unusual charm.

The natural advantages of the place have attracted a population as dense as that of the State of Massachusetts. There were 1,118,012 persons on the island in 1910. In 1860 there were 583,308. Three-fifths of the working population are farmers, raising chiefly sugar, tobacco, coffee and fruit. Sixty-five per cent of the people are white, widely distributed over the island. There is little concentration in cities and towns. San Juan, the largest city, has a population of nearly 49,000.

Despite the intelligent assistance afforded the Porto Ricans by our Government, they have hardly yet recovered from the tremendous financial pillage and waste which characterized the insular government up to 1898. For years the expenditures exceeded the income, and the first actual surplus appeared about 1860. One of the most peculiar incidents connected with the early fiscal policy was the imposition in 1868 of an export tax on Porto Rican products. This brought nearly $600,000 a year into the treasury, but practically ruined agriculture. Even at the present time we export to that fertile region nearly $800,000 worth of vegetables annually. The surprising instability of the commerce of the island produced by the caprice and rapacity of its governors is strikingly shown by the trade figures covering the years previous to the complete establishment of American influence. The average value of annual imports for the years 1828-1832 was 2,395,302 pesos (peso equals 97 cents). The average value of exports for the same period was 3,133,896 pesos. Soon after this time, exports fell behind imports in value, although the per capita production was low. In the year 1849 imports increased over 500,000 pesos in value over the previous year, while exports decreased nearly 200,000 pesos from the 1848 value. By the time of our Civil War imports exceeded exports in value by nearly 3,000,000 pesos annually, and this preponderance was maintained up to 1883, when the annual five-year average of imports had reached the value of over 14,500,000 pesos and that of exports a little less than 11,500,000 pesos. It is even more interesting to note that of the imports, the majority came from the neighboring West Indies, indicating most forcibly the artificial conditions which must have been imposed upon the inhabitants to permit the profitable importation of products which their own land should have produced in abundance. In 1830, 53.5 per cent of Porto Rican imports originated in the West Indies, 27.3 per cent in the United States, and the remainder in Europe.

At the present time 86 per cent of the commerce of Porto Rico is with the United States. The figures covering this portion of the trade of the island, up to the time of the American occupation reveal further the unsteady conditions which prevailed. The total commerce of this country with Porto Rico in 1888 reached a value of $6,382,101. It did not reach this figure again during the five years following, and the five-year average ending with 1892 was just over $6,000,000. The total commerce with the United States for 1895 was $3,340,056, and the average for the five years ending with 1897 was $4,856,815.

Porto Rico was ceded to the United States by the treaty with Spain of December 10, 1898. The present form of government was established under the Foraker Act on April 12, 1900. The total value of Porto Rican trade had fallen in 1900 to just over $9,500,000 from a value of over $24,000,000 in 1895. The total value jumped to over $17,500,000 in 1901, to over $25,500,000 in 1902, to over $29,500,000 in 1903, and rose steadily until in 1912 the very substantial figure of $92,678,304 was reached, imports being nearly $43,000,000 and exports nearly $50,000,000. There was a falling off in 1913 of approximately $6,000,000, chiefly under the head of imports into the island. The following table brings out vividly the increases mentioned, with the proportionate share of the United States in the total trade value:

TRADE OF PORTO RICO, 1896 AND 1913.

IMPORTS.

	From United States.	From Other Countries.	Total.
1896	$2,646,519	$9,529,440	$12,175,959
1913	33,155,005	3,745,057	36,900,062

EXPORTS.

	To United States.	To Other Countries.	Total.
1896	$1,699,704	$10,515,375	$12,215,079
1913	40,538,623	8,564,942	49,103,565

The exports to the United States in 1913 were made up largely of sugar, tobacco and fruit. The exports to other countries consisted chiefly of coffee which brings a higher price in [illegible] markets. Approximately $39,000,000 of the total value of [illegible]

000 exported to the United States was made up by sugar and molasses ($27,226,905), tobacco, manufactured and unmanufactured ($8,971,573), and fruit and nuts ($3,115,257).

The chief imports from the United States are shown in the following table. This list includes approximately $27,000,000 out of the total value of just over $33,000,000:

CHIEF IMPORTS INTO PORTO RICO FROM UNITED STATES 1913.

Breadstuffs	$7,655,353	Mineral oils	$660,028
Cotton, manufactures of	3,821,535	Soap	578,587
Meat and dairy products	3,499,712	Paper and manufactures of	554,014
Iron, steel and m'f'rs of	2,939,442	Fish	535,202
Wood and manufact's of	2,003,446	Chemicals, drugs, dyes and medicines	496,507
Leather and manuf't's of	1,441,605	Tobacco and manufactures of	414,184
Sugar, molasses candy and confectionery	819,305	India rubber, m'f'rs of	397,638
Vegetables	787,105	Coal	302,656
Carriages, other vehicles and parts	733,589		

Sugar culture is the preponderant source of Porto Rican wealth. The output has increased tremendously under American control. It was just over 50,000,000 pounds in 1865; 167,000,000 pounds were produced in 1872; only 50,000,000 pounds in 1881; and only 56,000,000 pounds in 1895. In 1901 the output was 137,000,000 pounds, and there has been a steady increase in every year but one since that time. In 1907 the total dropped to 408,000,000 pounds, as against 410,000,000 in 1906; but the 1906 output had shown an increase of 139,000,000 over that of 1905, so that the falling off was not vital. There has been a consistent increase in each subsequent year to the 1913 maximum of 765,420,310 pounds. If Porto Rico has yielded us no other benefit, its sugar crop would alone justify the commercial side of our undertaking. The demand for sugar is increasing steadily and it is one of the interesting developments of our time that the per capita consumption of this commodity in the United States has increased from 18.17 pounds in 1865 and 32.73 pounds in 1870 to 85.04 pounds in 1913. The cost of granulated sugar per pound wholesale in New York in 1870 was 13.51 cents, and in 1913, 4.28 cents.

The tobacco exportation of Porto Rico is increasing in importance, both in quantity and quality, and considerable development may be looked for in the future in this field. At present the home consumption is high. Of nearly 285,000,000 cigars made on the island in 1913, slightly more than 165,000,000 were exported and 119,000,000 consumed at home. Of over 473,000,000 cigarettes made in Porto Rico last year, nearly 465,000,000 were locally consumed, an average of over 460 for every man, woman, and child on the island. Not quite 9,000,000 were exported. It is noticeable that, as in the case of vegetables, it is not always the obvious that governs the character of our exports to Porto Rico. During 1913 we exported $414,184 worth of tobacco products to this apparently well supplied island.

Unhampered by customs restrictions and within comparatively easy reach of our shores, Porto Rico offers an attractive field for American exporters. There are indications that considerable business remains for the merchants and manufacturers who will take proper steps to secure it.

THE COST OF THE EUROPEAN WAR

WE laid some emphasis last week upon the tendency on the part of financial writers to over-estimate the probable direct destruction of property, the actual waste of capital, resulting from the present war. It will be well to look into the question of expenditure actually involved, on the basis of annual budgets, special appropriations, and the national debt. The European War will leave some heavy bills behind it, and the people who must pay those bills should be interested in forming an estimate of their probable size.

In the first place, the war estimate in 1913 for the belligerent nations were as follows:

ARMY AND NAVY ESTIMATES, 1913.

	Army.	Navy.
Triple Entente and Belgium	$814,067,059	$443,761,880
Germany and Austria	289,797,732	131,787,385
	$1,103,864,791	$575,549,265
Total, army and navy		$1,679,414,056

Soon after war was declared Germany appropriated for immediate use $1,250,000,000; France, on the same day, $1,000,000,000; and Great Britain, on the next day, $500,000,000, making a total of $2,750,000,000. The sums appropriated by Russia, Austria and Belgium have not been made known, but an estimate based on the proportionate size of their operations could not well be less than $1,250,000,000, which would bring the total to $4,000,000,000; and this sum is sure to be further augmented by additional appropriations from Great Britain. For our present purposes we shall place our estimate of special appropriation at $4,000,000,000.

It remains to consider the existing indebtedness of the nations now incurring such heavy additional burdens. They are approximately as follows:

INTEREST BEARING DEBTS.

	Debt.	Annual Interest.
Great Britain	$3,400,000,000	$103,000,000
France	6,300,000,000	195,000,000
Russia	4,510,000,000	180,000,000
Belgium	745,000,000	22,000,000
	$14,955,000,000	$500,000,000
Germany	$1,225,000,000	$42,000,000
German States	3,610,000,000	133,000,000
Austria-Hungary	3,615,000,000	145,000,000
	$8,450,000,000	$320,000,000
Grand total	$23,405,000,000	$820,000,000

The remaining item of cost is at once the largest and the most difficult to fix upon exactly. A careful estimate by Professor Charles Richet has gained wide acceptance, and we shall rely upon it at this time (although there have been various estimates ranging from $23,000,000 to $84,000,000, a day). Professor Richet's figure is $50,000,000 a day, or $17,250,000,000 a year. This covers the actual operations in the field.

We have now to estimate the credit account to be set off against this heavy liability. Sir George Paish in the London "Statist" has estimated the combined annual income of Great Britain, France and Germany, from all sources, at $28,000,000,000. If we include Russia, Austria-Hungary, and Belgium, this income total would amount certainly to $35,000,000,000. This figure will be greatly reduced by the war. It is believed, however, that a reduction of 50 per cent will be the limit of possibility. This would give us the following result:

EUROPEAN BALANCE SHEET AFTER ONE YEAR OF WAR.

Annual budgets	$1,680,000,000
Cost of war, one year	18,250,000,000
Interest on national debt	820,000,000
	$20,750,000,000
Income, fiscal year ending June 30, 1915	17,500,000,000
Deficit, one year	$3,250,000,000

On this basis it will be seen that the war cost for one year would exceed by over three billion dollars the income of the nations involved during that year. But this is not the whole story. It must occur to us at once that only a small part of this national income is saved, over and above the actual requirements of the government

for civil expenses, and of the people themselves for living needs. Only such amounts saved would really be applicable for the payment of immediate war charges. This brings us to a very interesting line of investigation, and we can do no better than quote from a recent article of Mr. Charles A. Conant in the New York "Times":

"The distinction between annual production and savings," says Mr. Conant, "is the distinction between what is consumed within the year for food, clothing and similar purposes and the surplus which remains to be put into permanent structures, machinery, and new lines and tools of transportation for the purpose of increasing productive power in the future. The form in which these savings have come to be employed to a large degree in the capitalistic countries is in the purchase of the bonds and shares of joint stock companies, which are thus provided with the means for constructing new railways, cotton mills, or labor-saving machinery.

"The test of the amount of capital which has been applied in recent years to these purposes of increasing production and economic efficiency is found in part, therefore, in the annual issues of new securities. Those issues which are recorded in the financial journals do not include issues by small corporations whose securities are not quoted on the Stock Exchange, but they represent a very large proportion of the saved capital which becomes available to governments if they decide to divert such savings from productive purposes to purposes of war.

"The issues of new securities annually, as estimated by the Belgian financial publication 'Le Moniteur des Interets Materiels' have averaged, over a period of recent years, about $4,000,000,000 per year. This amount is considerably greater than the estimate of such savings in earlier periods, when the modern machinery of production and exchange had not attained its present development. Prior to 1896 total issues of new securities reaching so much as $3,000,000,000 annually were the exception. For the ten years ended with 1893 the annual average was estimated at about $1,250,000,000, and for the ten years ended with 1903 $2,596,000,000. That the average for the ten years ended with 1913 has risen above $4,000,000,000 is a striking tribute to the economic progress which the world has been making during a period of comparative peace.

"It is possible that nearly the whole of this fund for the current year will be diverted from improving the productive plant of the world to the expenses of the present war. How much more saved capital can be thus diverted can only be guessed at. If the figures above suggested, $18,000,000,000 per year, are required for the expenses of the war, then private savings to the amount of another $4,000,000,000, which does not take the form of listed securities, would be taken up, and there would be still a deficiency of $10,000,000,000.

"This means, in the first place, that during the war it will be extremely difficult to raise capital for any other purpose than to absorb the great masses of Government obligations which will be thrown upon the security market and forced into the assets of the banks. It means further than this condition will not end with a year of war, but will continue to absorb the bulk of the world's savings for several years after the war is over."

It would seem to follow from Mr. Conant's figures that the net saving of the world in an ordinary year was $8,000,000,000. He appears to assume that the world's savings will disappear along with that of the warring nations, and so he does not attempt to estimate the part in the world's supply which the belligerent nations produce. It would appear to us liberal to allow them $7,000,000,000. If we were to reduce this amount proportionately, on the basis of our 50 per cent reduction of total governmental income during a year of war, we should have $3,500,000,000 in annual saving, instead of a total annual income, on a war basis, of $17,500,000,000 to apply towards the payment of the estimated annual war cost of $20,750,000,000, leaving a debit balance for the year of $17,250,000,000.

It must be clear, however, at least on theory, that if a nation's income is suddenly cut in half the saving in the nation during the year will be more than cut in half. At such a time few expenses can be reduced at all, much less cut in half. It would probably be sound to estimate that if the national income of the belligerent nations is reduced 50 per cent there will be no savings whatever effected during the year. As a result we must expect that a year of war will cost the nations involved a total of over $20,000,000,000, which must be added to their existing national debt of $23,405,000,000.

Before leaving this elusive but interesting subject, it will be worth while to consider the financial benefits which would arise out of a fundamentally sound peace. Such benefits might involve the reduction of armaments, and thus remove a source of expenditure which in a generation would wipe out the entire national debt piled up by the war. It is not generally realized how large a proportion of national expenditure goes for matters connected with war, or preparation for war. In the case of the United States, the governmental expenses for 1913, exclusive of the postal service, were $748,703,574. Of this amount $160,387,452 went for military items, $133,262,861 for naval items, and $175,085,450 for pensions, a total war outlay of $468,735,763, or 65 per cent of the total budget, leaving a balance for civil expenditures of $179,967,811. According to a table in Dr. D. S. Jordan's book, "The Unseen Empire," the proportion of military charges to total gross expenditures, not including pensions, or interest on the national debt in five nations was as follows:

PERCENTAGE OF MILITARY TO TOTAL EXPENDITURE.

Great Britain	34.3
France	30.9
Russia	23.5
Germany	43.5
United States	43.3

We estimated above that the annual army and navy expenditures of the nations at war were approximately $1,680,000,000, and their total national debt nearly $23,500,000,000. It therefore appears that if these war expenditures could be done away with the total national debt of the six nations could be paid off in fifteen years, and the total debt as augmented by the present war could be paid off within the lifetime of men now living.

Of course no man can tell what the probabilities are as to the immediate future of armament expenditures. It is safe to assume, however, that there will be no immediate elimination of this burden. And it follows that the bills must be paid, both for this war and for past wars. The people who must pay the bills are the rank and file in the nations involved; and also in the nations not actually engaged in the fighting, because they must help, under a system of international finance, to bear the burden of an increased interest rate. "The great expenditures of governments of money and credit in the prosecution of the war," said Mr. A. R. Marsh, in a recent address, "must finally be capitalized in the form of enormous debts, whose interest and amortization must be met by taxation, reducing by so much the net incomes of the citizens. The truth is that the ultimate economic result of modern war, on however great a scale it be conducted, is to make the rich somewhat richer and the wage-earners and small people somewhat poorer, as regards their power to purchase commodities."

It would not seem unfitting to apply to this situation the venerable principle that those who must bear the burden of the taxation should have the deciding voice in the matter of incurring or not incurring additional burdens of this sort in the future.

THE FIRST MORATORIUM IN AMERICA

By Augustin C. Keane

[Reprinted from the "Western Banker and Financier"]

MORATORIUM is a word newly popularized by the European War. One is more likely to find it in a daily newspaper than in a dictionary. Despite its sound, the word's etomology has less to do with death than with dead beats, coming as it does from the Latin "delay." The institution for which it stands is that of extending the time within which debtors may be required to meet their obligations.

Although the word is not to be found in the average dictionary, this postponing of the payment of debts in times of stringency by a governmental decree is not a modern innovation. One of the remarkable episodes in American financial and judicial history revolves around a moratorium which it was attempted to establish in Kentucky as long ago as 1820. With the uncertainty of present conditions, the occurrences of that time are more than interesting to-day, since they reveal not only the dangerous effect of foreign wars upon our own finances, but also the effective fortitude of the old stalwart American judiciary, unmindful of popularity and courageous in duty.

The long duration of the Napoleonic wars had choked financial channels with inflated paper currency. Precious metals were withdrawn from circulation, and privately hoarded. The result was an enormous rise in prices for all commodities. The return of peace brought a wild enthusiasm, and a violent reaction towards specie payments. Prices immediately fell to the lowest minimum. Wave after wave of speculation spent itself, leaving nothing but debts. This condition wrought considerable hardship in many quarters of the United States, but particularly in the frontier States. Of these Kentucky especially suffered a serious contraction of the circulating medium. In 1820 so great did the pressure of debt become in Kentucky, that the Legislature enacted a moratorium, extending the period within which judgments might be recovered from three months to twelve. This relief proved insufficient to help the terrible distress of the debtor class. After attempting other futile remedies, the Legislature of that year enacted a moratorium staying the collection of judgments, on certain conditions, for two years, and declaring that the relief thereof should apply also to debts incurred before the passage of this act. A complication of circumstances and conditions arising from the relation of the Bank of Kentucky to the Bank of the Commonwealth, and the peculiar provisions for currency or specie payments transferred the hardship from the debtors to the creditors. The moratorium became a popular political measure with the majority, and an object of detestation to the minority.

There immediately arose in Kentucky a new political alignment; those favoring the moratorium being known as the "Relief Party," and the creditors as the "Anti-Relief Party." It was a situation to delight a demagogue; to dishearten a patriot. When the legislation was carried to the courts, a political and not a judicial decision was looked for. The great majority of the people honestly favored the relief laws and conscientiously believed that a Legislature representing the popular majority had the power to enact such laws. They had heard so much talk of the republican form of government, of rule by the people, and of bowing to the will of the majority, that it came as a shock to the simple average citizen to learn that the three unassuming gentlemen who constituted the highest Court of Appeals in the State of Kentucky had to pass upon the constitutionality of these laws before the will of the majority enacting them could constitutionally prevail. The cases of Blair vs. Williams, and Lapsley vs. Brashears (4 Littell's Reports, 34, 46, 65) were fought through the various courts, despite the discontent and mutterings which grew to open threats of what would happen if the popular will were reversed. Finally, in 1823, the Court of Appeals, through the opinion of its Chief Justice, declared that the clause in the Federal Constitution forbidding a State to pass any law impairing the obligation of contracts made this moratorium unconstitutional. Then the storm broke.

The wildness of the political outburst for which this decision was a signal, has probably never been surpassed. "Usurpers," "tyrants," "self-made kings" were some of the epithets cast at the judges. Their power to declare a legislative act unconstitutional was impugned. They were attacked personally with bitterness and violence. The press, the stump and the legislative halls rang in their denunciation. There were demands for the recall of the judges. The recall of the decision would have doubtless likewise been demanded had any demagogue yet invented that nostrum. Finally, it was determined to recall the entire court.

Resolutions were introduced in the Kentucky Legislature condemning the court's decision as "ruinous to the good people of this Commonwealth, and subversive of their dearest and most invaluable political rights," and announcing the doctrine that the courts were without power to determine the constitutionality of a legislative enactment, but that only the Legislature, not the Appeals Court, should have the power to repeal legislation. Nevertheless, on top of these denunciations and resolutions, the court calmly denied a rehearing of its decision.

The Legislature then sought the removal of the judges by impeachment. Since no tenable ground therefor existed, this proved futile. Their removal by address to the Governor was made a political issue for the campaign of 1824. It was a campaign of unparalleled bitterness and vituperation. Partisanship personified in Governor Desha carried overwhelmingly. The Relief Party summoned the judges to show cause before the Legislature why they should not be removed. Tension was at its height. The outbreak of actual violence menaced on all sides, but the members of the court, by their calm and dignified reiteration before the General Assembly of the logic of their opinion, sustained the courage of their few supporters. While the resolution for the removal of the judges by address carried the House by a large majority, it lacked the necessary two-thirds vote.

The State Senate then sought to recall the entire court. The court had been organized by legislative enactment under constitutional direction, but it was a Constitutional Court, and not of legislative creation. Nevertheless, the Senate proceeded to repeal the act organizing the Court of Appeals. Having done so, it re-enacted a similar law, thereby seeking to establish a new Court of Appeals. These tactics wrought upon the already tense issues to the very point of conflagration. The minority fought fiercely, but were overwhelmed. The Relief Party proclaimed their victory by dis-establishing the court through their Repeal Bill, and organizing a new court favorable to the moratorium.

None the less, the stalwarts who had constituted the old court maintained the entire proceedings unconstitutional. They argued clearly that the attempted dis-establishment, if upheld, would permit a bare majority of the Legislature to do what the Constitution required a two-thirds vote to accomplish. They pointed out that this attempt by indirection to do what could not be done directly, was contrary to the intention of the Constitution, and therefore void. Firm in their consciences, the old court stood by what it believed its duty, and continued to hear and decide cases. Kentucky found itself in the fantastic situation of having two Supreme

Courts, each announcing its own authority, and each declaring the acts of the other invalid.

The political alignment now changed to that of the "Old Court Party," and the "New Court Party." In 1825, upon the issues thus indicated a new campaign was fought. In the meantime, however, the weight of intelligence in the community had been thrown to the favor of the Old Court Party. The great, quiet influence of reputable members of the bar allayed the excited passions of the mass of the people. Almost without exception the more worthy members of the legal profession upheld the old court, and brought their cases to its tribunal for decision. The people, on the other hand, saw the partisan and gang element in politics resorting to the new court. Demagogues tried in vain again to ignite the already exploded passions of popular prejudice. The old court party came out of the campaign with a large majority in the Legislature. Their positions reversed, the factions renewed the fight, but by the time the Legislature adjourned the new court had ceased to do business. Finally, on the last day of the year 1826 salaries were voted to the courageous old judges who had sat and served through such difficult times, without remuneration other than their untroubled consciences.

INDUSTRY, COMMERCE AND FINANCE

Postal Bank Deposits in the United States.—According to a paragraph in a recent issue of the New York "Times" there are now 9,653 Post Offices that are postal savings bank depositories. New York City, with $5,366,544 on deposit at the end of August, leads all offices in postal savings deposits. Deposits for the whole country at the end of August, according to an announcement made tonight, amount to about $48,000,000. The New York office, with an increase of $926,842 in August, made the largest gain for the month. The average daily receipts in New York during August were approximately $50,000.

Final figures are not yet available for Brooklyn and San Francisco, but data available would indicate increases of $285,000 and $65,000, respectively. The accounts of the system, audited to include June 30, 1914, showed $43,444,271 to the credit of depositors on that date.

The balances on deposit June 30 in the several States, the District of Columbia and island possessions, are as follows:

New York, $7,593,289; Ohio, $3,670,982; Illinois, $3,596,470; Pennsylvania, $3,266,473; California, $3,074,345; Massachusetts, $2,085,856; Washington, $1,599,853; Missouri, $1,520,185; Minnesota, $1,508,363; Michigan, $1,483,721; Oregon, $1,341,489; Colorado, $1,112,223; New Jersey, $1,075,021; Wisconsin, $1,068,379; Indiana, $1,044,193; Montana, $755,761; Connecticut, $683,838; Kansas, $665,532; Texas, $557,946; Nevada, $382,367; Kentucky, $360,161; Nebraska, $358,760; Rhode Island, $358,233; Iowa, $344,790; Idaho, $338,446; Oklahoma, $303,273; New Hampshire, $293,841; Arizona, $291,960; District of Columbia, $263,978; Tennessee, $251,554; Louisiana, $212,621; Florida, $212,534; Maine, $207,789; Virginia, $196,159; Arkansas, $153,120; Mississippi, $152,835; Utah, $152,049; West Virginia, $121,141; Alabama, $114,890; Wyoming, $110,562; Maryland, $95,426; Georgia, $73,951; New Mexico, $72,831; Vermont, $61,192; South Dakota, $60,715; Delaware, $50,049; North Carolina, $39,778; North Dakota, $37,745; Porto Rico, $27,284; South Carolina, $20,923; Hawaii, $19,395. Total, $43,444,271.

* * *

Money Circulation in the United States on October 1, 1914.—The Treasury Department's monthly statemen of the money in circulation and of the total stock of money in the United States, shows that October 1 the total amount of money in circulation was $3,694,748,196, as compared with $3,478,603,792 on September 1,—an increase of $216,144,404 for the month. The general stock of money in the United States on October 1 was $4,037,735,626, as compared with $3,819,916,263 on September 1,—an increase of $217,819,363. During the month of September there was an increase of $17,235,582 in the country's stock of gold and an increase of $200,344,495 in the amount of bank notes (including emergency currency). The per capita circulation of money in the United States on October 1, 1914, was $37.15, as compared with $35.03 on September 1, 1914; $34.48 on September 1, 1913; and $34.36 on September 1, 1912.

The following tables show the amounts of the various kinds of money in circulation and the general stock of the same on September 1, 1914, with comparisons for previous months and years:

MONEY IN CIRCULATION.

	Sept. 1, 1914.	Oct. 1, 1914.	Oct. 1, 1913.	Jan. 1, 1879.
Gold coin	$627,104,376	$657,944,193	$610,735,030	$96,262,850
Gold certificates†	944,622,551	931,390,259	1,029,828,159	21,189,280
Standard silver dollars	70,819,085	70,724,311	73,284,490	5,790,721
Silver certificates†	481,405,174	482,892,121	478,735,722	413,360
Subsidiary silver	160,894,101	161,565,114	157,787,867	67,982,601
Treasury notes of 1890	2,402,424	2,388,789	2,602,750	.....
United States notes	339,253,744	336,974,240	339,826,454	‡310,288,511
National Bank notes	§852,102,337	§1,050,869,169	709,677,098	314,339,398
Totals	$3,478,603,792	$3,694,748,196	$3,402,477,570	$816,266,721

TOTAL SUPPLY OF MONEY IN THE UNITED STATES.

	General Stock of Money in the United States.		*Held in the Treasury as Assets of the Government.	
	Sept. 1, 1914.	Oct. 1, 1914.	Sept. 1, '14.	Oct. 1, '14.
Gold coin (including bullion in Treasury)	$1,844,602,682	$1,861,838,264	$228,183,437	$230,116,202
Gold certificates†	.....	.....	44,692,318	42,387,610
Standard silver dollars	565,858,263	565,878,478	1,507,178	1,787,167
Silver certificates†	.....	.....	12,126,826	10,474,879
Subsidiary silver	182,819,021	183,059,092	21,924,920	21,493,978
Treasury notes of 1890	2,415,000	2,394,000	12,576	5,211
United States notes	346,681,016	346,681,016	7,427,272	9,706,776
National Bank notes	§877,540,281	§1,077,884,776	25,437,944	27,015,607
Totals	$3,819,916,263	$4,037,735,626	$341,312,471	$342,987,430

*This statement of money held in the Treasury as assets of the Government does not include deposits of public money in National Bank Depositaries to the credit of the Treasurer of the United States, amounting to $65,887,138.76. For a full statement of assets see Public Dept statement.

†For redemption of outstanding certificates an exact equivalent in amount of the appropriate kinds of money is held in the Treasury, and is not included in the account of money held as assets of the Government.

‡Includes $33,190,000 Currency Certificates, Act June 8, 1872.

§Includes additional circulating notes issued under authority of act of May 30, 1908, as amended by acts of December 23, 1913, and August 4, 1914.

* * *

The Truth as to the Latin-American Commercial Situation.—Director General John Barrett, of the Pan-American Union, has found it necessary, on account of the wide interest in the United States, to ascertain by cable the exact business situation in Latin-America. On August 8, immediately after the outbreak of the European War, Director Barrett addressed a memorandum to the commercial and financial interests of the United States urging them to prepare to meet the combined responsibility and opportunity presented in Latin-America by the war. This statement attracted general attention and discussion, but now a new phase of the situation, as indicated by these cable reports, has developed and is requiring careful consideration.

"These advices," states Mr. Barrett, "emphasize that what is needed at this hour in Latin-America is not so much a supply of the manufactured products of the United States, although required in considerable quantities, but money loans and advances, credits on purchases, and markets at reasonable rates for raw products which usually go to Europe. If Latin-America can sell at a fair figure her accumulating raw products and buy, in turn, through receiving

financial help and co-operation in the form of advances and credits from United States exporters, importers and bankers, the situation will be speedily remedied and the commercial interests of the United States and Latin-America will truly enter upon a new era of Pan-American commerce and comity.

"The fact that the twenty Latin-American countries last year bought imports and sold exports to the vast total of $3,000,000,000, of which $2,000,000,000 were transactions with Europe proves beyond quibble or doubt that the opportunity is there but subject to the conditions herein noted. That the United States already has a good start and is making encouraging progress is shown by the fact that its exchange of trade with Latin-America has grown in the last seven years, or during the present administration of the Pan-American Union, nearly 100 per cent, or from $450,000,000 to $850,000,000.

"The European War, while greatly lessening the sources of Latin-American imports and the market for exports, and opening a corresponding greater opportunity to United States exports and imports, has so unavoidably crippled Latin-American financial resources and commercial machinery that it must require several months or a year before conditions can readjust themselves and permit results that many United States business men expect immediately.

"Despite the efforts not only of the Latin-American Embassies, Legations and Consulates, but of the Pan-American Union, as an international organization, and the United States Departments of State and Commerce to state the situation exactly as it exists, countless articles have been appearing in various newspapers and magazines emphasizing an alleged 'golden opportunity' without pointing out its actual and present environments of money tightness and dislocation of international commercial methods. Numerous business men and commercial agents, in consequence, are crowding the steamers bound for Latin-America with the expectation that they will find the Latin-Americans awaiting them with outstretched hands filled with gold and ready to buy everything and anything they have to sell. These men will presently return to the United States and unfairly condemn and criticise the markets and peoples of the countries visited.

"A great stream of letters and telegrams from both North and South America are daily pouring into the office of the Pan-American Union, as the international American bureau of information, and they prove the widespread interest in the field and opportunity, but they are invariably answered not only with the statement of the actual opportunity but with an admonition that the Latin-American market, while vastly potential, is at this moment embarrassed by a serious financial stringency and dislocation of commercial conditions, for which it is not in itself to blame.

"The opportunity of the hour, therefore, in a word, is not so much one for immediate large sales of United States manufactured products as one for co-operation and mutual help, together with careful investigation of commercial conditions and preparation to meet future competition successfully."

* * *

Passenger Service Deficit on United States Railways.—The Bureau of Railway News and Statistics has issued the following:

Twenty-one years ago more than one-third of the railway mileage of the United States was carrying its passenger business at a loss. Taken in conjunction with the recent decisions of the Interstate Commerce Commission in both eastern and southwestern rate cases, finding present State enforced passenger fares unprofitable and ruling that the railways need not apply to interstate traffic the excessively low rates forced by State legislation, figures taken by the Bureau of Railway News and Statistics from early reports of the commission show that at least for a quarter century the passenger traffic of the United States has either resulted in actual loss to the carriers performing the service or has failed to contribute its proper share to railway revenues.

The commission's recent decision, therefore, is seen as the result not of a recent development in passenger traffic, but of the fact that American passenger fares never have been adequate to the expensive quality of service demanded by Americans.

For six years after its creation the commission compiled figures showing not only the average revenue received by the railways for carrying one passenger one mile, but also the average cost of performing the service. For these six years the revenue, cost and difference in cents per passenger mile are as follows:

Year.	Revenue.	Cost.	Difference.
1888	2.349	2.042	.307
1889	2.165	1.993	.172
1890	2.167	1.917	.250
1891	2.142	1.910	.232
1892	2.126	1.939	.187
1893	2.108	1.955	.153

Taking these costs of a quarter century ago it may be seen how slight could be the profit to-day, when the average revenue has declined to 2.01 cents per passenger mile, forced upon the railways by State legislation, while all elements of cost, particularly labor, fuel, equipment and terminal facilities, have risen enormously.

By 1893, in fact, when the commission abandoned the computations, the railways in four of the ten territorial groups were shown to be carrying passengers at a loss. The deficits for these groups for the several years follow in fractions of cents per passenger mile:

Group.	1890.	1891.	1892.	1893.
V	*.388	*.217	*.089	.146
VII	*.063	.093	.283	.151
VIII	.026	.176	.212	.250
IX	.153	.057	.133	.050

*Net profit.

Thus in 1893 there was an average loss for every passenger carried by the railways of Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, Louisiana, Arkansas, Southern Missouri, Oklahoma, Indian Territory, Kansas, Nebraska, Western North and South Dakota, Montana, Wyoming, Colorado, Eastern New Mexico and Texas. These railways, paying more to furnish the passenger service than they earned from the service, operated 58,843 miles of the 169,780 for the entire country, or almost 35 per cent.

To-day American railways furnish the highest class passenger service in the world at a price as low as, or lower than that charged by any of the railway systems of Europe in their first-class tariffs, even disregarding the much greater value of the American cent in these foreign countries. The comparative cheapness of American travel is shown more truly in the length of journeys purchasable by an average day's labor, the wage taken being that of railway employes:

	Average Wage. Per Day.	Average Receipts First Class Per Passenger Mile.	First Class for Day's Labor.
Switzerland	$0.99	*3.26 cents	30.4 miles
Great Britain	0.93	*3.00 cents	31.0 miles
Italy	1.15	*3.52 cents	32.7 miles
France	0.87	2.12 cents	41.0 miles
Belgium	0.85	2.01 cents	42.1 miles
Germany	1.35	2.93 cents	46.1 miles
United States	2.49	2.01 cents	123.9 miles

Tariff rate.

One day's labor in the United States purchases thus almost three times as much travel as would the same labor traveling first-class in the nearest European competitors above.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

IT is probably accurate to say that never before in the history of insurance in the United States has insurance education received the attention that is being given to it to-day. It would appear that there is working in the entire body of persons engaged in the insurance business the leaven of desire for more exact knowledge on their own part and of comprehension that the great public which buys insurance, legislates about it and regulates it has an interest in knowing more of it than the mere premium rates at which it may be purchased. Hence the theme of insurance education is becoming a constant one at insurance meetings and conventions. It is attacked from many points of view and with many different aims. Let a survey of all the activities in this field and a study of all the pronouncements upon the subject make it clear that the world of insurance is convinced that rules-of-thumb, derived from a few and applied by the many, are no longer sufficient either for the inner requirements of the profession or for keeping the public at large properly informed about something which vitally concerns it. American devotion to business, in the narrower sense of the world, has been responsible in the past for no small part of the misunderstandings that have arisen between particular businesses and the rest of the community who need the services of these businesses and yet are not quite covinced that they are not being taken advantage of by them. It is a singular trait in human nature that very large numbers of persons are confident that they are above criticism in their conduct of the particular matters from which they make their living, and yet are quick to be suspicious of their fellows in another branch of affairs. Hence business men outside of the insurance business have not been slow to lend their aid to movements, legislative or other, directed against insurance, and this more from ignorance than from malice. On the other hand, insurance men as a class have far too often found themselves in the position of knowing much too little about the fundamentals of their occupation, and have put up hardly more than a show of defense when they and their business have been attacked. More than this, the very leaders of insurance themselves, men whose knowledge is necessarily much broader than that of the rank and file, have been more and more coming to recognize the larger implications of their business, in its general relations with the body politic, and at the same time to feel the want of continuous additions, both general and technical, to what they know.

The impulse to insurance education, which has been spoken of above, is the result of the confluence of all these influences. On the one hand, insurance men of all classes are seeing the advantage of penetrating more and more intimately the subject matter with which they deal, of investigating it more closely and minutely, and of developing more fully all its possibilities. The German scientific thoroughness in the study of the theory and practice of insurance is less and less looked upon as unnecessary and superfluous. When new insurance problems come up and a solution of them is speedily called for,—as, for instance, the problems of workmen's compensation insurance,—insurance men are decidedly more embarrassed than they once were at having to admit that they have not accumulated any preliminary information about them and can be of little immediate service in dealing with them. And, on the other hand, repeated disappointments with legislatures and other bodies representing the public, have brought it home to insurance men that they must find means to pass along to the thinking part of the community as a whole the essentials of their own knowledge. They need the instructed co-operation of all who are intelligently interested in the service which insurance is rendering to society; hence they must continually strive to gain their attention with sound information so put as to carry its own intellectual and social appeal with it.

An interesting and convincing illustration of what has just been said is to be found in the fact that at the joint convention of the International Association of Casualty and Surety Underwriters and of the National Association of Casualty and Surety Agents, held at White Sulphur Springs, Va., two weeks ago, the addresses of the respective presidents of the two associations, Mr. Charles H. Holland and Mr. Wade Fetzer, were both devoted in the main to this theme. Perhaps Mr. Holland laid the greater stress upon the need of self-education for insurance men themselves, as a prerequisite to educating the public; while Mr. Fetzer dwelt rather upon the advantages of co-operative organization in the great body of those making insurance their life-work, to the end that they may acquire as large as possible a stock of common knowledge, on the one hand, and reach the public effectively with this knowledge, on the other. But whichever side of the matter was emphasized by each of them, both Mr. Holland and Mr. Fetzer were arguing for more and sounder knowledge in the field of insurance, and for the bringing of this knowledge home to the great public which is the final arbiter of all businesses and all social activities.

Two other pertinent illustrations of this "Drang nach Wissenschaft, impulse towards knowledge," as the Germans would call it, among our insurance men may be found in matters of recent occurrence. The first of these is the résumé recently given by Dr. Harry Toulmin, of the Penn Mutual Life Insurance Company, of the work that has been done and of the results so far attained, in the great co-operative medico-actuarial investigation which has been under way for the past three years. The immediate object of the medical examiners and actuaries of the various companies participating in the research is, of course, technical, i. e., the construction of a new mortality table based on physical and occupational classifications, instead of upon age alone. At first blush, it might be thought that here is matter with which the public, and even the rank and file of life insurance men, will not and need not concern themselves. But even a hasty glance at the preliminary results, as set forth by Dr. Toulmin, is enough to show that a great fund of exact knowledge is being arrived at, and that the comprehension of it will reach far in many directions.

The second illustration alluded to is the organization of the Casualty Actuarial and Statistical Society of America, just reaching completion. Here we have an association intended to be promotive of sound knowledge in the vast and almost unmapped field of casualty, accident and similar forms of insurance. Its aims are not technically and narrowly actuarial and statistical, and it is to include many casualty insurance men all over the country who have not yet won their spurs as actuaries or statisticians. But the very name of the new association shows that what is had in view is the acquisition and dissemination of sound knowledge. Hence it should be a powerful coadjutor in the great work of making American insurance impressive not only for the magnitude of the business it does, but even more for its mastery of the sum-total of knowledge on which that business rests.

A STUDY OF THE LOSS OF LIFE IN BATTLE

THE reports of battles in the present war in Europe suggest that the loss of life has been in excess of anything previously recorded. Nothing entirely accurate can be stated as to the present campaign. It is quite possible, however, that the early reports will prove excessive. It will be interesting, in any event, to arrive at an accurate idea of the records of past wars with a view to establishing a basis of accurate comparison when the records of the present war become available.

There is no more difficult subject to treat with entire accuracy than mortality in battle. The operations are essentially rapid, and the system of records is necessarily subject to the excitement and unsettled condition out of which the record must be developed. It is a far simpler matter to make up an approximately accurate list of "casualties," covering the dead, wounded, and missing, than it is to fix upon the proportionate numbers of each, or to determine the number killed on the field of battle, the number dying of wounds, and the number dying as a result of disease.

The records of losses in our Civil War are far more accurate than any others we have for such extensive operations; and even here the record is less accurate for the South than for the North. Three hundred and fifty-nine thousand, five hundred and twenty-eight Union soldiers were killed in battle, or died of wounds. It is stated that nearly 150,000 died of disease. Careful investigations indicate an equally large loss on the Confederate side with a considerably smaller force in the field. The generally accepted total, for both sides, is a loss in deaths of 1,000,000 men. The death-rate in particular battles was accurately recorded. This, of course, does not include subsequent deaths from wounds. An interesting table has been compiled by "Field Notes," the agency publication of the Northwestern Mutual Life Insurance Company, in which the percentage of losses in certain Civil War battles is compared with the expectancy of life at various ages:

DEATH RATE COMPARED WITH LIFE RISK IN FOURTEEN CIVIL WAR BATTLES.

Battle.	Death Rate Per 1,000.	Equivalent Risk in Life.	Battle.	Death Rate Per 1,000.	Equivalent Risk in Life.
Nashville	14.8	52 to 53	Antietam	39.7	40 to 44
Fredericksburg	18.1	55 to 56	First Bull Run	40.7	26 to 31
Chancellorsville	20.3	42 to 44	Shiloh	42.2	30 to 35
Chattanooga	20.5	42 to 44	Spottsylvania	44.3	33 to 38
Seven Days	27.1	36 to 39	Chickamauga	47.6	23 to 29
Wilderness	31.2	42 to 45	Stone's River	50.0	47 to 51
Cold Harbor	33.0	28 to 32	Gettysburg	55.5	49 to 53

It will be seen from this that a soldier at Gettysburg, for example, had the same chance of coming through the battle alive as a man forty-nine years of age has to live to be fifty-three. Every soldier at Shiloh had the same chance of escaping alive as a man of thirty has to live to be thirty-five. These figures would appear to suggest that losses in battle are considerably below the estimates popularly held.

Such figures, however, are very likely to be misleading, unless clearly understood. For instance, these figures represent loss percentages of from 1.5 to 5.6 of the forces engaged. But they do not include, as already pointed out, subsequent far greater losses due to wounds and disease. Thus a statement of casualties gives a much fairer idea of the actual losses incurred. In a recent issue, the London "Times" gives the following list of British losses in several notable battles, in which the loss percentages vary from 15 to 48:

KILLED, WOUNDED AND MISSING IN FIVE BATTLES.

	Year.	British Troops Engaged.	Casualties.	Per-centage.
Talavera	1809	20,500	6,250	30
Albuera	1811	8,200	3,990	48
Waterloo	1815	23,991	6,932	29
Chillianwallah	1849	15,000	2,388	15
Inkermann	1854	7,464	2,357	31
Average				31

An English military authority places the British losses in killed and wounded alone in nineteen principal battles during the past 150 years at 19 per cent.

Probably the most exhaustive treatise by a layman on the subject of war losses is a book by M. Gaston Bodart, "Militar-historisches Kriegs-Lexikon," published in 1908. Mr. Bodart brings out fully the impossibility of mathematical accuracy in the treatment of his subject; but he has been able by an extraordinary research and sifting of the authorities, to satisfy himself as to the substantial correctness of his figures. He states that between 1618 and 1905 there were in Europe 1,166 engagements, 1,044 on land and 122 on sea, in each of which over 2,000 men were killed. He gives a complete list of battles in which the losses were at least 30,000 on both sides, killed, wounded or missing, with percentages to the total number engaged. We have selected the following list as the most generally familiar:

CASUALTIES (KILLED, WOUNDED, MISSING) WITH PERCENTAGE OF LOSS IN NINE GREAT BATTLES.

Battle.	Total Number Engaged.	Casualties.	Per Cent.
Koniggratz	435,000	54,000	12.4
Mukden	624,000	138,000	20.5
Wagram	290,000	63,000	21.7
Gettysburg	158,000	45,000	28.4
Plevna	163,000	50,000	30.6
Austerlitz	148,000	46,000	31.1
Borodino	246,000	80,000	32.5
Waterloo	192,000	65,000	33.8
Sedan	320,000	122,000	38.1

Here again there must be caution in stating the figures, because of the varying element of prisoners. Casualties repesent a fair basis for judging the immediate damage inflicted upon the enemy's fighting strength. But at Waterloo the killed and wounded numbered nearly 45,000, out of a total loss of 65,000, while at Sedan there were only approximately 26,000 killed and wounded out of a loss of 122,000.

A very full study of losses in war was made by M. Paul Leroy-Beaulieu, and published by the London Peace Society in 1869. It covers the wars of the world between 1853 and 1866, and goes into more detail with regard to the separation of the various items on the casualty list than any book we have seen. His figures for the Crimean War bring out strongly our point that the actual losses of war cannot be based, or even approximately based, upon the figures covering the men actually killed in battle. M. Leroy-Beaulieu states that in all the armies involved in that war, 53,007 were killed, and 731,984 died from wounds or disease, a total of 784,-991. He gives as the total loss of life in the wars of the fourteen years covered by his study, 1,743,491, and the total cost, direct and indirect, but due to war during that period, $9,565,000,000.

The material available at the time when M. Leroy-Beaulieu made his investigations has been considerably augmented by subsequent research, and there can be no question of the unique interest which attaches to a table appended as a note to the classic life of Stonewall Jackson by Lieut. Col. G. F. R. Henderson, formerly Commandant of the Staff College in England, and an author of recognized authority on the science of war. Col. Henderson's figures cover eighty-six important battles in all countries, from Blenheim in 1704 to Tel-el-Kebir in 1882. The great value of the record lies in the fact that it covers losses in killed and wounded, and eliminates the uncertain element of missing men.

Of the eighty-six battles listed the highest percentage of loss occured at Zorndorf in 1758, where 32,760 Prussians defeated 52,-000 Russians, a total of 84,000 men, of whom 32,000, or 38 per cent, were killed or wounded. The greatest numerical loss listed took place at Leipsic, in 1813, where 290,000 Allies defeated 150,000 French, a total of 440,000, of whom 92,000, or 20 per cent, were

killed or wounded. The average proportion of killed and wounded in eighty-six battles was 15 per cent. It is interesting to note that the percentage of losses sustained by the victors in these battles averaged 13 per cent. In only 13 of the 86 was the percentage of the victor's losses greater than that of the defeated army, and in 8 of these the victorious troops were German, a fact not without its suggestiveness in view of the reports of recent German methods of attack. Of the remaining 5 battles out of the 13 referred to, 3 were the Confederate victories of Sharpsburg, Chancellorsville, and the Wilderness.

For purposes of information and reference we tabulate below a list of 20 battles, selected from Col. Henderson's compilation, in which the number of killed and wounded was at least 25,000. It should be noted that an accurate idea of losses cannot be had from the percentage figures alone. These indicate the severity of the contest and of course decrease in proportion as the relative numbers engaged increase. With the vast armies now engaged in Europe the percentages of killed and wounded may conceivably prove to be comparatively low. It may be mentioned that these figures do not include deaths from disease. Such deaths are of course to be included in figures covering war mortality, but they are rarely available, and fortunately are being constantly reduced.

LOSSES IN KILLED AND WOUNDED IN TWENTY BATTLES SHOWING GREATEST FATALITIES, BETWEEN 1704 AND 1882.

Battle.	Date.	No. Engaged.	Killed and Wounded.	Per-centage.
Leipsic	1813	440,000	92,000	20
Borodino	1812	262,000	75,000	28
Aspern	1809	170,000	45,000	26
Wagram	1809	370,000	44,000	11
Eylau	1807	133,500	42,000	33
Waterloo	1815	170,000	42,000	24
Gettysburg	1863	163,000	37,000	24
Chickamauga	1863	128,000	35,100	27
Friedland	1807	142,000	34,000	23
Malplaquet	1709	200,000	34,000	17
Vionville	1870	168,000	32,800	19
Zorndorf	1758	84,760	32,000	38
Solferino	1859	295,000	31,500	10
Blenheim	1704	116,000	31,000	26
Kunnersdorf	1759	113,000	31,000	27
Gravelotte	1870	320,000	30,000	9
Königgratz	1866	317,000	26,894	6
Wilderness	1864	179,000	26,000	14
Austerlitz	1805	148,000	25,000	16
Spottsylvania	1864	150,000	25,000	16

THE TENDENCIES OF SOCIAL INSURANCE

AN article in a recent number of the Fidelity and Casualty "Bulletin" brings out most clearly that, as the United States has followed the lead of the world's older countries in the adoption of the workmen's compensation principle, so the tendency is to follow also in the various other branches of the great whole of social insurance. The first workmen's compensation law in the United States (that of the United States Government compensating injuries to certain Government employes) was approved May 30, 1908. In the following year a compensation law was passed by the State of Montana, but was declared unconstitutional, and in 1910 two laws were passed in New York State, one of which (the compulsory) was later declared unconstitutional and the other became a mere dead letter on the statute book of the State. Thus it was not until 1911 that workmen's compensation became an established principle in the State laws of the United States. In that year no less than ten State workmen's compensation laws were passed, and from that year may be dated the popular adoption of the compensation idea in this country.

Now a glance at the record of some of the European countries. Measures for the insurance of workingmen against industrial accidents appear to have first found legislative expression in Europe in 1868, when a compulsory law for the indemnifying of miners accidentally injured was passed in Belgium. It was not until 1884, however, that a comprehensive system of accident compensation on a national scale was adopted, and then by Germany. Other countries took up the principle in the following order: Austria, 1887; Norway, 1894; Finland, 1895; Great Britain, 1897; Denmark, 1898; Italy, 1898; France, 1898. The next law was not passed until 1900, by Spain, after which nations all over the world have adopted the idea, and, at the close of 1913, thirty-five countries, including the United States, had compensation laws on their statute books.

The introduction of sickness insurance abroad was practically contemporaneous with that of accident insurance, but it is a noticeable fact that, except in Germany and Austria, practically every sickness insurance law is of a voluntary nature, whereas accident insurance, in almost every instance, was originally or at a later date was made compulsory. This would seem clearly to indicate that the necessity for sickness insurance was not felt to be as great as for accident insurance, and probably accounts for the fact that accident insurance only has been introduced into this country.

Invalidity insurance, old age pensions, and unemployment insurance are later developments of the social insurance scheme and have been far less widely adopted. But there seems little doubt that their principles have permanently taken root abroad and that their ultimate scope, in some form or other, will be as wide as that of the accident insurance principle.

Our point, however, is this: Although workmen's compensation for industrial accidents became permanently fixed in Germany by 1884 and was extensively adopted throughout Europe by 1898, it did not become an actual part of our State legislation in the United States until 1911,—a gap of at least thirteen years. But it has been incorporated now, most surely and permanently. Is there reason to think that the incorporation of the other forms of social insurance is less sure to come after an equal or even a shorter space of time? The evidence is all to the contrary. We are glad to print below what the Fidelity and Casualty "Bulletin" has to say on the subject.

* * *

Fifteen years ago it was self-evident to the thinking liability insurance men in this country, that workmen's compensation insurance was bound to become an established institution. Unfortunately, such men constituted a very small minority of those engaged in the business of liability insurance. The others closed their eyes, and declined to see that social betterment must come in this country just as it had in Europe. Instead of conducting an educational campaign for the enlightenment of the employers and employes, the liability insurance managers as a rule permitted the matter to drift along to take what course it might. When workmen's compensation insurance did come with an overwhelming impetus, neither the employers nor the liability insurance men were able to direct its course.

To-day, how many liability insurance managers have even thought of the other branches of social insurance? How many liability insurance company managers have considered for a moment the effect on workmen's compensation insurance when State after State takes up the great question of introducing sickness insurance, unemployment insurance, invalidity and old-age pensions?

Instead of leading in the matter of studying social insurance, the liability insurance managers are drifting along as they did fifteen years ago in relation to workmen's compensation insurance. There is one association that is determined to be forehanded—the

National Association of Manufacturers. The Board of Directors of that body adopted the following resolution May 21, 1914:

"It is moved, seconded and ordered that Messrs. Schwedtman and Miles be requested to collect and report at the July meeting of the Board information on Sick and Unemployment Insurance with recommendation as to a course of Action by the Association and a budget for investigation and collection of information."

A preliminary report was submitted by Mr. F. C. Schwedtman to the Board under date of July 1, 1914. In this report Mr. Schwedtman demonstrates clearly that the burden of real constructive work must be undertaken by the employers of this country; that the people of this country will follow the natural evolution of social insurance in Europe.

In relation to sickness insurance he says:

"I give it as my opinion that Sickness Insurance of some kind, with compulsory contribution on the part of employers, will be enacted into law by many States of the Union within the next five years, and that now is the time to go into this subject thoroughly and carry on an educational campaign such as we have been carrying on in connection with Workmen's Compensation Insurance and Accident Prevention."

As to unemployment insurance, his statements so clearly indicate the trend in this country that it is advisable to quote his views in full:

Unemployment Insurance.

"This type of Social Insurance is of much more recent origin than Sickness, Accident, Invalidity, or Old Age Insurance. It is nevertheless a fact that Unemployment Insurance is being discussed more widely in the last few years than any other style of Social Insurance.

"Let me quote from a recent report on unemployment:

'Sixteen nations and 130 cities were represented at the first general Unemployment Congress convened at Ghent during the second week of September last. The Association was organized at Paris three years ago. * * *

'In the three years' interval the membership has increased to more than 1,000 contributors, one-third of them official bodies, States, provinces, towns, labor exchanges, trade unions, employers' associations, etc.

'The City of Ghent took up unemployment insurance during the year 1900. More than a million francs have been expended in the twelve years during which the plan has been in operation and the taxpayers of Ghent feel well satisfied with the result.

'Thirty towns in Belgium have followed the example set by Ghent; twenty-five in Holland, twenty-five in France, ten in Germany, three in Italy, and two in Switzerland, and the Ghent idea—public aid to voluntary insurance—lies at the basis of the national schemes for Insurance against Unemployment, which recently became law in Denmark, Norway and Great Britain.'

"There was a national gathering called to consider Unemployment in New York at the end of February this year, at which gathering there were representatives from fifty-nine cities and twenty-five States in the Union.

"I quote from the official records:

'In the course of the two days' discussion, despite the great diversity of viewpoints represented, five main points of agreement became clearly defined.

'These were:

'1st: The necessity for accurate labor market statistics.

'2nd: The necessity for widespread system of efficient labor exchange.

'3rd: The necessity for regularizing business.

'4th: The necessity for industrial training and vocational guidance.

'5th: The necessity for Unemployment Insurance.

'The United States Census for 1900 showed:

'Six million four hundred sixty-eight thousand nine hundred and sixty-four working people, or nearly 25 per cent of all engaged in gainful occupations, had been unemployed some time during the year. Of these, 3,177,753 lost from one to three months each, representing on the basis of $10 a week, a loss in wages of approximately $200,000,000.

'Two million five hundred fifty-four thousand nine hundred and twenty-five lost from four to six months' work each, representing a wage loss of approximately $500,000,000; and

'Seven hundred and thirty-six thousand two hundred and eighty-six lost from seven to twelve months' work each, representing a wage loss of approximately $300,000,000.

'Thus approximately $1,000,000,000 was lost in wages in the year.'

"In a report of the proceedings of this convention the following statement in the introduction is significant:

'In the interest of the general welfare we have penalized workers for working overtime. The question has been raised: Shall we penalize employers for working overtime?'

"In reviewing the insurance against unemployment in Norway, a prominent investigator recently stated:

'The Danes have demonstrated two economic truths:

'1st: That unemployment is the most frequent cause of pauperism.

'2nd: That insurance is the most effective remedy for unemployment.'

"England is the only country in which Compulsory Unemployment Insurance has been introduced:

'During the six months following January 15, 1913, payments on account of unemployment benefits to the number of 774,494 were made by the labor exchanges and authorized unions, amounting to $1,180,000 approximately, the claim allowed averaging $2.50 per week. The funds of Unemployment Insurance are gathered approximately one-third from the employer, one-third from the employe, and one-third from the State.

'Germany has not so far adopted Compulsory Unemployment Insurance, but nine dependencies of the Imperial Empire have voluntary Unemployment Insurance with the State contribution. Denmark, Luxemburg, France, Holland, Belgium, Switzerland and Italy have voluntary Unemployment Insurance systems providing contribution from the State.'

"I feel confident that Unemployment Insurance will have particular attention during the International Social Insurance Congress which takes place in Washington in 1915. Can and will we be ready at that time to give the viewpoint of enlightened American employers?"

Mr. Schwedtman's conclusions as to Invalidity and Old Age Insurance are:

"There is not a doubt in my mind but that Old Age and Invalidity Insurance will be agitated strongly in the various States of the Union during the next year or two. Consequently we should now devote our time and energy to a fuller inquiry of the subject."

In every country in Europe the State controls in some degree, sickness, unemployment, invalidity and old age insurance. Stock insurance companies have been absolutely excluded everywhere in the plans adopted for the three great branches of social insurance.

The stock insurance companies have been permitted in a number of States to write workmen's compensation insurance. In nearly every State where stock insurance companies have now the priv-

ilege of writing workmen's compensation insurance there has been a decided movement to eliminate them entirely.

When the great movement for the remaining branches of social insurance is in full swing in this country, will the stock liability companies be prepared to meet the large questions involved and demonstrate their right to do all branches of social insurance?

Will the stock insurance companies be able to demonstrate that they are capable of conducting all branches of social insurance economicaly and efficiently? Is the passive attitude the proper one to assume, or should we not accumulate a deeper knowledge of the problems that we have to confront than any other body or association in this country?

The answer is clear and self-evident. If the stock liability companies are unable to prove conclusively that they are the most efficient and economical source through which social insurance in all its branches can be conducted, then the State will take over all, not a part, of this great branch of insurance. This would mean that workmen's compensation insurance would be taken over by every State in the United States in conjunction with sickness insurance, unemployment insurance, invalidity and old age pensions.

THE RESPONSIBILITY OF A LIFE ASSURANCE COMPANY FOR THE ACTS OF ITS AGENTS

By Robert Thodey, F. I. A.

(Continued from Page 433)

NO legal penalty is imposed in England upon a company if its agents indulge in the pernicious practice of rebating, and although many would like to see it stamped out it is difficult to devise suitable legislative methods to secure that object. The Corporation of Insurance Brokers and Agents is, however, seeking to promote a bill in the English Parliament which proposes the punishment of an assurance company which, either directly or indirectly, allows rebates on premiums. While the Corporation is endeavoring to enforce registration of all agents, it does not appear, from the information at present available, that any penalty is to be exacted from an agent allowing a rebate. This is surely an omission, although, possibly, the council of the Corporation will, in the interests of their profession, exercise the necessary discipline over refractory members. The Commonwealth Secret Commissions Act 1905 hardly seems to touch on the point.

The Dominion of Canada, in the Insurance Act of 1910, while not actually penalizing a company for rebates allowed by its agents, has made a director, manager or other officer "who violates or knowingly consents to or permits the violation of the rebate section by an agent, etc., liable to a penalty of over £100. Whether this will have the desired effect, it is impossible to say, although it is contended that the knowledge that the Act contains this provision will tend to check the evil spreading in Canada.

An office conniving at the practice may, it is true, be free from legal responsibility, but it incurs a grave moral responsibility, inasmuch as no other practice is more likely to bring agency work in the life assurance world into disrepute. Business obtained by rebating is never so stable as that written honestly, while the cut-throat competition engendered among the agents themselves is detrimental to the best interests of their profession.

A typical case laying down that "companies employing agents are responsible for the libels on other companies, or their representatives, circulated in the course of their business," is found in Salvation Army Society Limited v. Pearl Life Assurance Company Limited (1908). An agent of the Pearl becoming dissatisfied at losing business to the Salvation Army Society, published, in leaflet form, an article denouncing the society, which appeared in the "Commercial World" in 1895. Before legal proceedings were taken the aggrieved society called the attention of the Pearl authorities to what was taking place. The latter promised to restrain their agent and issued instructions to that effect, which were apparently ignored. Whereupon, the society took proceedings and gained the day, the Pearl Company offering practically no defense.

Nearer at home we have Brown v. Citizens' Life Assurance Company (1894), in which the Privy Council affirmed a company's responsibility for the libels circulated by its agents, although the "agent" in this particular case was a superintendent of the company. The case is otherwise noteworthy as the terms "in the course of his employment" and "within the scope of his authority" were discussed by the learned members of the committee.

The latest case in Australia was Mutual Life and Citizens' Assurance Company Limited v. National Mutual Life Association of Australasia (1909), before the Supreme Court of Victoria. In the result this case was somewhat remarkable, since practically an alternative judgment was delivered. It was alleged that the defendants' agents circulated libels (originally published in certain newspapers) calculated to prevent people assuring with the plaintiff, but Mr. Justice a'Beckett expressed the opinion that "it is no part of an insurance company's business to depreciate other companies, that the company itself would not have done the class of acts involved in depreciating other companies, and therefore that company cannot rightly be held to have put the agent in its place to do them." The learned judge was possibly desirous of distinguishing between the action of a superintendent (as in Brown v. Citizens') and that of a canvassing agent, and it is therefore not surprising to find, on reading the whole of his judgment, a verdict for defendants proposed, but the latter having intimated that they were not prepared to face the possibility of a successful appeal by the plaintiffs, and the consequent heavy outlay for costs, judgment was company assuring the risk, and if such proposal contain inaccuracies the proponent is certainly responsible if the agent is unaware of the irregularities. How does the knowledge of the agent that the irregular answers have been inserted, either by himself entered for the plaintiffs. The case, like that of the Salvation Army Assurance Society, v. Pearl Assurance Company, mentioned above, had reference to a company's responsibility for the acts of its canvassing agents in publishing libels, and it is to be regretted, although perhaps not by the litigants, that a more decided result was not attained.

A couple of minor points may be mentioned before closing this paper:

(1) An agent cannot delegate his authority, and so cannot appoint sub-agents whose actions will be binding on the company employing him.

(2) An agent collecting money on behalf of his principal is required, subject to any established custom to the contrary, to see that the payment is made in cash. If otherwise, he may be liable for any checks or other negotiable instruments dishonored, while the debt is not regarded as discharged.

The second point is obviously handy in connection with industrial business.

In the course of this paper an endeavor has been made to indicate the directions in which life companies may be held legally responsible for the acts of their agents, but it cannot be said that the position is in any way too clearly defined. This will be apparent to any one who has the time and patience to peruse and consider the reports of the many cases decided in the law courts. Reports that reach the press are often very short, and so indirect, no doubt, the salient point is missed, so that decisions of what are

apparently identical sets of facts show unexplainable divergencies. In order to gain a more accurate insight into the subject, it is necessary to consult the fullest possible report of the proceedings, so that one may learn the exact position of affairs, and gather, if possible, what was passing in the mind of the judge when the case was being argued.

However important it may be that the exact responsibility of the company should be adequately defined, yet the greatest safeguard against irregular actions by agents is to be found in the exercise of a wise discrimination in the selection of men to fill the various positions. Life assurance agency work is an honorable profession, and all persons engaged therein should be trained and encouraged to demonstrate that they are the trusted servants of the company they represent, and to realize that any actions not strictly in accordance with a straightforward conduct of their business may not only involve their company in litigation, but will be derogatory to the dignity of their labor, and bring discredit on their profession.

As far as the office itself is concerned, much may be done by effective administration, especially in industrial insurance. The industrial agent himself is often a man unversed in financial matters, and, as a rule, he deals with people who, although doubtless experts in their trades, etc., are likewise not usually able to readily understand matters which to persons of a wider experience of the world are quite easy of comprehension.

Effective administration will include the careful selection of agents and close supervision of their work. Policy contracts will be put forward which do not lend themselves to misrepresentation, especially in dealing with the industrial classes. The writer has seen an industrial policy form, understood by the policyholder to represent an endowment assurance with full benefit throughout the whole term, which, only after careful scrutiny, revealed itself as a pure endowment, i. e., there was no death cover. Such a policy invites misrepresentation, and fosters misunderstanding, thus fastening on the office responsible for its issue no inconsiderable amount of odium and mistrust. In industrial work it is part of the superintendent's duty to ascertain, by careful inquiry of the proponent, that no misrepresentation of any kind has been made when the policy is first written, and also to keep a watch over policies already written, so that they may learn from time to time whether any representation has been made, or information supplied, which is not in accordance with the terms of the contract or the instructions issued by the office.

Many offices accept responsibility for acts performed by their agents in cases where it is very doubtful whether any responsibility attaches. While this is an evidence of liberality toward the assured, and shows that offices, as a rule, are averse to taking advantage of pure technicalities, yet it is a moot point whether it is always safe to give way, as, assuming the contract to be a plain one, easily understood, the company should not be asked to perform more than is promised in the policy itself. Instances have been reported in the insurance press in which companies have made good losses caused to policyholders by their agent's frauds, but for which the company could not in any way be called to account. I am not referring to these cases, but to those in which the company, although feeling that it is being over-reached, shrinks from the publicity of the courts and the glorious uncertainty of the law.

On the subject of errors and misstatements in the proposal I feel somewhat strongly, as the law seems in a more than usually unsatisfactory condition. There are conflicting decisions as to the company's responsibility for misstatements in a proposal which has been filled in by an agent, there being a pronounced tendency to hold any policies so obtained valid, and to deny the companies relief. This, in my opinion, is unjust. If the agent is informed of an unfavorable answer to what he knows to be an important question, and, practically, arranges with the proponent that a favorable, or at least a colorless, answer shall be inserted instead of the truth, surely that agent has ceased to be the agent of his company in respect of that particular transaction. On the whole, I favor Biggar v. the Rock Life, as dictated by sound common sense, and as being in accordance with accepted business principles. To hold that, when a man of intelligence signs a statement containing inaccuracies, the company shall be liable because those inaccuracies were inserted by its agent when he had full knowledge of the truth, seems the height of absurdity. How can the knowledge of the agent be the knowledge of the principal when the agent goes out of his way to assist a third party to supply inaccurate information in a proposal for assurance, where, above all things, the utmost good faith in disclosing all material facts is essential? The position might be different if the proponent communicated the information to the agent on a document (not intended or not required to be submitted to the employing company) and the agent neglected to report to his principal the unfavorable information he had received. Here, obviously, disclosure would be made to the agent in such a way as would no doubt bind the principal. But a proposal for assurance is a document usually submitted to the officers of the or the proponent, alter the case, when that agent is obviously acting against the interest of his employers, and really in the interests of the proponent? The principal is often made responsible because he is not allowed to benefit by the fraud of his agent, but, in such a case surely the fraud is being committed for the benefit of the proponent, and has for its object the cheating of the principal.

Those interested will, no doubt, consult the various cases themselves, and it only now remains, in closing this paper, to acknowledge my indebtedness for some of the information supplied herein to the papers and legal notes of M. A. R. Barrand, F. I. A., and to Mr. Wendell M. Strong, the writer of "Legal Notes" in the Transactions of the Actuarial Society of America. Considering the interest attaching to all legal questions affecting assurance companies and their contracts, I would suggest that the Insurance Institutes of Australia might well make an interchange of information re local legal decisions, with criticisms thereon for publication, a feature of their Federal activities.

A considerable quantity of information re agents and their authority, etc., is contained in Macgillivray's Insurance Law, published in 1912. Had I known before starting how much that monumental work contains, I should have hesitated considerably before writing this paper.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

New York Compensation Developments.—Last week witnessed two very definite developments as to workmen's compensation in New York. The first was an estimate by the Compensation Inspection Rating Board as to the July workmen's compensation premiums of the various liability companies (stock and mutual) doing that class of business in New York State. The estimate is based on the assessment of one per cent of premiums written which each company pays to support the Board. On this basis total premiums of $9,150,100 are indicated. This represents July business which was largely written for a period of six months. Taking into account the possibility of a wide margin of error in this calculation, it is conservative to say that premiums collected in New York by liability companies alone will amount to at least $20,000,000 this year.

This, of course, does not include premiums collected by the State Fund nor payments made and reserves put aside by the various employers in the State, most of them large, who have decided to carry their own risks. Obviously the first year's cost to the employers of New York through the compensation law is to be far nearer the approximation of Chairman Dowling of the Workmen's Compensation Commission,—namely, between $25,000,000 and $30,000,000,—quoted in this paper last June, than the estimate of Superintendent of Insurance Hasbrouck, made this week in his report to Governor Glynn on the progress made in inspection of factories under the workmen's compensation law with the aim of preventing accidents and keeping down insurance rates. Mr. Hasbrouck said, in part:

"The total annual premium for compensaion insurance, according to the most reliable information, to be paid in this State will approximate $20,000,000. On the foregoing basis, the estimated reduction in premiums will exceed $3,000,000, and there is likely to be a further reduction in future premiums through cutting down the accident losses."

The second development of which we spoke above was the publication by the New York Insurance Department of rules and rates for the cancellation of long term casualty policies. The Department's ruling read as follows:

"It has come to the attention of this department that the short rate cancellation tables used by casualty insurance companies in this State, in connection with contracts written for periods longer than one year, produce earned premiums which are inconsistent with the earned premiums produced under like conditions on one year contracts. The premium charged the policyholder in such event is discriminatory, in that the long term contract holder is required to pay a greater amount of premium for the same protection than is required of the person who takes a policy for one year only.

"To correct this discrimination you are advised that from and after the receipt of this letter all cancellations of long term contracts when computed at short rates must produce the same amount of earned premium as if the policy had been written for one year. This, of course, applies only to the first year of the long term contract. For the remainder of the period the short rate percentage should be based upon an equitable sliding scale that will produce the entire earned premium at the end of the term for which the contract has been written. Speciment percentages applicable to certain periods within the policy term are inclosed with this circular.

Elapsed Time, Months.	$100 1-Yr. Premium. Per Cent Earned.	$270 3-Yr. Premium. Per Cent Earned.	Resulting Earned Premiums.
1	20	7.4	$20.00
2	30	11.1	30.00
3	40	14.8	40.00
4	50	18.5	50.00
5	60	22.2	60.00
6	70	25.9	70.00
7	75	27.8	75.00
8	80	29.6	80.00
9	85	31.5	85.00
10	90	33.3	90.00
11	95	35.2	95.00
12	100	37.0	100.00
15	...	44.9	121.23
18	...	52.8	142.56
21	...	60.7	163.89
24	...	68.5	184.95
27	...	76.4	206.28
30	...	84.3	227.61
33	...	92.1	248.67
36	...	100.0	270.00

Note.—Intermediate values not shown above to be computed pro rata by interpolation.

* * *

Fire Losses in September.—The fire loss of the United States and Canada for the month of September, as compiled from the records of "The Journal of Commerce," shows a total of $14,383,050, a considerable reduction from the 1913 figures. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912, together with the monthly record for the balance of those years:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23.204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
April	16,349,400	16,738,250	17,700,800
May	21,013,950	17,225,850	15,507,800
June	16,103,450	24,942,700	29,348,000
July	15,219,100	20,660,900	17,539,800
August	14,158,800	21,180,700	11,765,650
September	13,779,300	17,919,300	14,383,050
Total nine months	$177,529,650	$178,456,550	$176,706,750
October	$13,651,650	$14,932,750	.....
November	16,172,300	15,207,600	.....
December	17,967,000	16,126,450	.....
Total for year	$225,320,900	$224,723,350	.....

* * *

Infant Mortality in New York City.—The following paragraphs on the subject of infant mortality appear from a recent issue of the Weekly Bulletin of the New York City Department of Health:

"It has sometimes been suggested that the efforts of all organizations to prevent infant mortality consisted simply in keeping babies alive during the first year of their lives only to have them die during the second or third years. Without for a moment subscribing to this view, but merely in order to determine the facts in the case an investigation has been made of the deaths and death rates of the various age periods under one year, between one and two years, and between two and five years. The results of this investigation are given in the following table:

	Under 1 Yr.		Bet. 1 & 2 Yrs.		Bet. 2 & 5 Yrs.		T'l Under 5 Yrs.	
	No. of Deaths.	Death Rate per 1,000.	No. of Deaths.	Death Rate per 1,000.	No. of Deaths.	Death Rate per 1,000.	No. of Deaths.	Death Rate per 1,000.
1904	16,125	162	5,021	56.9	4,396	17.9	25,542	61.7
1905	16,522	159	4,294	47.2	3,723	14.7	24,539	57.3
1906	17,188	153	4,713	50.0	3,876	14.8	25,777	58.1
1907	17,437	144	4,493	46.1	3,864	14.2	25,794	56.2
1908	16,231	128	4,231	41.9	3,679	13.1	24,141	50.8
1909	15,976	129	4,740	45.3	3,803	13.1	24,519	49.8
1910	16,215	125	4,351	40.1	3,702	12.2	24,268	47.5
1911	15,053	112	3,878	34.4	3,311	10.5	22,242	38.6
1912	14,289	105	3,633	31.1	3,056	9.4	20,978	37.7
1913	13,780	102	3,703	30.5	3,228	9.5	20,711	36.2
Av'ge rate, 5 years, 1904—08 equals	.....	149.2	....	48.4	....	15.0	.....	56.8
Av'ge rate, 5 years, 1909—13 equals	.....	114.6	....	36.3	....	10.9	.....	42.0
Decrease, %	.....	23	....	25	....	27	.....	26

"A comparison of the five-year period from 1904 to 1908, i. e., previous to the establishment of the Bureau of Child Hygiene, with the five-year period from 1909 to 1913, shows that there is a decrease in the death rate of 23 per cent under one year, of 25 per cent between one and two years, 27 per cent between two and five years, and a total of 26 per cent in the death rate under five years of age. These figures show that the work which the Bureau of Child Hygiene and the allied agencies in New York City have been carrying on during the past five years has been highly successful. Its influence has extended not only through the first year of life, but throughout early childhood."

* * *

Workmen's Compensation in the English Law Courts.—Under the above head the "Insurance Journal and General Financial Record," of Manchester, England, gives a striking paragraph showing that the workmen's compensation law has not done away with ac-

cident litigation in Great Britain and that there is apparently no decrease in the number of cases arising under it. The paragraph is as follows:

"Legal problems in plenty are still yielded by the Workmen's Compensation Act. Fifty appeals under the Act stand for hearing, several of which, notwithstanding their vital importance to the injured workmen concerned, have been allowed to remain unheard three or four months. The judge of the Court of Appeal received, last sittings, a good deal of assistance from some of the King's Bench judges, who, with Lord Sumner, assisted to form a third court. They will want it again. In the Chancery Courts 354 cases are entered, which, notwithstanding Mr. Justice Neville's absence all last term, is only forty-one above the number twelve months ago. Only once, however, in ten years has the number been larger: 1905, 252; 1906, 201; 1907, 273; 1908, 345; 1909, 275; 1910, 355; 1911, 200; 1912, 350; 1913, 313; 1914, 354."

* * *

Railway Accidents in Great Britain in 1913.—A return made recently by the British Board of Trade shows that in 1913, 1,131 persons were killed and 9,054 injured in the course of public traffic on the railways in the United Kingdom. Compared with the previous year, the fatalities increased by twenty, and the cases of injury by 355.

	Killed.	Injured.
Passengers.		
Accidents to trains, etc.	33	723
Other accidents	110	2,224
Railway Servants.		
Accidents to trains, etc.	8	145
Other accidents	414	5,608
Miscellaneous.		
Train accidents	...	3
At level crossings	64	46
Trespassers (including suicides)	458	132
Persons on business at stations	44	173
Totals	1,131	9,054

INSURANCE NEWS IN THE WEST

Illinois Anti-Trust Suit Developments.—This week the attorneys of the fire insurance companies filed a demurrer in the anti-trust case brought by Superintendent Rufus M. Potts, of Illinois. It was along the general lines that the facts set up did not constitute a cause of action. Hearing was set on the demurrer for some time after October 24. Thus all the litigation between Mr. Potts and the companies has been postponed until about election time, and it probably will not come up till after election. If politics has played any part, as has been suspected, it is difficult to see how these suits can be of any political advantage or disadvantage at the coming election.

The anti-trust suit particularly had a very disagreeable look when it was started, and there was fear that the Superintendent of Insurance would make considerable trouble. As the attorneys have dug into it, however, it has become more evident that it is one thing to make charges and quite another to prove them, and also to prove that they are in violation of law, so the feeling has changed considerably. With the delays that have occurred and the prospect of a considerable time passing before the preliminaries are finished, the feeling has grown in some quarters that there is little cause to worry about the outcome, as it is too far in the future.

Blue Goose Meeting in Chicago.—The grand nest of the Ancient and Honorable Order of the Blue Goose held a very satisfactory annual meeting at Chicago on Tuesday. For the first time in four years the membership has shown an increase. Two new ponds were established during the year, and all but two State ponds were represented at the grand nest meeting. Among the delegates present the feeling existed that the days of high pressure and frothy enthusiasm are past and that henceforth the order is likely to have a normal growth and continue to serve its purpose of creating better feeling among field men and acting as the agency for their social enjoyment as men in one line of work.

* * *

Meeting of the Fire Underwriters' Association of the Northwest.—If a greater co-operation between insurance companies and insurance commissioners is not brought about in the West, it will not be the fault of some of the clear thinkers in the business. In arranging the programme for the meeting of the Fire Underwriters' Association of the Northwest, held in Chicago this week, President D. W. Andrews suggested that "Co-operation" be the keynote. Those who delivered non-technical addresses were W. E. Haines, secretary of the Ohio Farmers; George K. March, special agent of the New Hampshire in Michigan; B. T. Duffy, State agent of the Royal in Ohio, and H. W. Binder, a prominent local agent of Council Bluffs, Iowa. They handled the subject of co-operation independently and from various angles. It was noticeable that Messrs. Haines and March followed the same line of thought to such an extent that parts of the address of either might almost have been a "re-write" of that of the other. This was especially true of their attitude towards State supervising officials and legislators. Both took the position that these representatives of the public are endeavoring to do their best and that they are not unfriendly to the insurance interests, but that the unsatisfactory laws and, in some cases, their unsatisfactory administration are due in a large degree to the aloofness of the insurance men themselves. Those who know the problems and the needs of insurance were urged to get on friendly terms with the public officials and legislators and give them the information in their possession to be used for the benefit of the public. It was noticeable also that these two speakers emphasized the great need of anti-discrimination laws and that both admitted that in the event of the enactment of such laws the public is entitled to State supervision over rate-making as a safeguard to its interests. This is the same position as that taken by the Michigan Association of Insurance Agents at its annual meeting in July, when it committed itself to the plan of securing such a law in Michigan if possible.

Another point on which Messrs. Haines and March agreed is the desirability of co-operation to bring about conditions under which American fire insurance companies can be organized and have a chance to thrive instead of being crowded out of business by the writing of jumbo lines and the reinsurance of large parts of them.

The State insurance federations now being organized in the West are also built on the foundation of greater co-operation between insurance men, the public and State officials and legislators, with a view to securing legislation which shall be in the best interest of the people as well as of the insurance companies and their agents.

* * *

State Federation in Indiana.—Steps were taken in Indiana last week by a number of prominent insurance men to form a State insurance federation and a call went out for a general meeting at Indianapolis on Friday of this week. Some prominent insurance men from adjoining States are expected to be present at the meeting to give such assistance as they can to the movement.

* * *

Life Companies Alter Investment Policy in the West.—Orders received by Western representatives of a number of life companies to discontinue making farm loans has created much interest and some apprehension. The cause assigned for this action is the need of harboring cash to meet the demand for policy loans that may arise. Rates are reported to have risen, so that around Kansas City the real rate that the farmer has to pay, including the brok-

ers' commission for negotiating the loan, amounts to 7 per cent on five-year loans. The tightening up by life insurance companies has naturally created a stronger demand on the banks. They are reported as not desirous of tying up their funds in long term loans, but the trust companies are said to be doing as much of this business as they can consistently with sound business practices.

It has been pointed out that land values may be affected. Comparatively few sales of farms are effected without some borrowing. If it is hard to borrow money and the interest rates are high, sales may be expected to be slower with a tendency to depreciation in farm values.

* * *

Supreme Court Decision Under Workmen's Compensation Act in Michigan.—The Supreme Court of Michigan last week handed down a decision as to the proper method of computing the wages of a workman for purposes of determining compensation. It is said that the court was unable to find precedents and was obliged to depend upon an analysis of the workmen's compensation act itself. The industrial board had awarded compensation to the widow of a miner who was killed, computing his wages by multiplying the daily wage by 300 to get the annual earnings and dividing that sum by 52 to get the weekly wages. The Supreme Court took cognizance of the fact that mining is a seasonable occupation. It was found that the miner had worked but 211 days during the year just previous to his death and that his total wages for the nine years he had been employed by the mining company amounted to $5,175. On this basis the annual wages were $575 and the weekly wage $11.06. The compensation to the widow was ordered paid on the basis of 50 per cent of this amount.

* * *

Influence of New York Compensation Act in the West.—As was to be expected, the high compensation provided by the New York law is having an influence in the West. From Michigan it is reported that the labor organizations are beginning to make a demand that the law of that State be amended to pay higher compensation, and that this demand is being taken up by some who are seeking office. Former Governor Osborne, who called the special session of the Legislature that enacted the present law, is seeking election as Governor again and is making his canvass in part upon the ground that he favors a law much more liberal to the workingmen. There is little question that the labor unions in States where compensation is based on 50 per cent of wages will come forward at the right time with demands for a higher scale. As Michigan employers are expected to oppose the charges proposed, so it is to be expected that employers in other States will raise similar opposition.

Chicago, October 9, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

Press notices and dispatches as collated by the Bonding Department of the Fidelity and Casualty Company of New York, indicate, for the month of August, 1914, the following defalcations:

Banks and trust companies	$233,615.64
Beneficial associations	4,200.00
Public service	69,203.16
General business	217,317.40
Insurance companies	775.00
Transportation companies	4,889.00
Miscellaneous	4,319.82
Total	$534,320.02

Life insurance companies in the United States made the lowest record in their history last year in the matter of mortality. The percentage to expected mortality was 66.09 per cent, as compared with an average of 72.38 for the past decade. Last year 11 of the 70 companies scheduled had a mortality below 50 per cent of the expected, while 18 were under 60 per cent. The industrial companies, while naturally having a higher mortality than those writing ordinary business, showed a ratio of actual to expected of 86.09. This is an increase from 85.54 in 1912, but compares with an average of 95.37 for the past decade.

During the year 1913, there were 499 steam boiler explosions in the United States; 180 persons were killed and 369 injured.

There were 21,510 deaths in Alabama during 1913 and 47,926 births, according to the vital statistics report recently made public. Of the deaths, 10,524 were whites, and 10,968 negroes. Of the births, 31,195 were whites and 16,731 colored. Tuberculosis led in the toll of death, claiming 2,026 negroes and 737 whites. Pneumonia followed, with 1,624 black deaths and 836 white. Organic heart trouble came third, with 1,018 black and 478 white deaths. Of the 21,510 deaths, says the report, 7,475, or 34.7 per cent, were preventable.

According to the record of the fire marshal of the State of Virginia as contained in the report of Commissioner Button there were 1,854 fires in that State reported between May 1, 1913, and the same day of the current year. The value of the property is given as $14,792,407; the amount of loss as $2,300,374, and the insurance as $7,651,256. Four hundred and sixteen of the buildings in which the fires occurred were of brick or stone and 1,329 were of frame. Of 630 of the fires the cause is not known, 250 were due to defective flues, 150 to sparks, 136 to stoves and stove pipes, 67 to careless use of matches, 61 to carelessness of adults, 25 to carelessness of children, 61 were of incendiary origin, 43 were caused by lightning, 34 by gasoline, 44 by electricity and 14 by rats and mice.

The total net premiums, including interest on perpetual policies, collected by fire insurance companies in Philadelphia in the six months ended June 30, 1914, were $3,091,584. This compares with $2,670,936 in the six months ended December 31, 1913, and with $3,045,402 in the six months ended June 30, 1913. The increase over a year ago was $46,182. These figures were tabulated from returns made to the Philadelphia Fire Insurance Patrol for the first half of the year.

On the other hand, Charles B. Hill, secretary of the Fire Insurance Patrol, reported that for the first five months of this year there had been an increase of $321,082 loss, resulting from fires over the same period in 1913. The estimated total loss for the first five months of this year had been $1,253,556, as compared with a total loss of $932,474 in 1913.

The number of fires has also greatly increased. During the first six months of this year there have been 218 more than the corresponding period in last year. The total number of fires for the first six months of this year is 2,187. There have been 329 more alarms rung in during the first six months of 1914 than in that period in 1913. The total number of alarms for that time this year is 2,542.

Premiums and losses on tourists' baggage insurance in 1913, as reported to the New York Insurance Department by the respective companies, show total premiums received as $147,973, with total losses of $29,-608, a loss ratio of 20.1 per cent.

Figures on sprinkler leakage insurance in 1913, as reported to the New York Insurance Department by both fire and marine and casualty companies, show total premiums received of $508,936, with total losses of $225,-077, a loss ratio of 44.2 per cent.

The Ohio State Fire Marshal's office reports that in the year 1913 there were 5,340 fires reported to that department. Of this number 2,448, or well along towards half of them, occurred in dwellings. Defective flues caused 443 and sparks from chimneys, 347, while incendiarism was responsible for only 43. Thus, we find that statistics bear out the statement that a very large proportion of all fires are preventable.

Statistics of the results of fire underwriting in Canada by the regularly licensed companies under the supervision of the Dominion Government of Canada from 1869 to the close of 1913, a period of forty-five years show that while here and there individual companies may have earned good profits as a result of their fire underwriting in Canada, as a whole the business yields exceedingly modest returns. Attention has been given to this matter by the "Chronicle" of Montreal, which states that the amount which has been received by the fire companies during the forty-five years is almost $370,000,000. Classified according to nationality the amounts received by the respective companies are as follows:

Canadian companies	$81,706,778
British companies	225,693,037
American and French companies	61,620,365

Only eleven years ago the aggregate premiums received by the fire companies from 1869 onwards totalled $177,000,000, the average rate of growth during the last eleven years having been nearly $17,500,000. During the forty-five years the losses paid by the whole of the companies amounted to $227,602,002, divided as follows:

Canadian companies	$51,590,419
British companies	140,758,700
American and French companies	35,257,883

The proportion of losses paid away by each class of company was, Canadian, 63.1; British, 64.6, and American and French, 57.2 per cent, the general average being 61.7 per cent.

Insurance Commissioner Taylor, of North Dakota, admits that after four years' trial the State hail insurance scheme has proved to be a failure. In the first year loss claimants received 70 per cent; in the second year, 55 per cent, and last year 88 per cent. This year the losses have greatly exceeded the premiums, and it is now probable that not more than 70 per cent can be paid. Up to August 10, with all the premiums in, the

losses incurred exceeded the total premiums by $1,000, and a number of serious storms occurred after that date.

Following the resignation of Hon. Fred E. Richards as president of the Union Mutual Life, of Portland, Me., after twenty-one years of service in that capacity, comes the announcement of the election of Arthur L. Bates, former vice-president, to fill the vacancy. President Bates has been in the service of the company during his entire business life, a period of nearly forty-five years, starting as a young man with the company in the position of a junior clerk, and advancing through the several departments of the offices. He has been vice-president and a member of the board of directors for upwards of twenty years.

J. Frank Lang, former secretary of the company, was elected vice-president and Sylvan B. Phillips second vice-president, was elected secretary.

Captain John H. Mitchell, eighty-six, vice-president of the Phoenix Insurance Company from 1888 until his retirement in January, 1908, died at his home on October 6. He was made captain for gallantry in the battle of Gettysburg, having enlisted in a Pennsylvania regiment. The burial will be in his native town, Warren, Pa.

The United States Office of Zurich General Accident and Liability Company has announced that $250,000 of additional funds has been received from the home office, which, with the present showing of assets, reserves and surplus, make those figures stand out prominently, the assets now totaling $2,008,997.51. After special reserves of $100,000 are set aside for contingencies, in addition to legal reserves, the surplus now amounts to the handsome sum of $1,006,930.20.

It is stated that the 4,000 shares of the capital stock of the New Amsterdam Casualty Company underwritten by the syndicate of Baltimore bankers, have been marketed at $50 per share, the par value being $25 per share. The excess of each share will go to the surplus fund of the New Amsterdam Casualty. This company will have on January 1, 1915, a surplus of $317,221 and a cash capital of $500,000.

The Alabama Insurance Company, which was recently restrained from doing further business in Alabama by an order issued by Judge Miller, of the City Court of Birmingham, will be operated as a going concern during a temporary receivership. The company was organized in 1911 and does an industrial life insurance business. Dr. F. B. Sutton, of Birmingham, is president of the company.

The new manual for workmen's compensation, public liability, teams, elevator and automobile liability, for all States, has just been issued by the Workmen's Compensation Service Bureau. It has been compiled by Actuary Stanley L. Otis and is on an entirely new basis from anything heretofore attempted. All the classifications are expressed in symbols which, when read in connection with the differential sheets provided, give the rate on the class in any State according to the differential used.

The following resolution was unanimously adopted at the recent convention of Insurance Commissioners. It was offered by the Executive Committee, to whom were referred telegrams from President Edwin Warfield, of the Fidelity and Deposit, and Editor James R. Gray, of the "Atlantic Journal," asking that the commissioners approve insurance companies investing in cotton and to carrying the investments as assets:

"Resolved, That while the individuals of this convention are in full sympathy with the spirit of the buy-a-bale of cotton movement and with the spirit of any similar movement which has been or may be hereafter started, it is not within the power of this convention or of its individual commissioners to approve of any specific act or of any investment by our insurance companies, unless such act or investment be authorized by law."

There is much speculation among Virginia insurance men regarding the probable recommendations of the State Tax Commission as applied to their business. Some of the commissioners are said to be urging a proposition to increase the amount each company is now paying in taxes and to fix the insurance tax at a lump sum which shall be paid in lieu of all State and municipal taxes on the insurance business. Though the matter is still in the hands of a sub-committee, it is generally understood that a rate of between 2 and 3 cents on the gross receipts of all companies will be recommended, the life companies to be placed on the same basis as the fire companies.

Under the permanent warehouse and marketing bill passed by the Texas Legislature the contents of such warehouses must be insured in regularly licensed companies. It is also stipulated that no stock company shall have at risk on any such warehouse and contents over 10 per cent of its combined capital and surplus, except on cotton and grain. More than 10 per cent may be written, under the provision, but it must be reinsured down to 10 per cent.

National legislation, requiring boiler and steam engine specifications and boiler inspections in every State, was favored by the members of the National Association of Stationary Engineers at the annual convention held in Milwaukee. The organization will send representatives to the annual convention of the American Society of Mechanical Engineers for the purpose of co-operating with that association in demanding uniform national steam boiler inspection laws.

The meeting of the American Institute of Actuaries will be held at Madison, Wis., on Monday and Tuesday, October 19 and 20. The meeting of the institute will be held in one of the assembly rooms in the University of Wisconsin. An interesting programme has been arranged as follows:

1. Interim premiums; 2, War and insurance, special reference to the present European War; 3, Methods for conserving business; 4, The fraternal situation; 5, Methods of conversion as of age and entry, charging difference in reserves or difference in premiums; 6, What constitutes discrimination? 7, Group insurance; 8, The lapse factor; (a) In computing premiums; (b) Reserves; (c) Its mortal aspects; 9, Methods for restricting the volume of policy loans; 10, When does a policy take effect? 11, Waiver of premiums and other disability benefits for female risks; 12, Acceptance of premiums after due date; (a) On application for reinstatement; (b) medical re-examination.

The following officers were elected at the recent meeting of the International Claim Association to serve for the coming year:

President, M. Barrett Walker, attorney, United States Fidelity and Guaranty.

Vice-President, P. N. Trone, secretary, Indiana Travelers' Association.

Secretary, Harry J. Nesbitt, attorney, United States Casualty at Pittsburgh.

Treasurer, F. L. Templeman, Maryland Casualty.

Executive Committee, Dr. W. L. Gahagan, chairman, superintendent accident and health department, Globe Indemnity; D. N. Case, chief adjuster, Travelers Insurance; W. A. Budlong, Commercial Travelers Mutual Accident, and W. R. Freethy, superintendent claim department, Employers' Liability.

The Insurance Federation of Minnesota has been organized at Minneapolis by nearly a hundred leading agents representing various parts of the State and all branches of the insurance profession. The officers and executive committee chosen are as follows:

President—Theodore Williams, Mankato.

First Vice-President—Alexander Campbell, Minneapolis.

Second Vice-President—R. M. Neely, St. Paul.

Third Vice-President—A. A. Wright, St. Cloud.

Secretary—F. C. Wynne, Minneapolis.

Treasurer—W. T. Lemon, St. Paul.

Executive Committee—Casualty, Fred L. Gray, Minneapolis, chairman (elected for three years); Lane MacGregor, Duluth (one year). Fire, Frank A. Mannen, Minneapolis (one year); A. P. Pierce, Red Wing (three years); P. W. Parker, St. Paul (two years). Surety, Wirt Williams, Minneapolis (one year); W. S. McCurdy, St. Paul (three years). Life, Byron Timberlake, Minneapolis (two years); C. E. Learned, St. Paul (one year).

The Illinois Farmers' Institute has made arrangements with State Fire Marshall Walter H. Bennett to be present at twenty-five County Farmers' Institute meetings during the year 1914, and to address the meetings on the subject of Fire Prevention and the Conservation of the State's Resources from the Red Plague of Fire.

An excellent plan for handling injured or sick under compensation or employers' liability policies has been adopted at New Orleans. The idea emanated from Edwin Shelby, manager of the New Orleans Casualty. Whenever possible, patients are sent immediately after an accident to Dr. Brosnan's Hospital, at New Orleans, at the expense of the company, and treated there at a pre-arranged scale of charges, under contract. Cases are often brought a distance of two hundred miles. The results have been eminently satisfactory to employer, employe and the company.

The National Fire Protection Association advocates the following measures in its warfare against the needless sacrifice of human lives and property by fire:

(1) The encouragement of fire-resistive building construction through the adoption of improved building codes by all States, cities and towns. The inclusion in such codes of adequate rules for exit facilities based on the occupancy for all buildings.

(2) The adoption of laws or ordinances requiring the installation of automatic sprinkler systems as fire extinguishing agents in all factories, commercial establishments, and city blocks. The adoption of ordinances requiring the construction of fire division walls not only as a property protecting device, but as providing the best life-saving exit facility.

(3) The establishment by law of a fire marshal in every State, who shall be a trained man, with statistician, educator, and prosecutor.

(4) The investigation of the cause of all fires by public officials.

(5) The consolidation of all legal forces so as to provide for the systematic inspection of all buildings by local firemen and technically trained building and factory inspectors so as to insure the vigorous enforcement of rules for cleanliness, good housekeeping and the maintenance of safe and unobstructed exits, fire-fighting apparatus, and other protective devices.

(6) The especial safeguarding of schools, theatres, factories and all other places in which numbers of people congregate or are employed.

(7) The vigorous State and municipal regulation of the transportation, storage and use of all inflammable liquids and explosives.

(8) The careful study of municipal water supplies, their adequacy and reliability, with special reference to their adequacy in case of conflagrations.

(9) The universal adoption and use of the safety match.

(10) The education of children and the public generally in careful habits regarding the use of fire.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

FINANCIAL AND COMMERCIAL REVIEW

REGRETS for the prosperity that might have been are of course vain in the presence of the terrible catastrophe which the European War means. How much of an economic disaster the war is going to prove for the world in general is a question which must be left for time to answer, although it is doubtful whether Americans in their own favored country have begun yet to realize that the war is going to hurt their business and values severely. Faced with the actualities of the prospect it seems to be the most idle of all futilities to indulge in reckoning the difference to us had there been no such mad collapse of civilization in Europe, but the October crop report can hardly fail to prompt some reference to the situation which we might have had to deal with.

Although the South is distressed to-day on account of the loss of an immediate market for at least a third of its cotton crop this year, and although business and financial interests generally are troubled over the position in which the South has been placed, it is quite probable that the South would have been groaning anyway under the weight of the huge yield of its chief staple in 1914. We may not accept the 17,000,000 bale estimate as an accurate measure of the size of the crop, but apparently there is going to be as much cotton as was picked only a few years ago when the price went below 8½ cents a pound. The chances are that the South would have been filled with vast discontent this Autumn even had there been no European war and would have been clamoring at Washington almost as frantic as now for governmental action designed to keep cotton at or above 10 cents a pound.

There is a good deal of reason for believing that the South is not going to be really ruined by the present misfortunes of the cotton market, and we are sure that after the initial loss on the crop has been pocketed the country as a whole, which includes the South, will gain by having such an abundance of the staple, and there will be trade and industrial compensation for the agricultural damage if the 1914 cotton crop is moved into consumption at a low price. The South itself will among other things have learned the lesson that cotton is a commodity and not cash like so much gold turned out of a mine, and will be led to its great advantage to perceive other agricultural possibilities in its resources of soil and climate.

It is not only the cotton crop which is of bumper size. The total wheat yield is put at 892,000,000 bushels, which is 128,000,000 bushels larger than any previous outturn. The exportable surplus of wheat will go far to repair the difficiencies of the export trade in cotton as a creator of foreign exchange, and it must be remembered in the case of wheat at a high price as in the case of cotton at a low price, that it is not dollar values which determine the amount of a country's wealth, but the abundance of its commodities and products and the facilities which it has for production and distribution. The wheat crop of the year is colossal and there is no other result of farm effort to be placed beside it, but the agricultural season as a whole has made a gratifying record. There have been larger crops of corn, but final figures are likely to show that the harvest was about 2,800,000,000 bushels, which would be up to the average called for by the statistics of recent years.

On agricultural conditions we would, if there had been no war in Europe, be looking forward to a Winter and Spring of active and profitable trade. All the more reason for this anticipation would have been vouchsafed by the liquidated basis on which trade, industry and finance had been placed before the war. Accordingly may not the retrospection in which we have been indulging be regarded as warranted by its encouraging intimations for the actual posture of affairs to-day? Had the war struck us in the midst of an inflated boom with trade volumes expanding and prices soaring in all directions and had the agricultural year been more or less a disappointment, our outlook would have been decidedly dark under the circumstances which the war is creating. It is undoubtedly cloudy and in some quarters gloomy, but the basic economic factors in this country are all such as to give us hope that with a wise and prudent use of our resources and an intelligent management of affairs the people of the United States will be able to prevent the destructions of war from impairing too much the general welfare.

Trade and industrial gains in some directions are already beginning to offset losses in more directions and unless the fortunes of war takea pronounced turn unfavorable to prevailing views, as to where American interests lie in the outcome of the war, our prospect is one that holds out hope of some improvement to counterbalance deterioration. We have not begun to take all the losses which the war will inflict upon us, but there has been a good deal of reckoning of probable losses, so much so that in many respects the worst seems to be known for the immediate present. In dealing with so tremendous a cataclysm as a general war in Europe, which mankind had come to talk of as something calling for only academic apprehension, we have to admit that its long range effects are incalculable, but there is no advantage now in looking too far ahead.

According to the nearer view matters in the United States are far from being as bad as they might. Among intelligent persons this view takes account of the inevitable certainty of much hardship this Winter because of reduced employment, shrunken profits and bankruptcies in numerous important lines of industrial and financial enterprise. At the same time there seems some reason to believe that as long as the United States can, as it assuredly can, keep from becoming politically involved in the conflict abroad, its economic consequences to ourselves are not going to be of such protracted severity as to prevent a large variety of profitable mercantile and manufacturing, as well as banking readjustments, which will tend to overcome the difficulties of the war.

Some foreign trade which we would not otherwise have had must come here from absolute necessity. Consumers are going to have economy, assisted by ability to buy goods at liquidating prices. Many branches of trade and industry will be freed in the home and foreign markets from the customary competition of Europe. Others will find opportunity to manufacture or sell commodities and merchandise which we have been wont to regard as obtainable only from Europe. Once we get over the hurdle denoted by the obstacle of the closed cotton and stock exchanges we will be in a fair way to recover prosperity. Mention might also be made right here of the vision which the financial community is beginning to get of the possibility that the war will compel us to institute measures for the early establishment of the United States as banker for the world. If that happens the economic future will unfold a profitable vista such as hitherto has been only imagined, but never described.

At the moment the larger lines of trade and industry are suf-

fering from a good deal of paralysis. Copper has sold at the lowest level in a dozen years. Steel is languishing for a continuing and increasing lack of orders. The list of securities on which dividends are being reduced, or interest in threatened with default is steadily lengthening, and despite some small growth of dealings under restrictions no real progress seems to have been made in the task of contriving a way to resume regular business in the securities market. Apparently, the cotton exchanges are likely to open before long and a helpful contribution will be made to the whole financial and business situation if this is the case. Once a chance was afforded to trade in a future market for cotton with all the protection which it gives, consumers could begin to accumulate supplies out of the present large admitted surplus against the hazards of a more than probable shortage in the next year or so.

Some hopeful symptoms were manifested by the money market in the last few days. There has been a noticeably freer absorption of commercial paper with the rates tending to fall below 7 per cent instead of rising above it, as has been the case lately. Bankers in general are becoming more used to war conditions and credit is loosening up a little. The currents of cash suggest that the emergency issues of bank notes have caused a redundancy which is beginning to make itself apparent, and it would not be surprising to hear soon that banks were beginning to retire extra circulation. This would be an omen of eventually easier interest and discounts for as long as the banks have borrowed money outstanding in emergency circulation and clearing house certificates they are not going to be very liberal in the terms on which they grant loans.

The foreign exchange market is the principal impediment in the way of domestic monetary improvement. The monetary situation at London is such that the foreign exchanges should be relaxing. Our bankers are puzzled and not a little annoyed by the disposition of the London money market, denoted in the utter failure of American banking effort to evoke any co-operative response from British finance, which has it in its power to bring about workable international monetary conditions. The provision for $80,000,000 of gold exports in the New York City loan operation and the creation of a $100,000,000 gold fund have been followed by displays of strength in sterling remittance and it is not too much to say that British finance is making it hard for our finance to discharge American obligations.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Sept. 26, 1914— Banks.	Trust Cos.	Both.	—Week Oct. 3, 1914— Banks.	Trust Cos.	Both.
Loans	1,597.5	624.1	2,226.7	.....	....	2,202.1
Deposits (net)	1,489.0	494.2	1,983.2	.....	....	1,966.2
Cash reserves	249.4	65.1	115.6	.....	....	124.7
Reserve ratio (%)	23.4	13.2	20.9	.....	....	21.6

Actual Status.

	—Week Aug. 1, 1914— Banks.	Trust Cos	Both.
Loans	1,423.4	635.3	2,058.7
Deposits (net)	1,422.7	488.7	1,911.5
Cash reserves	344.3	67.1	411.5
Reserve ratio (%)	24.2	13.9	21.5

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	1914— Sept. 12	Sept. 19	Sept. 26	Oct. 3.
Loans	572.4	588.8	585.6	569.5
Deposits (net)	561.2	580.6	576.7	568.5
Cash reserves	54.7	54.8	54.6	54.9
Other reserves	71.1	77.8	77.1	83.5
Reserve ratio (%)	21.4	23.0	23.8	24.4

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914— July 25.	Aug. 2.
Loans	2,620.5	2,629.5
Deposits (net)	2,532.0	2,479.1
Cash reserves	520.3	464.7

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

PHILADELPHIA BANKS STATEMENT.

	1914— July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	100.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914— July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.3	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913. Oct. 21-22.	1914 Jan. 13-14.	1914 June 30.	1914 Sept. 12.
Loans	700.4	667.2	7 1.2	704.7
Deposits	1,003.2	997.4	1,024.3	964.4
Cash, other reserves	449.5	470.2	335.2	311.9
Reserve ratio (%)	41.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1913— Oct. 21.	Jan. 13.	1914— Mar. 4.	June 30
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	969.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.64

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week of	1913 New York.	Outside.	Total.	1914 New York.	Outside.	Total.
September 12	1,810	1,408	3,218	*856	999	1,856
September 5	1,724	1,211	2,935	1,083	1,251	2,334
August 29	1,640	1,151	2,755	...	.....	2,065

*Five days.

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week of—	1913 Call money.	60-day loans.	Merc. paper.	1914 Call money.	60-day loans.	Merc. paper.
Oct. 10	5	4½	5½	8	8	8
Oct. 3	4½	4½	4½	8	8	8
September 24	3	4½	5¾	8	8	8

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914— Sept. 17.	Sept. 24.	Oct. 1.	Oct. 8.
Deposits	265,684	173,938	135,489	165,498
Circulation	25,829	34,202	34 974	34,828
Gold	48,730	51,673	52,926	56,566
Securities	139,161	136,414	141,551	141,865
Reserve ratio (%)	21.25	23.33	22.75	24.53
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914— July 9.	July 16.	July 23.	July 30.
Deposits	3,049.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914— July 9.	July 17.	July 25.	Aug. 15.
Gold and silver	1,596.4	1,681.6	1,722.7	1,590.2
Loans and discounts	1,026.0	867.3	801.0	180.9
Circulation	2,192.0	1,994.5	1,890.8	3,881.9
Discount rate (%)	4	4	4	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914— May.	June.	July.	August.
Loans on call	197.1	204.5	193.9	166.7
Loans, other	927.5	925.5	927.0	928.2
Deposits, demand	340.7	355 0	346.8	338.9
Deposits, other	759.3	767.7	766.9	755.1
Circulation	97.7	99.1	94.8	93.3
Cash reserves	113.3	113.3	113.3	113.3

THE COUNTRY'S COMMERCE

	July 1913.	July 1914.	August 1913.	August 1914.
Merchandise.				
Imports	139,281,227	$160,178,133	$137,651,000	$129,400,000
Exports	160,515,941	154,082,225	110,337,000	187,909,000
Specie.				
Gold—Imports	7,859,463	3,291,715	5,803,753	3,034,824
Exports	8,653,448	33,669,424	1,194,657	18,125,617
Silver—Imports	2,796,190	1,228,104	3,101,355	2,162,095
Exports	4,926,456	3,952,956	4,907,866	3,627,337

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	52⅛	52⅛	52⅜	52½	52⅛	51¾
London	23¾	24⅛	24	24	23 13-16	23⅞

COTTON

October 10, 1914.

IT is now the almost universal belief of the cotton trade that the cotton actually produced in this year's crop will exceed in quantity 16,000,000 bales, unless a killing frost occurs over the entire Cotton Belt within the next ten days or two weeks. With regard to the amount of cotton that will be gathered and ginned opinion is by no means so unanimous. On the contrary there are many,—and these among the more far-sighted,—who estimate that perhaps as much as 2,000,000 to 3,000,000 bales (being the last bolls to open) may not be picked at all, because of cotton at the present level would not warrant the payment of wages to pickers of this scattered cotton, and the charges for ginning. It is reasonable to assume that there is much truth in this contention; and, if it be accepted, the prospective burden is seen to be greatly lightened, though the crop would still, according to the estimates most widely accepted, very considerably exceed the consumption possible before the end of August next. We are dealing here, however, with purely theoretic figures on both sides of the balance sheet, and, moreover, with figures that are probably for the time being having next to nothing to do with the price of cotton. It has been an obsession of members of Congress through all the long debates upon the marketing of the American cotton crop that at the beginning of each marketing season the cotton trade estimates the amount of cotton produced(the supply) and the amount required for consumption (the demand) and with these figures before it "fixes" the price of cotton. In this hazy notion there is, when things are normal, this modicum of truth, that the multitude of persons dealing in cotton, whether as producers, merchants or manufacturers, do arrive, each on his own account, at a rough consensus of opinion as to the probable balance of supply and demand, and base their dealings upon this. A price roughly correspondent to the general expectation of the demand and supply value of cotton is arrived at, and is maintained so long as nothing happens to prove the whole calculation wrong. But at the present time no calculation is possible; the only guides to the market value of cotton are the economic cost of production, on the one hand, and the pecuniary necessities of the cotton producers, on the other. The only cotton manufacturers in the world who are in a position to buy cotton at all freely, those of the United States, have, to be sure, in the prices they can obtain for their goods a criterion of the worth of cotton. According to this criterion cotton is now very cheap indeed, and these spinners are disposed to buy with moderate freedom. But they are also very well aware that their own total buying power is sufficient for only forty or fifty per cent of the crop, and that the season's price for cotton will be determined not by their buying, but by the buying that may be developed in foreign markets. Of this, unhappily, there is very little thus far, despite of any deductions that may be drawn from the gradually increasing export figures. As things now stand, therefore, the ultimate balance of supply and demand count for virtually nothing in fixing the price of cotton; and the question of prime importance to the cotton trade and above all to the cotton producers is whether this situation must last for months to come. The rather steadily declining price of cotton in the South would seem to indicate some degree of hopelessness there upon this point. The cotton farmers have, as a class, been exceedingly determined in resisting prices so far below the cost of production as are present prices. But enough cotton is coming out, whether of necessity or through discouragement of the holders, to make the markets still decline. Perhaps some of the panaceas proposed have not appeared substantial enough to the farmers to make it worth while for them to await their effects. The "buy-a-bale" movement is obviously being used for the most part for advertising purposes, and there is only too much reason to fear that it is being made use of for illegitimate gain. In any case, its effects cannot be great. The extravagant proposition advanced from day to day in Congress and by Governors of States are lacking in the ring of sincerity; and the average cotton farmer is no fool. He knows the sounding brass and the tinkling cymbal when he hears them, and he expects nothing of them but idle sound upon the unsubstantial air. Is he, then, right in heing skeptical of genuine assistance in his hard plight? It appears to us that he is not right; that, on the contrary, events are perhaps all too slowly shaping themselves for his relief. The cotton exchanges are nearing the end of the work of repair and self-protection which the sudden outbreak of the European War forced upon them. They will surely be able to re-open in the near future, at least in so far as their internal affairs are concerned. And there are cumulative evidences that external conditions are in no long time to be made right for them. Large plans are shaping in that direction and it is impossible to say whether one or all of them will prove to be adequate. But something concrete is coming out of them before long. It may be that Mr. Festus J. Wade, of St. Louis, will be able to whip into shape his scheme for having American banks provide credit to the extent of $150,000,000 for the financing of temporarily unneeded cotton. More probable still, in our opinion, is that something important wll come of the plan of Sir Charles Macara to have the British Government, in co-operation with the American Government, devise a way for setting up a great reserve of cotton. Of course, danger lies in this direction; but it is in times of war that the nettle danger is, not avoided, but grasped.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	9.90	.....	.....
September—						
High	10.98	.....	.....	.....	.....	.....
Low	10.08	.....	.....	.....	.....	.....
Close	10.40	.....	.....	45 points below Dec.		
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	9.00	9.00	9.00	9.00	9.00	9.00
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	11.50	.....	.....	.....	.....	.....
Low	10.40	.....	.....	.....	.....	.....
Close	10.90	.....	.....	.....	.....	.....
September—						
High	11.33	.....	.....	.....	.....	.....
Low	11.13	.....	.....	.....	.....	.....
Close	10.59	.....	.....	32 points below January		
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May—						
High	.....	.....	.....	.....	.....	..
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
Opening / 12:30 p. m. / Close	25 points over J-F					
Aug.-Sept.—						
Opening / 12:30 p. m. / Close	15 points over J-F					
Sept.-Oct.—						
Opening / 12:30 p. m. / Close	6 points over J-F					
Oct.-Nov.—						
Opening / 12:30 p. m. / Close	4 points over J-F					
Nov.-Dec.—						
Opening / 12:30 p. m. / Close	1 point under J-F					
Dec.-Jan.						
Opening / 12:30 p. m. / Close	1 point under J-F					
Jan.-Feb.—						
Opening / 12:30 p. m. / Close	5.00	5.00	5.00	5.00	5.00	5.00
Feb.-Mar.—						
Opening / 12:30 p. m. / Close	1 point over J-F					
Mar.-Apr.—						
Opening / 12:30 p. m. / Close	3 points over J-F					
Apr.-May—						
Opening / 12:30 p. m. / Close	3½ points over J-F					
May-June—						
Opening / 12:30 p. m. / Close	4 points over J-F					
June-July—						
Opening / 12:30 p. m. / Close	2½ points over J-F					

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	7 7/8	7 13-16	7 13-16	7 7/8	7 1/2	7 1/4
Galveston	8	7 13-16	7 5/8	7 7/8	7 3/8	7 1/8
Mobile	7 1/4	7 1/4	7 1/4	7 1/4	7	7
Savannah	7 1/2	7 1/2	7 1/2	7 3/8	7 1/4	7
Charleston	7 1/2	7 1/2	7 3/8	7 3/8	7 3/8	7 1/8
Wilmington	7 1/2	7 1/2	7 1/2	7 3/8	7 1/4	7 1/8
Norfolk	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Baltimore	....	....	....	....	....	....
Augusta	7 3/4	7 3/4	7 5/8	7 1/2	7 7-16	7 1/4
Memphis	8	8	7 7/8	7 3/4	7 5/8	7 5/8
St. Louis	8 1/4	8 1/4	8 1/4	8	8	7 3/4
Houston	7 5/8	7 5/8	7 1/2	7 3/8	7 1/8	6 3/4
Little Rock	7 5/8	7 5/8	7 5/8	7 5/8	7 1/4	7 1/8

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	6.34	6.34	....	....
Good middling	....	....	5.82	5.80	....	....
Middling	5.30	5.30	5.30	5.30	5.30	5.30
Low middling	....	....	5.07	5.07	....	....
Good ordinary	....	....	4.92	4.01	....	....
Estimated spot sales..	3,500	3,400	4,500	3,100	3,500	3,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling..	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	435,150	413,332	411,256	164,816
Overland to mills and Canada	15,007	16,188	24,576	9,565
So. mill takings, est., exclusive of takings from Southern ports.	80,000	80,000	80,000	50,000
Gain of stocks at interior towns	65,213	70,130	56,326	93,493
Brought into sight for week	595,370	573,640	571,958	317,874
Total Movement—				
Port receipts	2,354,908	2,064,373	2,163,769	615,383
Overland to mills and Canada	41,355	32,444	63,340	21,265
Southern mill takings..	397,032	370,873	409,796	173,000
Stocks at interior towns in excess of Sept. 1..	282,251	213,652	179,837	286,521
Brought into sight thus far this season	3,075,546	2,681,342	2,816,744	1,096,169

The total crop movement is respectively for 74 days, 72 days, 71 days and 70 days.

PORT RECEIPTS AND STOCKS.

	This week last year— R'c'ts. Week.	R'c'ts. Season.	Stocks.	This week— R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	108,210	945,347	141,432	81,969	312,977	124,197
New Orleans	31,014	110,396	58,276	14,677	49,083	62,536
Mobile	22,240	75,501	45,772	4,843	17,546	15,358
Savannah	120,373	493,977	142,296	29,975	116,323	53,165
Charleston	38,330	143,619	79,263	11,572	32,166	27,047
Wilmington	28,132	96,206	42,474	3,940	15,911	14,010
Norfolk	19,265	50,916	20,066	9,738	22,732	21,969
Baltimore	3,750	12,313	3,760	390	1,914	4,133
New York	.....	74	14,356	50	100	68,193
Boston	199	1,565	3,024	20	1,537	2,691
Philadelphia	.....	36	2,476	.....	110	4,765
Newport News	896	2,708	.....	.....	7,724	.....
Brunswick	16,500	83,450	19,207	400	2,750	.....
Pensacola	.....	8,709	.....	.....	.....	.....
Port Arthur	.....	.....	.....	.....	400	.....
Pacific ports	8,077	28,717	.....	3,555	19,733	.....
Texas City, etc.	12,325	105,376	25,324	2,067	9,942	9,655
Jacksonville, etc.	1,945	4,859	1,130	1,720	6,435	729
Georgetown	.....	.....	.....	.....	.....	.....
Totals	411,256	2,163,769	600,860	164,816	617,383	407,848

MOVEMENT AT INTERIOR TOWNS.

	This week last year— R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.	This week— R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	372	19,023	515	1,085	948	6,342	76	4,830
Dallas	2,103	14,953	1,986	5,838	5,038	14,841	3,153	4,915
Shreveport	7,395	30,176	4,247	13,916	7,977	24,790	1,055	25,527
Little Rock	7,757	18,744	2,663	15,864	7,521	13,068	2,057	13,453
Helena	3,236	6,116	297	5,562	2,832	7,080	259	7,256
Vicksburg	1,006	3,108	373	2,459	1,140	3,300	209	3,231
Columbus, Miss.	2,822	7,702	1,003	4,554	666	2,328	373	1,936
Natchez	929	4,112	500	2,638	1,311	4,953	2	5,226
Memphis	36,559	77,885	19,621	47,742	37,158	76,092	10,200	65,044
Nashville	1,101	1,994	178	1,510	241	247	.....	247
Selma	9,271	49,212	7,192	9,095	6,378	33,433	1,697	26,069
Montgomery	11,501	58,560	9,369	17,937	10,209	49,133	4,419	41,930
Eufaula	1,875	9,248	1,973	1,789	1,400	7,487	301	5,203
Columbus, Ga.	3,065	14,480	2,330	7,461	4,307	17,424	1,450	12,709
Macon	4,258	12,482	3,607	1,489	3,353	11,393	193	10,375
Albany	2,319	16,205	2,706	1,893	1,512	11,321	831	13,572
Atlanta	19,879	41,301	12,817	15,020	4,643	7,819	2,326	3,928
Rome	5,597	14,079	4,350	5,285	1,742	5,717	1,195	2,174
Augusta	25,256	96,447	17,537	29,462	21,434	81,390	6,705	55,040
Columbia	1,983	18,215	1,983	.....	2,312	10,668	2,312	.....
Newberry	1,901	6,038	1,901	.....	1,012	2,478	1,012	.....
Charlotte	847	1,975	847	.....	399	1,033	399	.....
Raleigh	1,002	3,866	950	373	157	347	175	32
St. Louis	6,177	21,694	5,729	3,506	4,548	13,159	3,692	13,383
Houston	102,492	793,360	100,791	99,837	69,627	335,761	60,245	67,940
Meridian	988	3,942	143	3,987	510	3,012	96	3,797
Cincinnati	1,748	13,265	1,310	16,996	1,013	8,612	1,115	4,417
Yazoo City	2,338	4,537	456	6,390	2,025	6,373	217	6,894
Totals	265,777	1,464,733	207,374	321,609	201,413	759,620	105,761	399,128

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	116,110	91,018	39,615
France	26,908	31,198	3,405
Continent	119,607	76,969	26,698
Mexico	.....	1,600	2,369
Japan	2,824	8,077	15,775
Totals	265,449	208,793	87,862
Since August 1.			
Great Britain	579,934	546,682	99,346
France	215,153	214,801	3,410
Continent	476,772	626,396	83,673
Mexico	253	8,095	5,218
Japan	10,269	29,757	31,953
Totals	1,282,381	1,425,641	223,600

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	270,000	42,000	.....
Since September 1	693,089	1,128,792	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	4,750	12,537	2,600	18,382	.....	.....
To Manchester	5,750	10,500	9,000	19,689	.....	.....
To Continent	6,500	20,523	9,500	28,534	.....	.....
To America	400	2,900	.....	878	.....	.....
Total exports	17,400	46,460	21,100	67,483	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	23,000	93,000	.....	.....
Exports to Great Britain	1,000	2,000	.....	.....
Exports to Continent	1,000	98,000	.....	.....
Exports to Japan and China	2,000	33,000	.....	.....
Afloat in harbor	14,000	.....	.....	.....

Exchange, 1s. 4 13-32.

Receipts exclusive of ——— American this week, ——— this season; ——— this week last year, 1,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	404,000	242,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses	26,000	15,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	3,000	.....	.....
Bremen	103,000	100,000	.....	.....
Havre	63,000	56,000	.....	.....
Other ports—Continent	31,000	20,000	.....	.....
Alexandria	154,000	.....	.....	.....
Bombay	285,000	.....	.....	.....
U. S. interior towns	321,688	321,688	.....	.....
U. S. ports	600,860	600,860	.....	.....
Afloat for—				
Liverpool	402,000	349,000	.....	.....
London	.....	.....	.....	.....
Continent	564,000	469,000	.....	.....
Afloat in Bombay harbor	140,000	.....	.....	.....
Coastwise to New York	19,000	19,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	3,009,548	2,195,548	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 291,138. Increase in American visible supply for the week, ———, against 242,138 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	2,861,744	.....
Total supply	4,148,884	.....
Less visible supply, American, to-day	2,195,548	.....
World's takings, American, to date	1,953,336	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	.....
Receipts at United States ports to date	2,163,769	615,383
Total supply at ports	2,325,058	868,584
Deduct.		
Stocks at ports to-day	600,860	407,848
*Exports to date	1,444,641	235,600
Southern mill takings from ports	12,019	27,785
Burnt at ports	.....	.....
Totals	2,057,520	671,233
To Northern mills from ports	267,538	197,351
Overland to Northern mills	63,342	21,265
Total Northern mill takings	330,880	218,616
Southern mill takings	421,815	200,785
Total American mill takings, including Canada	752,695	419,401

*Includes ——— in transit between Southern ports and New York, against 19,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	141,024	752,695	.....	.....
Great Britain	66,018	518,682	.....	.....
Continent	100,098	644,197	.....	.....
Mexico	1,600	8,095	.....	.....
Japan and China	8,077	29,757	.....	.....
Totals	329,820	1,953,336	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	61,000	54,000	21,000	20,000
Sales, American	44,000	36,000	17,000	14,000
Sales, speculation	2,000	2,000	.....	1,000
Sales, exports	1,000	2,000	1,000	.....
Forwarded	75,000	74,000	31,000	38,000
Imports, all kinds	80,000	70,000	22,000	.....
Imports, American	72,000	59,000	4,000	.....
Actual exports, all kinds	4,000	3,000	2,000	3,000
Stock, all kinds	489,000	404,000	815,000	786,000
Stock, American	347,000	242,000	511,000	485,000
Afloat for Great Britain, all kinds	418,000	402,000	66,000	.....
Afloat for Great Britain, American	365,000	349,000	48,000	.....

BRITISH BOARD OF TRADE OFFICIAL EXPORT FIGURES

The preliminary figures for the September exports of cotton yarns and cloths from Great Britain have been received by cable by the New York Cotton Exchange. We give them below, with the completed figures of the months since September 1, 1913:

	Yarns, Pounds.		Cloth, Yards.	
	Month.	Since Jan. 1.	Month.	Since Jan. 1.
1913.				
1913—September	15,734,400	154,761,700	548,972,500	5,350,278,900
1912—September	18,999,500	185,099,300	569,622,300	5,123,124,900
1913—October	19,959,100	174,720,800	630,937,100	5,981,216,300
1912—October	22,515,500	207,614,800	666,185,300	5,789,310,200
1913—November	18,247,000	192,968,100	563,650,100	6,544,866,100
1912—November	18,025,000	225,640,000	568,945,600	6,358,255,800
1913—December	17,207,100	210,175,500	530,692,300	7,075,558,400
1912—December	18,314,300	243,954,300	554,370,000	6,912,625,800
1914.				
1914—January	19,056,000	19,056,000	688,105,100	688,105,100
1913—January	19,093,300	19,093,300	648,912,700	648,912,700
1914—February	18,074,100	37,130,100	583,451,600	1,271,556,700
1913—February	16,761,100	35,854,400	563,606,400	1,212,519,100
1914—March	19,824,300	56,954,400	590,375,000	1,861,931,700
1913—March	17,212,600	53,067,000	560,905,000	1,773,424,100
1914—April	18,992,500	75,946,900	531,908,600	2,393,840,300
1913—April	18,578,600	71,645,600	587,552,800	2,360,976,900
1914—May	20,234,300	96,181,200	572,913,100	2,966,753,400
1913—May	17,776,700	89,422,300	606,254,300	2,967,231,200
1914—June	17,233,000	113,414,200	498,504,900	3,465,258,300
1913—June	16,986,700	106,409,000	615,557,600	3,582,788,800
1914—July	19,866,300	133,280,500	628,770,100	4,095,028,400
1913—July	16,620,200	123,029,200	638,971,100	4,221,759,900
1914—August	8,046,800	141,327,300	313,074,600	4,408,103,000
1913—August	15,998,100	139,027,300	579,516,500	4,801,306,100
1914—September	10,000,000	151,327,300	374,000,000	4,782,103,000
1913—September	15,734,400	154,761,700	548,972,500	5,350,278,900

* * *

The Cotton Situation in Egypt.—Vice-Consul General Paul Knabenshue, of Cairo, writes as follows, under date of August 25, concerning the cotton situation in Egypt:

The movement and shipment of this year's cotton crop is un-

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doubtedly the most vital problem now confronting Egypt as a result of the European crisis.

The Egyptian cotton crop for this year is estimated at nearly 800,000,000 pounds, or more than an average yield. There are still nearly 100,000,000 pounds of last year's crop on hand and practically nothing has been exported since the beginning of hostilities. The usual channels of distribution are momentarily blocked owing to the collapse of the international exchange system and the paralyzed state of the cotton spinning industry. The problem is specially serious for Egypt, for the reason that its one and practically only source of wealth—cotton—is facing a most serious crisis.

In normal times Egyptian banks are accustomed to import large quantities of gold—$50,000,000 to $75,000,000—in order to finance the movement of the crop. Since the beginning of the war almost no gold has been imported. To overcome this difficulty the Egyptian Government first promulgated a decree on August 3 making National Bank of Egypt notes legal tender with the same value as gold.

On August 19 the Prime Minister presided at a meeting attended by the members of the Superior Board of Agriculture and representatives of the leading cotton companies and financial institutions of the country. The meeting appointed a committee of local experts to make a report upon the subject of financing and handling the Egyptian cotton crop. It was further decided that although the local resources were probably sufficient to deal with the financing of the crop, it was desirable to obtain the concurrence of Great Britain also, and it was decided to nominate special delegates who were then in London to discuss the matter there with the proper authorities. While no further definite action was taken it was decided in principle that the National Bank of Egypt should advance money to the cotton growers for all cotton offered to it, storing the lint as security in its warehouses. To enable the bank to accomplish this the Government will authorize it to make a further issue of bank notes against the cotton thus held.

As a result of this measure the small cultivators will not be asked or forced to sell their crop at sacrifice prices. They will have the opportunity of pledging it for a portion of its market value—an amount sufficient to tide them over current financial difficulties—and will receive in return notes of a legalized tender. When the international situation resumes a more settled aspect and the foreign demand for cotton for manufacturing purposes again becomes normal, the stocks held by the bank will be disposed of at market value and the producers will receive full prices for their commodity.

It is expected that the larger and wealthier cultivators will hold their cotton for some considerable time until they can demand

(Continued on Next Page.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths	Saturday.	Wednesday.
Print cloths, 28-inch 64 x 64s	3⅞	3¼
Gray goods, 38½-inch standard	4⅛-4¼	4
Brown sheetings, southern standard	7½	7½
Denims, 9 oz	13½-17	13½-17
Ticking, 8 oz	13	12
Standard prints	5¼	5¼
Standard fancy percales	6¼	6¼
Yarns.		
Southern 2-ply chain, 30s	26-20½	19½-20
Southern 2-ply chain, 6s	13-14	13-14
Southern single skeins, 20s	17-17½	14-17½
Southern single carp warps, 20s	18	14½-18
Southern 2-ply 8/8 carp warps, 20s	17½-18	14
Southern frame cones, 10s	18-18½	18-18½
Southern frame cones, 30s	20½-21¼	20½-21¼
Eastern carded cops, 20s	20¼	20¼
Eastern carded cops, 30s	24¼	24¼
Eastern carded peeler warps, 20s	20½	20½
Eastern carded peeler warps, 30s	12	12

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 3...	1.08¼	1.06¼	1.08	1.15	1.12⅜	1.14⅞	.....	.....	.....
Oct. 5...	1.09⅜	1.08⅛	1.08¾	1.16	1.14⅞	1.15½	.....	.....	.....
Oct. 6...	1.09⅜	1.07½	1.07⅝	1.16	1.13⅞	1.14⅛	.....	.....	.....
Oct. 7...	1.08½	1.07¼	1.07⅞	1.14¾	1.13½	1.14⅛	.....	.....	.....
Oct. 8...	1.10⅛	1.07⅞	1.09⅞	1.16	1.13⅞	1.15¾	.....	.....	.....
Oct. 9...	1.10½	1.09⅛	1.09⅝	1.16⅜	1.14⅞	1.15	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 3...	68⅛	67	68	70¾	69⅛	70¾	.....	.....	.....
Oct. 5...	68½	67½	67⅝	71¼	70	70¼	....	....	....
Oct. 6...	67¾	66⅝	66¾	70⅜	69⅛	69⅜	....	....	....
Oct. 7...	67⅛	66½	67	70	69¼	69⅞	....	....	....
Oct. 8...	67⅝	66⅝	67½	70⅜	69½	70⅜	....	....	....
Oct. 9...	68⅛	67	67	70⅝	69¾	69⅞	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 3...	48½	47½	48½	51⅝	50½	51⅜	....	....	....
Oct. 5...	49	48⅛	48¼	52	51⅜	51⅜	....	....	....
Oct. 6...	48⅝	47½	47⅝	51¾	50⅝	50⅞	....	....	....
Oct. 7...	48⅛	47½	48	51⅛	50½	51⅛	....	....	....
Oct. 8...	48⅜	47⅝	48⅜	51⅜	50¾	51⅜	....	....	....
Oct. 9...	48⅝	47⅞	47⅞	51¼	50⅞	51	....	....	....

LARD.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 3...	9.57	9.45	9.57	9.60	9.52	9.60	9.90	9.77	9.90
Oct. 5...	9.60	9.57	9.60	9.62	9.60	9.62	9.87	9.82	9.85
Oct. 6...	9.52	9.45	9.50	9.52	9.45	9.50	9.77	9.70	9.70
Oct. 7...	9.45	9.40	9.40	9.45	9.42	9.42	9.70	9.65	9.70
Oct. 8...	9.72	9.40	9.72	9.72	9.40	9.70	9.92	9.70	9.90
Oct. 9...	9.75	9.72	9.75	9.77	9.70	9.75	9.90	9.82	9.82

RIBS.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 3...	....	....	10.50	....	....	....	10.17	10.10	10.15
Oct. 5...	....	....	10.50	....	....	....	10.12	10.02	10.05
Oct. 6...	....	....	10.45	....	....	....	10.00	9.77	9.77
Oct. 7...	10.65	10.60	10.65	....	....	....	9.77	9.65	9.72
Oct. 8...	10.70	10.60	10.70	....	....	....	9.90	9.67	9.90
Oct. 9...	10.80	10.75	10.80	....	....	....	9.90	9.77	9.77

PORK.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 3...	....	....	16.62	....	....	....	19.50	19.00	19.45
Oct. 5...	....	....	....	....	....	....	19.30	19.17	19.17
Oct. 6...	....	....	....	....	....	....	19.10	18.62	18.62
Oct. 7...	....	....	....	....	....	....	18.65	18.40	18.55
Oct. 8...	....	....	....	....	....	....	18.95	18.50	18.95
Oct. 9...	....	....	....	....	....	....	19.00	18.75	18.75

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.56	5.53	5.53	5.42	5.35	*5.25
October	5.59	5.54	5.53	5.40	5.35	5.25
November	5.70	5.61	5.58	5.48	5.45	5.32
December	5.80	5.72	5.69	5.58	5.52	5.44
January	5.92	5.86	5.81	5.69	5.65	5.55
February	6.01	5.97	5.91	5.82	5.77	5.68
March	6.12	6.08	6.03	5.94	5.87	5.78
April	6.18	6.16	6.14	6.06	5.98	5.91
May	6.27	6.25	6.20	6.13	6.05	6.01

*Third call.

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
June	7.17	....	....	....	....	....
Spot	6½	6¼	6¼	6½	6½	6¾

higher prices than can be obtained at present. Many of the smaller cultivators will undoubtedly take advantage of the advances proposed to be made by the banks, but their stocks of cotton will probably not be held for any great length of time, and the ultimate price obtained will in all probability be much lower than usual.

While it is expected that the measures adopted by the Government will largely facilitate the financing and movement of the cotton in Egypt, the questions of finding foreign markets for the crop and means of shipping it from Egypt also present difficulties to be overcome. The Continent of Europe will undoubtedly not take its usual supply of Egyptian cotton this year, and English spinners will also take less Egyptian cotton, owing to the fact that their exports to the Continent of products manufactured from such cotton will be materially less than usual. Egyptian cotton is looked upon as a luxury and it will undoubtedly be affected, as well as all other such commodities, by the present Egyptian crisis. Consequently the greater part of this year's crop will undoubtedly be held until the war is over and trade revived again. In order to prevent a surplus supply of Egyptian cotton next year, with resulting low prices, the Ministry of Agriculture has already formulated plans for reducing the area to be planted under cotton next year by about 60 per cent. The cultivators will be instructed to grow in its stead corn, rice, beans, and other grain and food products.

The Commission de la Bourse des Marchandises, at its meeting on August 6, decided that all contracts then open must be closed forthwith at the prices of $15⅝ per cantar (100 pounds) for November contracts, $15 9-16 for January, and $15 13-16 for March. That is to say, if a buyer has bought cotton at a certain price for delivery in November, he would be obliged to sell it out now at $15⅝; or, if a seller had sold at a certain price for the same delivery he would be obliged to buy it in then at the above rate. In ordinary circumstances he would complete his operation in November, or sooner if he chose, but now he is compelled to close it at once and at the price fixed. There was considerable opposition to this measure, which was not carried unanimously, but by five votes to three.

The Liverpool Cotton Association, it is understood, sent a formal telegram of protest against this arbitrary method of dissolving the contracts of its members and a protest was also lodged with the Egyptian Government.

The Egyptian Government has since vetoed the decision of the Commisison de la Bourse des Marchandise, and has allowed the commission a few days in which to bring forward some proposal acceptable to all sides or to rescind its decision.

THE WORLD'S DEMAND FOR COTTON, AND INDIA'S SHARE IN MEETING IT

By Arno Schmidt*

Secretary of the International Federation of Master Cotton Spinners' and Manufacturers' Association, Manchester, Eng.

THE cotton industry of the world has, during the last ten years, been suffering from a scarcity of raw material. This scarcity has frequently been so pronounced that mills in all parts of the world have been obliged to curtail production at one time or other. At a meeting of the International Committee held two weeks ago in Paris, it was generally admitted by the representatives of fifteen countries that the cotton spinning industry all the world over had never been in such a depressed condition as at present, and it was stated by the members of the committee that many English and Continental spinning mills are curtailing their working hours. This slackening of trade is partly due to the Balkan War and the Chinese Revolution, but very largely also to the high price of American cotton, which rules the prices of all other cottons.

The primary cause of short-time working undoubtedly arises from the fear that the world's yearly supply of cotton will not be sufficient to meet the yearly demand. During last season, we were told that the American cotton crop would be about 13,500,000 bales, whilst it is recognized that 14,500,000 bales of American cotton are required annually. This probable scarcity caused an increase in the price of the raw material and of the finished article, and a falling off in the demand for manufactured goods. It must be remembered that by far the vast majority of the people in the world, the poorest, who have no choice but to use cotton clothing, have only a very small fixed amount per annum to expend on clothing, and it makes a great difference to them, in the quantity of clothing they can afford to buy, whether cotton is 6d. or 8d. per pound.

What Are the Possibilities of Extending Cotton Cultivation in the World?

Africa.

At one time the hope was entertained that Africa would solve the problem of supplying the cotton spinning industry with its ever-increasing requirements, but after ten years' work in that continent it has been proved that, in consequence of the absence of the requisite training of the people, the comparative scarcity of labor, the absence of transport facilities, the necessarily slow development of research work, and of the unwillingness of the people to work longer than is absolutely necessary to keep their few wants supplied, developments in these parts must be slow. Perhaps the next generation will reap the benefit of the present pioneer work. Most valuable work is being carried on, not only by the British Cotton Growing Association, but also by the German, French, Italian and Portuguese colonial cotton growing associations. The very existence of these associations is a proof of the earnestness with which this question of increasing the supply of cotton is being handled.

Egypt.

Egypt is limited in its cotton crop by the comparatively small area that can be irrigated; Lord Kitchener is doing his utmost to reclaim some considerable stretches of waste land, and bring it under irrigation. Egypt now produces about 1,000,000 bales, of 700 pounds, per year, but there has been during the past ten years a falling off in the yield per acre.

Anglo-Egyptian Sudan.

The possibilities in the Anglo-Egyptian Sudan are certainly very great, but it will probably take fifteen years for that country to produce half a million bales. In view of the threatened shortage of long-staple cotton from America, owing to the advance of the boll weevil into the Sea Island tract, the irrigation scheme in hand in the Sudan should be accelerated, and money should be liberally supplied for the work.

United States.

Cotton planters of the United States of America, and others interested in land, often assure us there is no need to look elsewhere for the supplies to meet the increasing wants of the cotton industry. I would say, in reply to this contention, that it would be unwise for the world's spinners to depend upon one source of supply only, especially when, as in the case of the United States, there is a climate which, judging from the alarmist reports issued every year, seems to be the most uncertain in the world. Further, the cotton districts in the United States are suffering severely from lack of labor. Several experts who have recently visited the country state, that in 1911, when the cotton crop of the United State

*An address before the semi-annual meeting of the National Association of Cotton Manufacturers, Lenox, Mass., September 30, 1914.

reached 16,000,000 bales, much more was grown, but that it had to be left to rot in the fields, as there were no people to pick it. Some authorities maintain that wages have increased of late to such an extent that the growing of cotton is becoming unremunerative, and that unless cotton can be sold by the planter at 6d. per pound, which means that the spinners will have to pay considerably more, cotton cultivation in the United States of America will decline. As an example of the recent wages paid in the United States I am able to state that, whilst the "piece rate" for picking in Texas usually began at 50 or 60 cents per 100 pounds of seed cotton, rising later, as the crop became thinner and more difficult to gather, to over 100 cents, during the early part of last season pickers could not be got in Texas below 70 cents, and the 100 cents rate was reached very quickly. If we remember that it takes about 300 pounds of seed cotton to make 100 pounds of lint cotton, the cost of picking works out to 1½d. per pound. Under these conditions, countries outside the sphere of such high wages seem to have an excellent opportunity of competing with the United States of America, even if the climatic conditions are not as favorable. Experts seem more and more of the opinion that cotton growing in the United States will only be remunerative in the case of long-stapled cottons, such as are produced in the Mississippi Delta, whose value is much above the ordinary type.

These considerations seem to justify the prevalent assumption that the limit of the cotton crop of the United States has been reached. It is true that owing to the excellent organization of the United States Department of Agriculture the yield per acre is gradually increasing; but if labor cannot be found to harvest the cotton, the full advantage of its capacity cannot be realized. So long as no efficient mechanical cotton picker is invented (and so far the results obtained have not been satisfactory), the cotton crop of the United States will probably not far exceed 16,000,000 bales. In the event of an efficient mechanical cotton picker being put on the market, it is doubtful if many planters would be able to afford to purchase it. The tendency in the States is to split up the large plantations into small holdings, and the small farmer has not the capital with which to buy such a machine. We must not leave out of consideration the boll-weevil scourge which is devastating vast stretches of territory. It is stated that in five years time the Sea Island cotton districts will be attacked, and that the farmers there will be forced to grow early-maturing varieties of cotton, which are largely of short staple. It is for this reason that every effort should be made to complete the irrigation works in the Anglo Egyptian Sudan. Egypt and the Sudan will be called upon to make up for the shortage that will result in the supply of long-staple cotton, when the Sea Island districts have become a prey to the ravages of the boll weevil.

South America.

The republics of South America are already suppliers of cotton to a small extent (500,000 bales), and when better means of transportation are established, and the population increases, it is probable that Brazil and Peru will furnish large quantities of cotton. But for a generation or two, this cannot happen. At present the unsettled financial condition of these republics prevents development.

Asiatic Russia.

Asiatic Russia supplies the Russian cotton industry with 1,000,000 bales of cotton of 500 pounds, quite equal in quality to Middling American. The principal cotton growing districts are Ferghana, Syr Darja, Semiretschensk, Samarkand, and the Transcaspian territory. The danger of the increasing evaporation of moisture from the soil in Turkestan, the lack of transport communications for the importation of fodder and food crops, as well as for the exportation of the cotton crop, and the lack of labor, are the principal reasons why the extension of cotton cultivation in Asiatic Russia is bound to be slow. The average wage of a laborer is 4 shillings per day; this alone is enough to prevent any large extension.

China and Korea.

It is estimated that China and the Korea produce about 1,500,000 bales of cotton of 500 pounds, but very little is known as to the possibilities of extension. The quality produced is very low, and the cotton is adulterated with over 15 per cent of water and sand. The unsettled political state of China is bound to impede developments there.

Turkey.

Turkey produces about 100,000 bales of cotton per annum. Owing to the massacres which have recently taken place in Asia Minor, the country suffers severely from lack of labor, and even if the projected works of irrigation are successfully carried out, it will be a long time before appreciable quantities of cotton can be exported.

India.

After considering the possibilities of the extension of cotton cultivation in all these countries, we come to India, which possesses an excellent network of railways, has a hard-working population, 90 per cent of the 315,000,000 being born agriculturists, and in which cotton has been an important crop from time immemorial. It is true that crops in India are largely dependent on the monsoons, but it is equally true that the climate of India is no less favorable to cotton growing than that of the United States. Besides, the Government has developed a wonderful system of irrigation, especially in the North; and the Indian ryot, taking him as a whole, is a steady, plodding worker, who has begun to appreciate the advantages resulting from an increased income. This is a very important factor. The Indian ryot has discovered that well-irrigation makes cotton growing profitable; indeed, in Madras and the United Provinces, the number of wells constructed by the cultivators in recent years may be said to represent the savings that have resulted from the increased profits on cotton cultivation. These wells are the best insurance against famine.

I now turn to the question of the demand for raw cotton. It has been said that a demand for cotton goods is one of the first signs of civilization.

Mr. Alexander J. Kusnetzoff, one of Russia's leaders of the cotton industry, stated at the Seventh International Cotton Congress at Brussels (1910) that of the 1,500,000,000 inhabitants of the earth, there are only 500,000,000 completely clothed, whilst 750,000,000 are partly clothed, and 250,000,000 do not possess any clothing whatever, and that in order to provide clothing for the whole of humanity, at least 42,000,000 bales of cotton, or 15½ pounds for every human being, were annually required.

The world's consumption of cotton has increased from 1909 to 1913 at the rate of almost one million bales per annum! These figures are based upon the statistics issued by the International Cotton Federation, compiled from the individual returns of the spinners.

Russia has increased its consumption of cotton as follows:

	Consumption, Pounds (Eng.)		Consumption, Pounds (Eng.)
1855	54,195,000	1901	603,371,000
1860	90,325,000	1902	541,950,000
1870	144,520,000	1903	794,860,000
1875	162,585,000	1904	726,213,000
1880	307,105,000	1905	614,210,000
1886	361,300,000	1906	755,117,000
1890	252,910,000	1907	751,504,000
1894	444,399,000	1908	794,860,000

The weight of cotton cloths produced on power looms and consumed in India has increased from 536,960,200 pounds in 1896-97

to 988,027,318 pounds in 1912-13. The consumption per head of the population in India is equal to 3.63 pounds, or roughly 14 yards. The clothing of the people of India requires at present 3,250,000 bales of cotton (including wastes), but every additional yard used per head of the population represents an increase of about 232,000 bales of 500 pounds each. The increased prices which the cultivators of India are receiving, not only for their cotton, but also for other produce, are bound to place them in an improved financial position, which will undoubtedly lead to an increased expenditure on clothing.

But besides Russia and India there are other vast countries, such as China, Africa, Central Asia, etc., all of which will demand increasing supplies of cotton clothing.

Consideration must also be given to the fact that cotton has entered into many new uses in Europe. It is in great demand for the making of motor car tire covers, bagging, ropes, aeroplane cloth, etc.; and, as a result of the discovery of the mercerizing process in the manufacture of certain classes of goods, cotton has replaced silk to a considerable extent. As soon as the fashionable ladies of Europe revert from the "hobble" skirt to the fuller skirt —and fashion seems to be developing in this direction—large additional supplies of cotton will be wanted. Spinning and weaving machinery has extended to meet the increased demand, and this extension will continue; but the cotton industry must obtain an annual increase of about 1,000,000 bales of raw material.

As a further example of the growing consumption of cotton by the European countries, I may state that, according to Government figures, the consumption per head of population in Germany has increased from not quite three-quarters of a pound in 1840 to 16 pounds in 1912. Whilst the figures for the consumption of wool show a decline, the cotton consumption is more than twenty-five times bigger than seventy years ago.

This enormous and ever-increasing demand for raw cotton secures the cultivator for many years to come a remunerative price for his cotton crop, and not only the Government of India, but every other Government is fully justified in encouraging the cultivation of cotton in face of this regularly increasing demand.

It is not yet twenty years since Middling American cotton was 3d. per pound, but for the past few years it has rarely fallen below 6d. per pound.

The demand outside India for the cotton grown there comes principally from Japan and the continent of Europe; Lancashire and the United States of America are only small consumers. On the European Continent Indian cottons of superior qualities are being employed more and more to take the place of American cotton, and the statistical compilations of the International Cotton Federation, showing the stocks of cotton in the mills of the whole world, on March 1, 1914, indicate the increased use to which Indian cotton has been put during the last year.

The question of the cotton supply should be looked upon from an international point of view, as all the nations are interdependent.

The International Cotton Federation has at all times urged, in the first instance, the growing of larger quantities of cotton in India. Although the question of quality has been looked upon as a point of secondary importance, yet it is one which would naturally receive the attention of the growers.

The results achieved in regard to quality in Madras, in the Punjab, in the Sind and Gujarat are very promising, for taking these together we have had during last season a crop of some 300,000 bales which are of a quality equal to Middling American, though owing to defective picking and mixing the price obtained for these cottons may not have been as high as it might otherwise have been.

It is a mistaken idea to suppose that India can produce only coarse and short cottons. It is an historical fact that India used to produce cotton from which the finest kinds of tissues were woven, and it is only through mixing of different cotton varieties and the lack of scientific supervision that the Indian cottons have deteriorated. I am, however, able to state the experience of many cotton spinners to the effect that the Indian cottons have improved again of late years in quality, no doubt due to the activities of the agricultural experts, and there is every reason to hope that further progress will be made in this direction.

The tour which I undertook during last Winter through the Indian cotton-growing provinces extended to Sind, the Punjab, Northwestern Frontier Province, the United Provinces, Madras Presidency, Central Provinces, Burma, Assam, and part of the Bombay Presidency. Thanks to the excellent arrangements made by the India Office, I was able to make a pretty exhaustive survey of the conditions in the comparatively short time of five months. I will content myself here simply with drawing attention to the salient features of each province, and refer those of you who are specially interested in the question to the report which the International Cotton Federation will issue in a few days.

Sind.

The most interesting development arises from the formation of a syndicate of Bombay mill owners, which has started operations as the result of a suggestion I made four years ago on the occasion of my first visit to India. This syndicate acts as a buying agency for the purchase of cotton grown from American seed, which the Deputy Director of Agriculture has introduced amongst the cultivators in Lower Sind. Unfortunately, this year, owing to unexpected rains in August, this American cotton has suffered severely, almost one-third of the plants having been washed out of the ground, and the color of the lint has been considerably damaged in the remaining plants. Instead of having a crop of 800 bales of American cotton from Lower Sind, only 450 bales have been harvested. This syndicate has also erected a ginning factory in the Upper Sind, but there the cultivation has suffered from a lack of water in the canals. The future of Sind as a cotton-growing area depends largely on the supply of water in the canals, and it has been proved that unless the construction of the Rohri Canal, a project that has been before the public for about thirty years, is undertaken, Sind cannot be relied upon as an annual supplier of large quantities of cotton. It is a great pity that this district, which is very similar to Egypt, is withheld from producing good cotton owing to the impasse in connection with the canal project.

The indigenous Sind cotton is short, but is much appreciated on account of its whiteness.

Punjab.

The outstanding feature of this province is that this season from 25,000 to 30,000 bales of American cotton have been grown in the Lyallpur district. This cotton originally came from Dharwar, but experts agree that the staple and color have improved since it has been taken into the Punjab. The great drawback is that the ginners who purchase the cotton from the cultivators try to mix the local cotton with this Llyallpur-American cotton in the hope of cheating the buyer. The effect is that this cotton mixture is not sold at the price it would command if it were kept pure and that when the seed is used in the second year for sowing purposes the mixture has already taken place. It is of the utmost importance that the Department of Agriculture of the Punjab should undertake a wide distribution of American seed and confine it to certain villages. The more that cotton of one variety is grown in a district the more difficult becomes the task of mixing it with others. In this connection I might say that one of the character-

stics of the Indian is a bent for gambling. No one else in the world is so given to speculating and gambling as the Indian, and although he may have been found out nine times in some underhand practice he will persevere and try the tenth time in the hope that he will not be detected.

The licensing of ginning factories would undoubtedly be a remedy for this mixing.

The Punjab Government has undertaken extensive irrigation works, and besides those canals already supplying water to the northern part of the Punjab there will be inaugurated at the end of this year the Lower Bari Doab Canal, which will supply water to a large tract of country where the prospects of growing good cotton, Lyallpur-American, are excellent. The land is level and therefore most suitable for irrigation, and the clearing will cost comparatively little.

The International Cotton Federation has received the offer from the Punjab Government of a free lease of 7,500 acres of cotton land in the Lower Bari Doab Canal Colony for the purpose of establishing a model cotton plantation and a buying agency. The special features of this undertaking are: Intensive cultivation will be introduced; American cotton, similar to that grown in Sind and the Punjab, will be grown; pure strains of seed will be distributed; and cotton will be bought from the surrounding districts at a premium made known at the time of the planting season. The land has been offered free for twenty years, and in the event of more than 10 per cent being earned, the surplus of profits above that figure will be returned to the Government, thus ensuring that the Indian cultivators will not be exploited. The undertaking is to be an educational movement, for the good of India, and not primarily a money-making venture.

Northwestern Frontier Province.

There are two kinds of cotton grown here. One has a staple one inch long whilst the other measures only five-eighths of an inch. The former is grown on land flooded by hill streams, whilst the latter is grown on canal-irrigated tracts. Unfortunately, the ginning outturn of this cotton is only 25 per cent, but there is no reason why it should not be improved by seed and plant selection. As in the Punjab, so in this province, the mixing of two different kinds of cotton is going on In both cases the ginners, who are the first buyers, and not the growers are the culprits. It is high time that it was realized in India that the shortest fibre in a mixture of cotton decides the price of the whole mixture, just as the value of a chain may be gauged by the strength of its weakest link. The growth of cotton in this province has more than doubled during the last five years, but the possibility of extension is not very great. I recommended in this province the establishment of a cotton market with a Government grader, such as there is in Tokar in the Anglo-Egyptian Sudan.

United Provinces.

In the western circle a white-flowering cotton with a ginning percentage of 39 to 40 has been largely introduced and gives a very remunerative result to the farmers. This cotton is very short, but owing to its high ginning outturn is very remunerative A longer cotton of American origin, Buri, seven-eighths of an inch long, has been introduced as an experiment and promises well. It will be a contest as to whether it will be more remunerative for the farmer to grow the short or the longer cotton. Round Cawnpore, an American variety, is being grown, and 200 bales of this were bought last season by a Cawnpore mill owner at 6½d. per pound. The ordinary cotton round Cawnpore is very short Bengal. There is urgent need for the work of an additional agricultural expert for Bundelkhand, where the conditions are entirely different from those in the Cawnpore area, the soil and climate of Bundelkhand being almost identical with those of the Central Provinces. In Bundelkhand has been inaugurated during the last decade an extensive canal system, but whereas in 1904 it had 160,000 acres under cotton, only 90,000 were cultivated last season with cotton. This is all the more strange as all the other districts of the United Provinces have gradually increased their cotton acreage. The Department of Agriculture holds the opinion that Bundelkhand offers a good future for the growing of cotton.

Central Provinces.

The organizations which assist the Department of Agriculture, and have been created by it, are excellent. Agricultural Unions and Co-operative Agricultural Societies attend to the distribution of cotton seed, and it is probably due to the excellent organization of the Department of Agriculture of that Province that it is now the second largest cotton producer of India. Since 1902, when the activities of the Agricultural Department started, the area under cotton has increased by almost 900,000 acres. The cotton grown generally is short, about one-half of an inch long, but the quantity is large and ever increasing. Cambodia has been tried with enormous success in Chanda on the new Government farm, under tank irrigation; it not only yielded well but produced a lint that has been spoken of by a Cawnpore mill owner as "the best cotton grown in any part of India." The Central Provinces are the new home of Buri cotton, for it is from here that the United Provinces and Assam have received the seed.

It is unfortunate that the good reputation which the Agricultural Department is endeavoring to gain for the cotton raised in the Central Provinces and Berar is suffering largely from the malpractice of watering the ginned cotton prior to pressing. At all the most important centres one can see the hose pipes being used freely, say half an hour over 100 loose bales, and, in spite of the remonstrances made by the spinners of the world it is surprising that the Government of India cannot see its way to suppress this practice, which has been termed a "fraud" by the Secretary of State for India.

Madras.

As regards Madras, an improvement has undoubtedly taken place in the quality of Northerns, which the Agricultural Department has improved by plant selection. A slighter improvement has taken place in the Western cotton but, unfortunately, owing to lack of staff, hardly any work has been carried on by the Department of Agriculture for the improvement of Cambodia. When this Cambodia was introduced it had a ginning outturn of 44 per cent, now it varies from 33 to 35 per cent. With plant selection and importation of new supplies of seed good work might be done by agricultural experts. Spinners complain very much of the falling off in quality of Cambodia cotton. This cotton has one-inch staple and is a phenomenal yielder, as 500 pounds of lint per acre is quite a common crop. As Indian cotton generally yields only 100 pounds per acre, it will be readily understood that many ryots are using all kinds of unsuitable land for the purpose of trying this wonderful cotton. Unfortunately, the Co-operative Credit Societies in Madras are not yet sufficiently developed to take up agricultural work. A great improvement would take place if the Department of Agriculture were to sell selected seed on credit in this Presidency.

Burma.

So far little attention has been paid to Burma cotton. The Government state that about 47,000 bales are grown every year, but last year, and again this year, between 70,000 and 80,000 bales, were exported. Burmese cotton, as now marketed, is a mixture of long and short varieties. The long cotton has a staple of one inch, white in color and silky. It is known under the name of Bhamo

cotton and used to be exported to China. The Chinese insisted upon the different pickings being kept apart, but when about fifteen years ago mechanical ginning factories were started in Burma their managers were not so particular as to quality and insisted upon quantity, with the result that the mixing has continued, and even now no satisfactory difference is made in price for the different qualities or for clean picked cotton. Three large European firms have formed a combine, and, in the absence of effective competition, the low prices paid by the combine to cultivators must result in a reduction in the acreage next year. One advantage has resulted from this combine, and that is that its buyers steadily refuse to accept any seed cotton that has been watered.

Considerable quantities of a coarse cotton giving 50 per cent ginning outturn are grown on the sides of the hills in the Shan States and other hill districts, under perennial cultivation. The method of cultivation is to burn down the hillside and then put in cotton plants and allow them to stay for three years. By that time the soil has become impoverished and the tribes then go to other tracts and start the same process afresh. Owing to lack of staff and railways the Agricultural Department has not been able to introduce more economic methods in these parts.

Assam.

There is a small plantation in the Kamrup plain of Assam, where last year several acres of Buri cotton had been grown as an experiment. The results have been excellent. The spinner who obtained this cotton bought it at the rate of 7d. per pound. The result of this experiment has astonished the officials of the Assam Agricultural Department, who had previously declared that cotton could not be cultivated in the plains of Assam. The Lieutenant-Governor, Sir Archdale Earle, showed great interest in this new venture, and promised that the Agricultural Department should take up the question of cotton growing.

Baroda.

I was exceedingly pleased with the general conditions at Baroda, especially with the Government farm there, under the management of an Indian. Extensive areas are grown under the Cambodia cotton and the Dewan and his officials are evidently alive to the necessity of helping on the Department of Agriculture. Five hundred farmers met at Baroda on February 20 to hear an address from H. H. the Gaekwar on the advantages of Co-operative Credit Societies in relation to the improvement of the cultivation.

The Broach and Nausari cottons of Baroda have a world-wide reputation for their excellent qualities.

Bombay Presidency.

I did not visit, on this occasion, many parts of this Presidency, but I had previously made a thorough investigation. In the north of Bombay Presidency the Government have achieved very good work with regard to improved Broach cotton, and the Bombay mill owners established, on the recommendation of the International Cotton Federation a buying agency, guaranteeing a premium for cotton that had been raised from the improved seed. Unfortunately, last season difficulties arose, but it is hoped that the Government will undertake a stricter superintendence of the distribution of seed and the collection of the cotton from the small farmers.

In the south of Bombay Presidency, in the Karnatack tract, Dharwar and Gadag are the principal centres. At Dharwar we find the only saw-gins in use in the whole of India. Indian cotton is ginned, in general, by roller gins, but here in Dharwar saw-gins are used for the purpose of separating the fibre of American cotton from the seed. Latterly the Dharwar American cotton has deteriorated, and the Government has introduced with success Broach and Cambodia cottons.

Bombay Presidency is the largest producer of Indian cotton, supplying over 29 per cent of the total Indian crop.

Conclusions.

The outlook in general, as regards India as a large supplier of cotton, is most promising, but the Government will have to engage a much larger staff of farming experts. The few who are at present in the Government's employment are a great credit to the British nation, and are the most remunerative investment which the Government of India has ever undertaken. I can prove that in almost every province, through the instrumentality of these farming experts, additional millions of rupees are annually brought into the country.

The Government of India spends about £1 per thousand of the population on agriculture, leaving out veterinary expenditure. Comparisons with other countries show how absurdly small this outlay is. The United Kingdom spends £46 per thousand, Queensland, £92.5; Austria, £86.5; Prussia, £62.5; United States of America and Canada a little over £36; France and Hungary about £27. The "Pioneer" of Allahabad, which supplied this information, in a leading article dealing with an address I gave before the Board of Agriculture, says this comparison is very instructive, and that no one can fail to see State expenditure on agriculture in India is only in its infancy, and that an unanswerable case exists for its expansion.

On my journey I advocated the system of supplying seed on credit, the same as has been introduced by our chairman, Lord Kitchener, in Egypt. All the machinery exists for the collection of the value of the seed through the tax collector. If this method were adopted in India, we would soon see the Department of Agriculture obtaining a monopoly over the supply of seed, and in this way the ryot would gradually free himself from the hands of the money lender. The more general establishment of cotton markets, with Government graders, and possibly in some provinces the licensing of ginning factories, would be effective means of stopping the mixing of the various cottons, for not only is the purchaser cheated through this practice, but much greater harm is done when, in the following season, the mixed seeds are sown in the field. The watering of cotton should be made a penal offense.

I feel convinced that the introduction of such methods as I have suggested would enable India to supply in the near future, say in about five years, a cotton crop of 10,000,000 bales. Cotton is a crop that can be readily converted into cash at any time. It is a crop that requires a food or fodder crop as a rotation and therefore does not interfere with the growing of food and fodder crops. Of course, the man who owns only half an acre must in the first instance devote his land to the raising of food crops. The cottonseed cakes, or better, the meal of these cakes, form, in all agricultural countries, an excellent cattle food which is not yet sufficiently used in India. The meal can be conveniently packed in a small compass and can be transported expeditiously by rail to famine-stricken districts when necessary. These cottonseed cakes have found great favor in England and the United States, and one may justly look upon cotton quite as much as a fodder-producing plant as a fibre plant, seeing that the seed grains are the heaviest portion of the crop.

At present 5.9 per cent of the gross cropped area of India is under cotton, whilst 79.6 per cent is under food and fodder crops; even in famine years India exports foodstuffs. It must be remembered that cotton is a crop that can be warehoused for years without suffering in the least, and as I have shown at the beginning of my paper, there is very little possibility, owing to the ever-increasing demand, that we shall see in the near future low prices prevailing for cotton for any length of time.

Even if Lancashire does not herself use very large quantities of Indian cotton, yet two great advantages accrue to the English

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Sixty days sight						
Ninety days sight						
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Sixty days sight						
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Sixty days sight						
Ninety days sight						

cotton industry from the extension of cotton cultivation in India, viz.:

1. Every additional bale of cotton raised in India liberates a bale of American cotton, and consequently lessens the demand and price for it. Seeing that this year's crop in India will probably amount to 6,000,000 bales, the boon to the cotton industry as a whole, as a result of a crop of these unprecedented dimensions, must have been very great. Had the Indian crop been of normal size, the price of American cotton would undoubtedly have risen to record figures. As it is, the cotton manufacturing industry of the whole world has benefited.

2. Lancashire's secondary advantage is that by extending cotton cultivation in India by improved methods, especially by seed selection, the ryot becomes financially better off, the consequence being that he is able to spend more money on his clothing, of which about 90 per cent is supplied by Lancashire.

Cotton Manufacturing in Belgium in 1913-1914.—The ravages of war have undoubtedly affected very severely the cotton spinners of Belgium. In some of the smaller cotton mill centres,—as, for example, Alost,—the German troops are reported to have destroyed everything, cotton mills with the rest. In the most important cotton manufacturing district, however, Ghent and its environs, the Germans have hardly penetrated at all as yet, and cotton manufacturing is still going on there, though of course in a restricted way. Should the troops of the Allies succeed in interposing their battle line permanently between the German army and the Western portion of Belgium, it is probable that the larger part of the Belgian cotton mills would continue in operation throughout the war, and that the military demands alone for their goods will enable them to dispose of their products to advantage. It is known that Belgian spinners are ready and able to buy cotton at present prices, though probably not as yet in their customary quantities. The assurance that the forces of the Allies could successfully protect Ghent and the adjacent Belgian territory would, however, speedily lead to a considerable demand for cotton. This being the case, it is of interest to have the information contained in a recent consular report to the United States Department of State upon the conditions in the Ghent district during the year preceding the outbreak of hostilities. The reporter is Consul H. Albert Johnson, stationed at Ghent. It is as follows:

"It appears that conditions in the cotton spinning industry of this district during the past year have been far from satisfactory. The climatic conditions reported as especially favorable in the case of the new crop of cotton appeared to have stimulated activity in the market to a considerable extent, when a general strike brought business almost to a standstill. The strike itself was of relatively short duration, but it aroused such serious misgivings concerning its possible effects that it partially paralyzed the industries of this district as well as those of other sections of the country, and the demand for cotton yarns declined to an alarming extent, while prices dropped to an abnormally low level.

"The appearance on the Belgian market at this time of large consignments of cotton yarn from the South of Europe which, owing, it is claimed, to the prevalence of an industrial crisis in that quarter, were offered at exceptionally low quotations, served to neutralize any tendency toward improvement in the conditions prevailing in this locality. Finally, toward the end of August of last year [1913], reports concerning the new crop having been unfavorable, prices gradually advanced, futures being quoted at 93 francs [$17.95 per 50 kilograms, or 110¼ pounds]. Overproduction of stocks being feared on account of the cessation of operations in a number of textile establishments, the Association Cotonniére of Belgium decided to suspend operations in the cotton-spinning mills for six days during November and December [1913].

"At the end of the year the agitation in the case of raw cotton seemed to have subsided, and quotations eventually indicated a retrograde tendency toward a level more in conformity with existing conditions.

"The improvement and extension of dock facilities at Ghent resulted in increasing to a considerable extent the direct imports of raw cotton to this port, and it is predicted that in the near future all vessels arriving in Belgium with cargoes of American cotton will in all probability unload at this port. Direct shipments of Indian cotton to Ghent appear also to have been inaugurated, and it is hoped that this port will in future establish direct connection with the oriental cotton markets.

"The total number of spindles operated in the cotton-spinning industry of this district (including spinning and twisting), last year, was 1,569,452."

* * *

The Market for Cotton in Russia.—A cablegram from Consul General John H. Snodgrass, of Moscow, states that the Russian cotton crop is good; extremely high prices are quoted. American cotton can be sold in Moscow by way of Siberia for lower prices than Asiatic. Home-grown cotton is worth $23.53 per 100 pounds in Moscow. A war tax of $1.43 per 100 pounds on foreign cotton and $2.14 per 100 pounds on domestic cotton is contemplated.

[The Russian cotton district (Turkestan and Transcaucasia) produced 917,352 bales (of 500 pounds each) of cotton fibre in 1912-13, and 1,004,328 bales in 1913-14. Imports of raw cotton and cotton waste into Russia during the first five months of 1914 amounted to 521,200 bales, valued at $36,591,000, as compared with 336,000 bales, valued at $22,088,000, during the corresponding period of 1913.]

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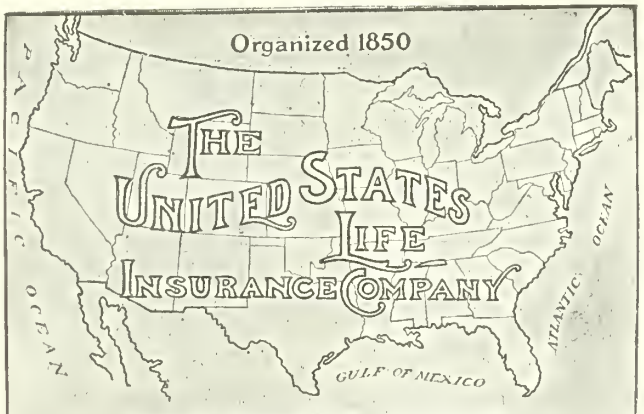

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SINCE the passage of the Federal Reserve Act by Congress nearly a year ago and its in the main general acceptance by the financial and commercial community, as promising better things than we have ever known in the field of banking and currency, public attention has been chiefly directed to the gradual working out of the necessary organization of the new system. The process of determining the reserve districts and of selecting the cities in which the Reserve Banks should be placed, with the controversies growing out of the disappointment of many local hopes and ambitions when the selection was announced, occupied the public mind for some months. Then came the nomination and confirmation of the members of the Federal Reserve Board, giving opportunity for much discussion of personal qualifications. After this followed the election and selection of the various classes of directors of the Reserve Banks. Before this last process was completed, the outbreak of the European War had thrown the entire financial machinery, domestic and international, of the country into confusion; and the serious question had arisen whether it was safe and prudent to undertake the actual organization as going business concerns of the Reserve Banks, until the times became more propitious. Furthermore, the Federal Reserve Board was hardly completed and organized when certain specific questions of the gravest import had to be presented to it, notwithstanding that it still lacked the actual machinery to make its judgments effective. The paralysis of foreign exchange necessitated action on an unheard-of scale in the way of providing for the indebtedness of the United States; and the tremendous effect which this action would obviously have upon the country's stock of gold was evidently a matter so profoundly concerning the new banking system that our bankers very properly felt obliged to proceed with the sanction of the Federal Reserve Board. Another problem of nation-wide importance was and is that of providing for the satisfactory marketing of our cotton crop, of which an unprecedented proportion must evidently be carried by the South for many months, instead of its being sold immediately to domestic and foreign spinners. Here again it has been clearly necessary that the Federal Reserve Board should take the multitudinous plans of cure under consideration, inasmuch as one of the first perplexities of the entire Reserve System, when put into operation, will be how to deal, in accordance with sound banking principles, with the extraordinary volume of cotton notes and cotton bills which must somehow be taken care of.

All these virtually unavoidable accompaniments of the gradual progress of the Federal Reserve Act towards actual realization in a co-ordinated banking and currency system have had one interesting result for the generality of us, viz., that we have almost forgotten the terms of the Act itself and have for the most part come to assume that with the organization of the Federal Reserve Board and the establishment of the regional Reserve Banks the system will be complete, and ready to fulfil the functions expected of it, as soon as the propitious moment is found for the inauguration of actual business. It is not hazardous to assert that, outside of banking circles proper, not one business man in a thousand in the United States at this moment realizes that even with the Federal Reserve Board and with the organized Reserve Banks, the Federal Reserve System is still not complete in accordance with the terms of the law establishing it. We venture to say that even a considerable number of bankers fail to remember that there remains still another essential member of the system to be provided, the Advisory Council.

In spite of the public forgetfulness and indifference, it is certain that a few at least of the banking fraternity are giving no little thought to this Advisory Council and to the part it will play in the actual operation of the new banking and currency law. This was evidenced in the annual address delivered at Richmond, Va., before the American Bankers' Association, on Wednesday of this week, by the president of the Association, Mr. Arthur Reynolds. The passage devoted by Mr. Reynolds to this point is decidedly worth quoting at the present juncture, if for no other reason, in order that the impending selection of this Advisory Council may not proceed uninfluenced by public discussion of its proper function and of the kind of members of the Council who may be expected to see to it that this function is fulfilled. Mr. Reynolds said:

"During the lengthy discussions over the modifications of the Federal Reserve Act, and especially those relating to the Federal Reserve Board, the bankers of the country exhausted every effort to obtain that representation, by provision in the law, to which their interests clearly entitled them. Failing in that effort, they obtained, in lieu of what they should have had, a clause authorizing an Advisory Council, similar to that in vogue in Germany.

"While the powers of this Council are confined to specified activities, yet from the character and experience of the men who will be chosen by the directors of the various banks, it should wield an influence upon the administration of the system that was denied them in its management. The Federal Reserve Board must convene the Council at least four times a year; and it has the right to make such recommendations in relation to the general affairs of the reserve banking system as its wisdom may dictate. It may also meet at its own discretion and has power to call for the in-

formation to keep it fully advised of events and conditions in all matters relating to the system.

"The experience in Germany has been that the advice of its Council in the conduct of the Reichsbank is rarely refused and generally followed. The result is logical; and as those in charge of the new system become involved in the intricacies of the financial system of this great nation, they may be glad to avail themselves of its assistance. The fundamental features of the bill organizing the Federal Reserve Banks are in the main sound; and the establishment of the Advisory Council may furnish the balance without which the system might be deficient."

It must be said that the reports of the discussions, public and private, at the meeting of the American Bankers' Association, just concluded, have been on the whole indicative of no inconsiderable concern on the part of the bankers who are members of the Association, lest serious disappointments lie ahead of us in the matter of the conduct of the Federal Reserve System. The address of President Reynolds may be asserted to have had this note running through it; and it is significant that his mind should evidently have turned to the Advisory Council, still unconstituted, as the possible protection of the bankers, who must work under the system, from embarrassments, political and other, and perhaps from positive distortion of the entire system from its true purpose. In the Federal Reserve Act the most indistinct of all the provisions are those of Section 12, concerning this same Advisory Council. At first sight, its powers appear to be extensive and important, but a closer examination of the language of the law seems to show them void of that effectiveness which might give their exercise real value and authority. Perhaps it may not be a waste of space to rehearse briefly the precise terms of this Section 12 of the Act, despite the fact that Mr. Reynolds has done this in a general way. In the first paragraph it is provided that the Advisory Council shall consist of as many members as there are Federal Reserve Banks and that "each Federal Reserve Bank by its board of directors shall annually select from its own Federal reserve district one member of said Council." Meetings of the Council are to be held in Washington at least four times a year, "and oftener if called by the Federal Reserve Board." But the Council may also hold meetings of its own motion, either at Washington or elsewhere; and it has complete control over its own organization and procedure. In only one respect is it wholly subject to the final authority of the Federal Reserve Board, namely, as regards the compensation and allowances of its members, although these are to be originally fixed for each member by the board of directors of the Reserve Bank that appoints him. It is in the second paragraph of Section 12 that we find the enumeration of the powers granted to the Advisory Council; and scrutiny of the terms employed shows these powers to be as remarkable for their inclusiveness as they are noteworthy for their complete lack of substantial effectiveness. The entire paragraph may well be quoted:

"The Federal Advisory Council shall have power, by itself or through its officers, (1) to confer directly with the Federal Reserve Board on general business conditions; (2) to make oral or written representations concerning matters within the jurisdiction of said board; (3) to call for information and to make recommendations in regard to discount rates, rediscount business, note issues, reserve conditions in the various districts, the purchase and sale of gold or securities by reserve banks, open-market operations by said banks, and the general affairs of the reserve banking system."

Here is a wide range of matters, virtually all of them demanding highly expert knowledge and long experience on the part of those dealing with them; and the Advisory Council is empowered and by implication directed to procure information about them and to impart this information, accompanied by recommendations, to the Federal Reserve Board. This latter body, however, need do no more, under the terms of the law, than throw the recommendations into the waste-paper basket. It is not required to heed them at all in the actual conduct of the affairs of the Federal Reserve System. Hence a question not unnaturally rises as to what purpose this Council was intended by the legislature to subserve and as to what function it will finally be found to fulfil in the economy of the new banking and currency system as a whole.

It is well enough known that the prototype of this Advisory Council was found in the Council representing the interests of the stockholders of the German Reichsbank and actually, though without legally effective powers, controlling the conduct of the business of that institution. Nominally, public officials carry on the Reichsbank, but in real truth these officials always heed the recommendations of the shareholders' Council. It is perhaps no secret that the suggestion of the incorporation of this provision in the Federal Reserve Act came originally from the eminent English financial authority, Sir George Paish, who had been struck with the important part played by the shareholders' council of the Reichsbank and who conceived that a similar council, representative of American bankers as a class, might diminish the danger that our new Federal Reserve System may have over-much of political management about it. There is no denying, then, that the principle has been tried and has been found to work well, at least in the environment in which it has been tried.

What is primarily important to Americans, however, is the part which the Advisory Council will obtain for itself in the direction of our reformed banking and currency. And this, as we see it, is something which will lie almost wholly in the hands of our bankers. It lies within their power to make the Advisory Council of importance or not, according as they treat seriously or not the selection of the men who will compose it. If they resolutely and speedily set about procuring from the boards of directors of the district Reserve Banks the nomination to the Advisory Council of powerful and experienced men, who will regard their duty as being the largest and most continuous possible informing of the Federal Reserve Board, on the one hand, and of the public, on the other, as to the commercial and industrial, the financial and economic conditions throughout the country, and as to the banking requirements inherent in these conditions, the Advisory Council so composed will quickly become the predominant influence in directing the policy of the entire Federal Reserve System; and this will be the case, notwithstanding the lack of positive legal authority and control. On the other hand, an Advisory Council composed of men selected for reasons of a purely honorary kind will just as quickly become a mere fifth wheel of the coach, and bankers will have no direct representation of their interests with the Federal Reserve Board.

Arthur Richmond Marsh

THE BELLIGERENT COUNTRIES OF EUROPE AND THE GOLD STANDARD

AT the time of the American Civil War the fundamental principles of banking and currency were far less completely understood than they are to-day and the financing of the war by the United States Government was in the main empiric, rather than scientific. Everybody is now familiar with the consequences of the course pursued, though it is improbable that any one at the time, at least in this country, anticipated those consequences. In order to pay the immediate cost of the conduct of the war, the Government first borrowed as much as it could in the open market, then had recourse to so large an issue of pure fiat money (greenbacks) as to threaten the complete demoralization of the country's entire finances, and finally took refuge in the National Banking System, which provided a market for the bonds of the Government because these could immediately be turned into currency by the National banks. The aggregate amount of currency in circulation was enormously increased by the two last of these processes; the internal money of the United States separated itself very widely from the gold money of European countries; and a tremendous enhancement in the prices of commodities, in terms of United States money, almost immediately ensued. Long years were required to reduce the currency once more to a gold basis; and in the meantime one of the heaviest burdens upon our industry and trade was the constantly fluctuating rate of exchange between our paper currency and gold.

The European War, involving so stupendous an immediate expenditure on the part of all the chief industrial and commercial countries abroad, raises the very important question whether these countries, in spite of the supposed perfection of their banking systems, will be able to avoid precisely what happened in the United States during the Civil War. Will it be possible for these countries to maintain such a relation between the amount of their outstanding currency and their supply of gold that the two will not, so to speak, pull apart, with the result that the countries will find themselves at the end of the war with enormously redundant paper currencies, greatly depreciated in comparison with gold, which they can bring back to the gold basis only after a long period of time? The theory of modern banking is that a country's currency should represent in certain proportions gold and the continually liquidated credits given by banks on commodities in course of production and distribution. A currency resting upon essentially permanent and unliquidating credits, such as government securities, is held to be unscientific and pernicious. But can the European countries find the wherewithal to meet their current war expenses, without giving rise to a vast currency supported only by these governmental credits? And, if they cannot, must not the effect be vast amounts of practically irredeemable currency, with all its consequences in greatly enhanced prices for goods within the countries so situated and with a long continued disturbance, both of the domestic exchange between gold and currency and also of the international exchanges between these countries and those other countries of the world which have succeeded in maintaining the gold standard, as the United States and probably England and her dependencies?

These possibilities are suggested by paragraphs in a recent number of "The Economist," of London, in which the reported successful domestic flotation of Germany's war loans is subjected to critical analysis. These paragraphs are as follows:

"The official statement received from Berlin through Amsterdam on September 24, declares that 13 hundred million marks of the war loan (about 66 million sterling) have been issued in 5 per cent Exchequer bonds and 3,071 million marks (about 153 million sterling) in the Imperial 5 per cent loan, both at 97½. At this price the bonds give a yield of £5 11s. 8d., and the loan yields £5 2s. 7d. The total of 4,389 million marks is imposing, but is susceptible, we think, of an explanation.

"What happened doubtless is that the German Government told the German banks what amounts they must apply for. There is no need to suppose that their clients have been able to provide more than a tiny fraction of the amount, and if our view is correct, we may confidently expect continued issues of German paper money, which will be followed by a great rise of prices in Germany.

"On the other hand, there is doubtless enough wheat and rye in Germany to supply the whole population with bread for many months to come, and the Government, by controlling the supplies of the shops, can fix the prices of this first necessity of life. Germany will also be able to exchange its large surplus of sugar, and its surpluses of dyestuffs, drugs, and chemicals, potash, and coal, etc., for other things which it will most need, with Denmark, Scandinavia, Holland and Switzerland."

An analysis of the weekly figures of the Reichsbank, as they are now reaching us in their new form which makes impossible comparisons with the past, would seem to bear out the suggestion of "The Economist." Thus, for the week ending July 25, the bank note circulation of the Reichsbank was only 1,890,893,000 marks, while for the week ending October 12 it had risen to the unprecedented total of 4,382,902,000 marks, having gained the huge amount of 292,014,000 marks in a single week. Nor does this tell the whole story; for, at the same time, there was during the past week a gain within the Reichsbank itself of no less than 690,781,000 marks for the practically new item of "Bullion (silver), bank notes and Treasury notes." And at the very time when these great increases in the paper circulation were most marked,—i. e. the week of October 5 to 12,—there was a tremendous decrease in the amount of the Reichsbank's holdings of the chief basis of its note issues, other than gold, viz. discounted commercial bills and security carry-overs. The shrinkage in this item for the single week just past has been no less than 1,455,735,000 marks. In other words, the Reichsbank's weekly statements are now showing a very rapid increase of the note circulation, with an even more rapid decrease of the very items which theoretically should form the only basis for note issues except gold. It is true that the past week's statement shows some increase in the Reichsbank's gold holdings, 54,629,000 marks, representing doubtless the hoarded money which is being forced out of the hands of those who withdrew it from the banks during the past eighteen months and who must now part with it in order to live. But this gain in gold is insignificant in comparison with the increase in paper money put in circulation at a time when commercial paper is shrinking most severely. The conclusion, then, seems to be inescapable that the increase of the note issues really represents, directly or indirectly, the indigestible government loans.

But this carries us straight back to what happened in the United States at the time of the Civil War, i. e. issues of government bonds, for the taking up of which there was no real capital available and which consequently had to be translated at once into bank note issues by the National banks subscribing for them. The redundancy of the virtually irredeemable paper money thus issued speedily split it away from gold; Gresham's law came into full operation, and the gold was to all intents and purposes driven out of the country (except, of course, in so far as it was absolutely required for international exchanges); prices, in terms of the paper currency, rose violently and stood out of all certain relation with

prices in the gold countries abroad; and for a quarter of a century the commercial and industrial activities of the country were hampered by uncertainty as to the value, in relation to gold, of the monetary unit by which all interchanges of commodities, present or future, had to be measured and liquidated.

The present indications, then, point to an enforced abandonment of the gold standard by more than one of the countries now involved in the European War. If the war lasts a year or more, it is hard to see how any of them, except England with her enormous income from foreign investments, particularly in non-European countries and her unequaled credit, can avoid this unhappy disturbance of their currency systems. Perhaps France may escape, if the war is not too prolonged; but this is doubtful, because France has been too much given to investing in the governmental securities of Europe alone.

One more point of no inconsiderable importance may be mentioned. If the above reasoning be correct, American business men selling goods for future payment or for future delivery and payment to the European countries likely to be affected should begin at once to stipulate payment in gold. It may be highly unpleasant, for example, for a merchant who has sold cotton to Germany (if a way be found to do this), to discover that gold in Germany has suddenly advanced, say to par and one-half in the Germany money which he must accept in payment of his account, because his contract fails to stipulate that he is to be paid in gold. The same principle, of course, applies to bank balances and balances of account which Americans may have in Germany. The more quickly these can be withdrawn, either in the form of credits in countries unlikely to have to depart from the gold standard or in commodities still selling at gold standard prices, the less the risk of a severe shrinkage in them, when the flood of bank notes, or paper money, issued to finance the war, shall have produced its inevitable effects.

THE QUESTION OF INCREASED TRADE BETWEEN THE UNITED STATES AND RUSSIA

THE signing at Washington of a peace treaty between the United States and Russia, similar to the treaties concluded with Great Britain and France on September 15, points decidedly toward the renewal of commercial as well as political friendliness between this country and Russia. This may well lead to a new commercial treaty, to take the place of the convention of 1832 between the two countries, which was abrogated by Congress several years ago.

The signing of this Russian treaty follows close upon a highly interesting and significant statement of M. Sazonoff, Russian Minister of Foreign Affairs, quoted in a dispatch from Petrograd to the London "Times" and reproduced in various American papers, of which the essential portions are as follows:

"The present situation furnishes the greatest commercial opportunity to England and America that has been offered. Germany for years past has been vigorously pushing her trade in all quarters of the Russian Empire. She now sells us $300,000,000 worth of products yearly. These enormous markets in machinery, chemicals and all sorts of manufactures are now suddenly cut off from her.

"America and England should send experts here now, while the war is in progress, to study our wants, import duties, and methods of business, so that when peace comes the channels which for decades have flowed deeply with German products will continue to flow deeply with English and American products.

"For America especially Russia opens an industrial outlet such as can hardly be overestimated. We have an empire of 170,000,000 souls, and what we have been paying Germany yearly is but the beginning of a demand that soon will make Russia among the most desirable and valuable markets in the world.

"Railroad building and new developments everywhere are a prelude to an era of prosperity in this country such as never has been seen here before. I cannot too emphatically express the hope that merchants abroad will realize this wonderful opportunity and act promptly."

In the light of this persuasive statement of M. Sazonoff, it becomes particularly worth while at this time to review briefly the economic conditions existing in the Russian Empire, with a view to estimating the opportunities which actually exist for increasing the trade between the United States and that vast country for which so much is promised both in the near and in the more distant future.

Russia, European and Asiatic, comprises about one-seventh of the land surface of the globe, with an area of nearly 8,500,000 square miles. The area of the United States, including Alaska, Hawaii, and Porto Rico, is approximately 3,500,000 square miles. Notwithstanding the common impression of Russia's Northern bleakness and consequent lack of real productiveness, great portions of Russian territory are exceedingly fertile. The vast area of European Russia may be imagined as consisting of three successive broad belts running from Northeast to Southwest,—the forests, the black lands, and the steppes. Deep forests cover the entire northern section, and in great clearings have been built many of the older Russian cities. South of the forest belt lies the belt of black lands, which are hardly equalled in their fertility by the lands of any other country. South of the black lands are the steppes, or prairies, so rich that on them grows grass higher than men's heads. The black land belt and the steppes are the great grain producing areas. Thus, the country affords a fruitful and ample theatre for the operations of a numerous race. In the words of the French economist, M. Paul Leroy-Beaulieu: "Man meets there only two obstacles,—cold and space. Cold, more easily overcome than extreme heat and less to be feared by our civilization; space, an enemy already mastered by Russia, and become its great ally for the future."

Another notable characteristic of the Russian territory is its physiographic unity. Unlike Western Europe, broken up and divided by its mountain ranges, its gulfs and bays, Russia in Europe is practically a continuous unbroken plain. This geographic fact obviously has an important bearing on the homogeneity of the people, and their ability to absorb alien races.

As to the population, the best available estimate is 175,000,000 souls, but distributed very unevenly. In the extreme North and South the population is not very dense; but in the Southern part of the forest belt, on the black lands, and in Poland the country is thickly settled. The population of the largest cities is, in round numbers, as follows: Petrograd (1912), 2,000,000; Moscow (1912), 1,600,000; Odessa (1911), 620,000; Kiev, (1911), 500,000; Warsaw (1911), 870,000. These are the only cities with population of half a million. While there is a mixture of many races in the Empire as a whole, yet, as has been suggested, the character of the country, and possibly the form of government, have tended to amalgamate and blend together these races more fully than is popularly supposed. To quote M. Leroy-Beaulieu again: "With all its diverse races, Russia is by no means an incoherent mass, a sort of political conglomerate or marqueterie of peoples. It resembles rather France than Turkey or Austria in the matter of national unity. If Russia can be compared to a mosaic, it is one of those ancient pavements where the basis is of a single substance and a

single color, and whose surface only is made of an embroidery of different pieces and diverse hues."

But from a commercial and industrial standpoint, it may fairly be said that the greatness of Russia is still largely potential. This will appear from a comparative view of her farm lands and forests, and her foreign trade. First, as to farm lands. There are in the Russian Empire, if available statistics are to be trusted, not quite 275,000,000 acres under cultivation. In the United States, the improved farm acreage is nearly 490,000,000. The forest area can be reckoned accurately only for European Russia, Finland, Poland and the Caucasus. In these regions the total reaches 550,000,000 acres, about 40 per cent of the area of these parts of Russia. The forest acreage of the United States is approximately 545,000,000 acres, which is not quite 25 per cent of our total area.

As to the foreign commerce of Russia, it is worth while to survey this somewhat in detail. In 1913 the total value of imports was $610,000,000, as against the $1,790,000,000 of the United States, the $2,755,000,000 of Germany, and the $3,740,000,000 of Great Britain. Russia's exports for 1913 were valued at $710,000,000, as against the $2,485,000,000 of the United States, the $2,305,000,000 of Germany, and the $3,090,000,000 of Great Britain.

The value of Russia's imports from and exports to three leading nations was as follows:

RUSSIAN FOREIGN TRADE, 1913.

	Imports from	Exports to
Germany	$322,000,000	$226,000,000
United Kingdom	85,000,000	134,000,000
United States	37,000,000	7,000,000

This table brings out sharply a vital point to be considered in connection with any movement in this country to act upon the suggestion of the Russian Foreign Minister, namely the proximity of Germany, and the complementary character of her industrial and commercial wants with those of Russia. Unquestionably a certain natural advantage in respect of Russian trade accrues to Germany from these facts, as has been pointed out by an editorial writer in the New York "Journal of Commerce," who remarks:

"Germany has the same advantages in dealing with Russia that we have in our commercial intercourse with Canada—that of geographical contiguity. Thus Germany can get her goods into the Russian markets usually at the cost of one 'handling' and one train journey at fairly moderate rates. These advantages have been reinforced by the provisions of a particularly broad and liberal commercial treaty in which the balance of profit was emphatically on the side of Germany.

"The result was shown in the rapid expansion of German exports to Russia in the course of the last twenty-five years. For the five-year period 1889-93 German exports to Russia had an annual average of $38,770,000; while for the five-year period 1904-8 the average per annum was $108,275,000. Here was an increase in twenty years of $70,000,000 in the annual average of Russian imports from Germany. During the same period the annual average of imports from England increased only from $28,220,000 to $49,050,000."

It is also notable that the Russian imports from the United States have consistently fallen off during the last three years. They were $37,000,000 in value in 1913; nearly $43,000,000 in 1912; and over $50,000,000 in 1911. The exports to the United States, valued at $7,000,000 in 1913, showed a falling off from the 1912 figure, which was nearly $9,000,000, but was slightly in excess of the 1911 exports, which reached a value of nearly $6,750,000. During the same years the Russian imports from Germany have shown a steady increase, though the exports to Germany showed a falling off in 1913, as did the total value of exports from the Russian Empire. Of course, some allowance must be made in judging the commerce between Russia and the United States of late years for the lack of a commercial treaty between the two countries.

It will now be of interest to show analytically the character of goods which at present are comprised in our Russian trade. It appears from the governmental statistics that the principal imports from the United States into European Russia are as follows:

RUSSIAN IMPORTS FROM UNITED STATES, 1913.

Raw cotton	$23,282,000	Scientific apparatus	129,000
Agricultural machinery	3,679,000	Jute and jute tow	116,000
India rubber and gutta percha	3,066,000	Hides and skins	98,000
Machines and machinery	2,999,000	Copra	88,000
Manufactures of wood	633,000	Cast iron manufactures	63,000
Automobiles	291,000	Hand tools	49,000
Mineral oils	187,000	Mineral and vegetable wax	17,000

While these figures, in their relative proportions, are probably correct enough, the total figures are certainly too low; for it is well known that a large amount of American merchandise is shipped to Russia through other European countries, whose agencies exact a profit for the transactions, and at the same time swell their own export figures beyond the mark set by their native products. On this point, Mr. J. D. Whelpley, in his instructive book, "The Trade of the World," has said: "There is reason to believe that American sales of one item alone—raw cotton—exceed the total officially stated value of Russian annual imports from the United States ($37,000,000). The annual consumption of raw cotton in Russia is approximately $125,000,000. Fifty million of this is grown in Central Asia; $25,000,000 comes from Egypt, India, and other places, leaving at least $50,000,000 worth to be bought from the United States, as there is no other place from which it can come."

But even after making all possible allowances we are tremendously far behind Germany in our trade with Russia, and that, too, after all proper deductions are made from the German export figures for American commodities, like cotton, re-exported to Russia. As compared with our $291,000 worth of automobiles exported to Russia, Germany in 1913 exported thither automobiles to the value of $6,005,000; our cast iron exports to Russia were valued at $63,000, Germany's at $1,552,000; and so on, until we reach the total of $332,000,000 in value of goods exported by Germany into Russia in 1913, as compared with our figure of $37,000,000 for the same year. In short, Germany's position is strategic. Her exports to her Eastern neighbor in 1913 included woolen goods to the value of over $6,000,000, while those of the United Kingdom, which is commonly supposed to dominate the woolen goods markets of the world, exported to Russia last year only $1,285,000 in such goods.

Nevertheless, it is quite possible that war conditions have created new opportunities for American exporters. Certainly, the suggestion of the Russian Minister that experts be sent to Russia "to study (her) wants, import duties, and methods of business" is worthy of careful consideration. Assuredly, everybody who believes in the ability of American merchants to solve the difficulties which problems of this character present should desire to have M. Sazonoff's suggestion and, indeed, invitation, taken up and examined in the light of the materal facts upon which action, whether individual or co-operative, must be based. Thus it may be possible to avoid the waste of misdirected enthusiasm and energy, excited by a tempting general appeal, and to turn the attention and efforts of our exporters to the fundamentals of their task.

It will require all their native energy and more than ordinary skill in export matters permanently to divert streams of American merchandise into what M. Sazonoff has called "the channels which for decades have flowed deeply with German products." This is not to imply that, with good relations between the two countries, both so vast in their economic possibilities, the commercial inter-

course between the United States and Russia may not be very rapidly amplified with much profit to both sides. But it were idle to hope that what amounts to a commercial revolution can be accomplished out of hand.

AN ENGLISH VIEW OF THE FIVE PER CENT INCREASE OF FREIGHT RATES CASE

By W. M. Acworth

Reprinted from the "Railway Age Gazette"

I AM invited to say what I think of the recent 5 per cent rate advance case. Let me begin by making my own personal attitude clear. Three or four years ago I started to write a continuation of my little book, "Elements of Railway Economics." Several of its chapters as they were written appeared in the "Railway Age Gazette." One chapter concluded in these words: "A law court is not a proper body to decide questions of railway rates. On the other side of the Atlantic they seem to be gradually working out a system of regulation much more logical in theory, and likely in the long run to be much more satisfactory in practice." I then held the belief—justified I think by the then evidence—that commission control was going to afford a satisfactory solution of the problem. And I accordingly went on to sketch its gradual development in the United States, showing how commissions and legislators had sown their wild oats, and how the railroads had come, first reluctantly to submit to, and then almost to welcome, reasonable regulation.

And then two years ago my writing abruptly stopped; for the facts unfortunately ceased to fit the theory on which I was proceeding. Legislators refused to be guided by experts, and passed two-cent fare laws, full crew laws, and the like, by scores, for reasons quite other than those of general public interest. Commissions failed to become more expert. They still regarded it as their duty to establish, not just and reasonable rates, but low rates. Some of them even, in defiance of the spirit of the Constitution, which forbids any State to lay any imposts or duties on imports, manipulated local rates so as to prejudice the freighters, outside their own State. There remained still the Interstate Commerce Commission. And to that commission, strengthened in authority, in numbers, and in personnel, one could surely look to uphold the credit of commission control. And now comes the decision of that commission in a case, not only the most important that has ever been submitted to it, but surely the most important in the magnitude of the interests involved that ever has been submitted in the world's history to any tribunal. That the decision will be a landmark in the story of the relations between railways and governments, I have no doubt. That it will inspire confidence in commission control as a system—can any one hope?

I am not going to attempt to criticise the decision in detail; as it seems to me details are out of place in a case going down to the whole financial basis of the railroads of America. Three years before the commission inquired into the same question, whether an advance of rates was required. Though they came, as I believe, to a wrong conclusion, they dealt with the matter in a broad and statesmanlike manner. They based their judgment that an increase was not required on the view that new net revenue was not then needed, and on the expectation that neither wages nor cost of supplies would much advance; and added that, if they were proved wrong, they would not hesitate to give their sanction to increases that would be reasonable. In 1914 the commission finds that the expectations of its predecessors of 1911 were wrong. Wages and fuel costs have largely increased, and "the net operating income of the railroads in official classification territory, taken as a whole, is smaller than is demanded in the interests of both the general public and the railroads." But thereupon the commission decided that the railroads in official classification territory, taken as a whole, shall not receive at their hands any increase of income whatever.

The commissioners of 1911 were bad prophets. But fate was at least kinder to them than to the prophets of 1914, who—on the very day on which the stock exchanges in New York and London closed their doors, and two days before Germany declared war on France and Russia—put out the opinion, "Shortly after the commencement of this proceeding there began another period of depression from which we appear now to be recovering." * * * "Subsequent developments have shown that there was little foundation for any such view" as that "carriers would encounter great difficulty in renewing their maturing short term notes and other obligations. With the growing ease in the money markets this difficulty has largely disappeared."

But in truth this was not a case either for detail or for prophecy. In England our courts take judicial cognizance, as it is called, of certain facts that do not need to be proved. They take it for granted, for instance, that the sun goes around the world; that New York time is always five hours behind London; that the United States since 1776 has been an independent nation, and other similar facts that are part of our common consciousness. And so, it seems to me, the commission might have taken judicial cognizance of the elemental facts of the railway situation. We all know, for example, that American railways have been built and operated hitherto with an economy unknown in older countries; but that of recent years the standard of construction, and the standard of operation have been rapidly raised, implying the expenditure of vast additional capital and a much larger proportion of income. We know that freight rates the lowest in the world have gone down rather than up of recent years. We know that operating costs have increased faster owing to increased prices than could possibly be offset by increased economies. We know, to put it in the broadest possible way, that it cannot in the long run be possible, in a country where $1 purchases less than almost anywhere else in the world, to give the European standard of service at the old American standard of price. We—including the commission—cannot help having all these things at the back of our heads, and 1,000 pages of statistical tables do nothing more than confirm—though they do abundantly confirm—our pre-existing impressions. And yet the answer of the commission is a refusal, and ten items of paternal advice.

One would have thought the natural course of the commission, having found the net revenue inadequate, would have been to go on to say: "Take then, as an interim measure, this 5 per cent increase for which you ask, for you have abundantly discharged the burden of proof laid upon you that your rates as a whole are too low. But the general increase must of course be subject to the right of any individual complainant to show that his case is an exception; and, if that is proved, the money must of course be refunded. But we do not think that a general 5 per cent increase is the best thing that can be done. Let us all get together, commission, railroads and freighters, and see if we cannot work out a better scheme, it being understood that the commission has made up its mind, on the one hand, that the railroads must have increased revenues, and therefore increased rates; and, on the other hand, that no trade and no locality must be unjustly discriminated against."

But, far from taking this course, the commission have intrenched themselves in a semi-judicial dignity against "the general impropriety" of what they call "the campaign of publicity." Why

there was any impropriety in the action of the Traffic Association which "offered to deluge the commission's offices with thousands of telegrams"—presumably to declare that, in the opinion of the members of the association, the proposed increases were just and reasonable—it is difficult to understand. I had always hitherto believed that the great advantage of a commission of the American type over our purely judicial commission in England was precisely that with you the commission was responsive to public opinion, both guiding it and being guided by it in turn; and was not confined to the consideration of sworn evidence produced in court. In our procedure there is no method by which the interests of the public at large can be brought before the court. But, if with you the public at large, who are expressing their opinion through hundreds of leading articles or through thousands of telegrams, are to be refused a hearing, what is the advantage in the commission being only "semi-judicial?"

I have long thought that the proper method of control over railway rates is that a body of experts, such as the commission, should consider the question, and, instead of deciding it, should publicly give their advice to a cabinet minister, and that he should then act on his own responsibility, being himself in turn responsible to Parliament. Under our form of government in England there is no difficulty in establishing machinery of this kind. But it would, I imagine, be impossible under your Constitution with its rigid limitations of the sphere of legislative, executive and judicial action. But you will, I think, have to face the question, how the statesmanship of the country can be brought to bear on the railway problem; for this question the Interstate Commerce Commission by its latest decision has raised in so acute a form that it cannot now be evaded.

INDUSTRY, COMMERCE AND FINANCE

British Trade in September.—According to the estimate of the Board of Trade British imports fell off $81,515,000 in value, and exports $18,750,000 in value, as compared with figures for September, 1913.

The principal declines in imports were: Food, $10,000,000; wood, $11,250,000; cotton, $7,500,000; manufactured articles, $42,500,000.

In exports, coal fell off $8,750,000. The remaining deficit was in manufactured articles, of which cotton textiles figured to the amount of $17,500,000.

The following figures show the value of imports and exports for the past four months, as compared with the values for the same months in 1913, and the total value for the first nine months of 1914 and 1913:

BRITISH IMPORTS AND EXPORTS, 1913 AND 1914 (IN PART).

Imports.	1914.	1913.
September	£45,056,086	£61,359,086
August	42,362,034	55,975,704
July	59,383,792	61,783,683
June	58,272,042	58,309,519
Exports.		
September	£33,527,877	£49,277,877
August	28,631,104	52,261,228
July	52,231,296	55,475,551
June	48,626,410	51,377,685
Nine Months.		
Imports	£522,635,714	£557,807,499
Exports	429,124,314	473,126,041

* * *

Production of Silica in the United States.—The marketed production of silica in the United States in 1913, as reported to the United States Geological Survey, was 232,192 short tons, valued at $953,832. The general term silica includes vein quartz, sand and crushed sandstone, tripoli, and diatomaceous earth. The marketed production of quartz in 1913 was 97,902 short tons, valued at $201,488, against 97,874 short tons valued at $191,685 in 1912. There was a total production in 1913 of 106,857 short tons of sand and sandstone used in paint fillers, polishing powders, scouring material, etc., valued at $466,523. The production of tripoli in 1913 was 20,831 short tons, valued at $215,617. The total output of diatomaceous earth in 1913 was 6,602 short tons, valued at $69,304.

* * *

United States Borax Production in 1913.—In 1913 the production of crude borate materials in the United States was 58,051 short tons valued at $1,491,530, compared with 42,315 tons in 1912 valued at $1,127,813, according to an advance chapter from Mineral Resources 1913 on the production of borax, just published by the United States Geological Survey. All the borax in the United States is produced from ores derived from California, and mainly from a few mines in Inyo and Los Angeles counties, although a small quantity was produced in Ventura County. Thus far there has been no output of borax from the potash properties in the Searles Lake region, where the promoters expect to obtain borax as a by-product of the potash mining operations. The imports into the United States in 1913 of borax and borates were valued at $18,434, against $11,249 in 1912.

* * *

The World's Production of Coal and the Part of the United States Therein.—A recent paragraph in the "Coal Age" calls attention to the opportunity of the United States in the coal industry arising through the war in Europe. The statement is as follows:

"The annual producion of coal in the entire world is approximately 1,350,000,000 short tons. The United States produces 575,000,000, or more than 42 per cent. Great Britain produces about 305,000,000, or 22 per cent, while Germany produces 265,000,000, or 19 per cent. Other countries in their order of production are Austria-Hungary, 50,000,000; France, 45,000,000; Russia, 28,000,000; Belgium, 25,000,000, and Japan, 19,000,000 short tons. It is true, therefore, that of eight countries producing 97 per cent of the world's coal output, the only one not now engaged in war is the United States.

"Great Britain is still producing a large tonnage, and is endeavoring to maintain her place as the world's most important exporter of fuel. Her foreign business in coal amounts to approximately 110,000,000 tons annually, leaving 195,000,000 tons for domestic use. There is no doubt but that production in Great Britain will be curtailed, but it is likewise certain that her domestic consumption will materially lessen, so that considerable coal will still be available for export. She has ships, and commands the seas, so that she must be regarded still as a most formidable competitor for the export business. The chief condition against her is the recent order prohibiting the export of her best Welsh grades. We doubt if importers will be satisfied with an inferior English coal.

"In Germany, Austria-Hungary, France and Belgium, the coal industry is completely demoralized, only enough colliers being left in the mines to supply fuel for the railways, armament mills and the more important national requirements. Japan can hardly supply enough coal for her own uses, so it is evident the United States and Great Britain must furnish the world's fuel while the present war continues.

"If the present time is not the supreme opportunity to make the United States the chief fuel exporting nation of the world, then surely the chance will never come."

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

THE article upon life insurance policy loans, as a national help in time of war, by the distinguished German financial writer, Herr Georg Bernhard, of which a translation is published on other pages of this paper, not only throws interesting sidelights upon the inner financial situation in Germany since the outbreak of the European War, but also suggests economic questions of a far-reaching kind, both for life insurance itself as a business and for those who would find an adequate theoretic correlation of life insurance with all the economic forces and resources of a country. It is a marked characteristic of the earlier history and development of life insurance that the individual and personal side of it was chiefly emphasized in all thinking and speaking about it. The appeal to the sense of duty in the head of the family, in respect of the protection of those dependent upon him against penury in case of his death, was from the start the driving force of life insurance. In this country the enormous growth of the capital resources held by life insurance companies has, of course, led to comment of a descriptive, but not analytical, kind. The importance of the companies in the financial markets has been recognized; and the economic benefits in some other directions of the vast amounts of accessible capital gathered together by the companies have been pointed out. But we do not recall any attempt in this country at a thorough-going study of the place of life insurance in the total economic and social activities of the community, or of the means for making life insurance a positive force of a calculated and adapted kind in the promotion of those activities.

The Germans are much more given than we are to looking at great businesses from the point of view of the community as a whole and of its co-ordinated welfare, progress and protection from disaster; yet even they, as Herr Bernhard says, have paid too little attention in the past to the functioning of life insurance in such wise that it may serve not only private, but also public ends. Coincident with the great advances in industry and commerce made by Germany in the last forty years, German life insurance has developed with great rapidity, though by no means so extensively as in the United States. Yet even so no inconsiderable percentage of the total wealth of Germany is devoted to life insurance, and a multitude of individual Germans have made life insurance an integral part of their economic life. And, rather resisted than encouraged by the life insurance institutions, these individual Germans have inclined to push life insurance beyond its original narrow bounds, and to combine with it the process of saving in general. In this way the amount of capital controlled by the life insurance companies has been greatly swelled, while at the same time it has been in a sense substracted from the aggregate of free capital in the country. It cannot easily be turned to meet imperative financial and commercial needs in a period of extreme stress. From the German point of view this is to have life insurance in a sense a social and national detriment, instead of a blessing.

The war, with its terrific strain upon all the resources of Germany, is bringing questions of this kind out into the full light of public discussion and is driving German statesmen and publicists to scrutinize as never before the remote effects for the State of all the larger business activities. Unless the economic situation can be maintained sound for the great body of the German population, it is certain that sooner or later the country must be worn out by the struggle and be obliged to succumb to its enemies. And in this respect it is quite as important that the smaller and weaker economic units of the population should be sustained, as that the relatively few great businesses should be kept going. But with every industry and every branch of commerce suddenly subjected to violent restriction, the smaller people can survive only if they can employ their saved-up capital to tide them over until the end of the war. It has suddenly become a more imperative duty for them to live now and to keep their families alive, than to provided for their families after their own death. They have saved and they need to draw upon their savings now; but if these savings are withheld from them on the ground that they are dedicated to life insurance, they must lose even that which they have.

The problem is not one to be dismissed lightly, nor is it without significance for other countries than Germany, even the great and rich United States. It is, of course, obvious to any one familiar with the business of life insurance as it is, that Herr Bernhard, in his impatience for quick relief from an unexpected embarrassment of his war-strained country, is demanding of the German life insurance companies something which it is physically impossible for them to give. It is out of all question that these companies should grant to a multitude of their policyholders loans approximating the amount of the accumulated reserves on their policies. Herr Bernhard's own statement that over four-fifth of the assets of the most important German companies are invested in mortgages quite demonstrates that no considerable number of the policyholders of these companies can be granted policy loans even remotely approaching the theoretical loan values of their policies. At a time like this, the mortgages held by the companies as investments are utterly unsalable in any quantity; and nearly the same thing would be true, if their investments were predominantly in securities. In fact, this is virtually always the state of affairs in every country at the very times when policyholders most need loans. Panics and wars not only produce the distress that requires the relief, but also lock up the means of giving that relief. By only one expedient that we can think of could a general release, in the form of policy loans, be made of the saved capital of life insurance companies. This is the financially unsound expedient of having the life insurance companies' investments, mortgages included, guaranteed by the government as the basis for bank-note issues. Even this method, however, would speedily bring evils perhaps worse than those it was intended to cure. The deterioration in the money value of bank-notes so issued could only result in making the last state of the smaller people in the community worse than their first.

None the less, here is a question which all "forward-looking" life insurance men will perceive to be destined to play a large part in the theory and practice of life insurance in the future. There can be no doubt that the generality of buyers of life insurance now wish to save, quits as much as to protect beneficiaries after their death, when they buy life insurance. The tremendous efflorescence of life insurance in recent years is explicable on this ground alone. How, then, can their savings be made quickly available to policyholders, in case the necessity arises for them to have these savings in hand? An answer to this question has not yet, so far as we know, been arrived at.

LIFE INSURANCE POLICY LOANS IN GERMANY IN WAR TIME

SOMEWHAT over a decade ago the life insurance companies of Germany began to feel that same inclination on the part of policyholders to borrow on their policies which has given rise to so much discussion recently in the United States. At first, the borrowing was on a very limited scale; but, as with us, it grew apace, though up to the outbreak of the present war in Europe it remained in volume far below what American companies have had to meet. In a recent article by Professor Dr. Alfred Manes, in the "Vossische Zeitung," the following facts are given as to the extent of borrowing on policies, as developed between 1902 and 1912:

"While at the end of 1902 policy loans for all the German life insurance companies amounted to only 190,000,000 marks [mark equals 23.8 cents], by 1906 these loans had reached an aggregate of 250,000,000 marks; by 1910, they were 343,000,000 marks, and at the end of 1912, according to the latest statistics, they had reached approximately 400,000,000 marks. In 1902, out of every 1,000 marks of assets of the stock life insurance companies 70 marks were policy loans, and 67 marks per 1,000 of the assets of the mutual companies consisted of such loans. The corresponding figures for 1912 were 74 marks for the stock companies and 75 marks for the mutual companies. In 1902, the occupational life insurance associations had only 2 marks out of every 1,000 marks of their assets in policy loans, while in 1912 the proportion had risen to 18 marks per 1,000 marks."

The tremendous economic and financial stress occasioned by the present war for the German population as for that of every country, whether engaged or not engaged in the titanic struggle, has suddenly brought the question of loans upon life insurance policies out from the former comparative obscurity of purely insurance circles, and made it a subject of public discussion in Germany, with many exchanges of pros and cons between the hard pressed life insurance company officials and publicists suddenly made aware of accessible financial resources to which heretofore they had given but scant attention. Great numbers of persons in Germany are already in a position in which the only ready money they can put their hands on consists of the loan values of their policies. The pressure upon the companies for loans has become tremendous, and the matter has been taken up by the Association of German Life Insurance Companies, whose conclusion, according to the latest reports, is that a rigid limitation of 500 marks each (or 1,000 marks at the outside) must be imposed upon all loans made upon policies, no matter what the size of the policy or the amount of the reserve accumulated against it. The attitude of the companies is well set forth in a circular issued early in September by one of the strongest and most respected companies in Germany. In this circular the company in question absolutely denies its *obligation* to make policy loans at all and asserts its own freedom of discretion in doing so, —and this despite the apparently adverse terms of Chapter 6 of the General Insurance Provisions of the German Imperial Code. The company outlines its own proposed course of action (consonant with the conclusions of the Association of German Life Insurance Companies), as follows:

"As a consequence of the war we are now in daily receipt of a steadily increasing number of requests for advances on policies; and, generally speaking, the highest possible amount is demanded. Often it is a question of sums of 50,000 marks, 60,000 marks or even more.

"Inasmuch as upon the aggregate of the policies which this company has outstanding, advances on policies to a total amount of over 200,000,000 marks are actuarily permissible, it is perfectly obvious that neither we nor any other life insurance company can meet all the requests for loans for the full amounts desired, unless we are to be deprived in the course of a few days of the sum total of our quick assets. Since, furthermore, we are wholly unable to foresee what contractual payments we may be called upon to make during the coming months, or how the premiums due us and the interest on our mortgages may come in, we shall until further notice grant policy loans to individual policyholders only to the maximum amount of 1,000 marks each. Moreover, in apportioning policy loans among applicants, we shall endeavor first of all to provide as far as possible for those of our policyholders who are insured for small amounts, since for such persons their life insurance policy is often the only piece of property upon which they can realize ready money."

This not unnatural and at first sight probably very necessary policy adopted by the German life insurance companies appears to have led to a good deal of recrimination among policyholders, who assert that when they bought their insurance it was with the understanding that they could always, in case of need, obtain loans upon their policies. At the same time the financial writers have taken the matter up, as one of vital concern to Germany, if she is to mobilize all her financial and economic resources, as well as her army, for the life and death struggle in which she is engaged. Some of the most brilliant and most widely known German writers on financial and economic matters are taking up the question of policy loans from this point of view. One of the most striking articles put forth by a publicist of this class is one by Herr Georg Bernhard, in a recent issue of his publication "Plutus." The title of the article is "Life Insurance as a War Help"; and the reputation of the writer should make interesting to American readers, particularly in life insurance circles, not only his views on policy loans as temporary aids to the population of a country in time of war, but also his conception of the economic place of life insurance policy loans at all times and under all conditions. Hence, in spite of its length, the article is here translated in full.

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LIFE INSURANCE AS A WAR HELP

By Georg Bernhard

Translated from "Plutus"

It is reported that the Association of German life insurance companies has adopted a resolution, by the terms of which the German life companies are, as a preliminary step, to restrict the amount of the policy loan granted by them on a single policy to 500 marks. I have not myself read this resolution in published form, and only know that various companies in replying to applicants for policy loans have referred to it and have declined to lend upon their policies a higher sum than that mentioned. In my opinion this action is very regrettable, both in the interests of the community as a whole and also in that of the extension of the principle of life insurance. Hence I feel myself called upon to occupy myself with the question involved, and at some length.

The ninth paragraph of the Law of the Empire with regard to private insurance enterprises,—Law of May 12, 1901,—enumerates among the stipulations which must be included in the general insurance provisions of all insurance companies operating in Germany, "stipulations with regard to the presumptive rights given by policies and with regard to the contractual extent of the advance payments or of the loan values provided by the policies." All insurance companies undertake to make such policy loans; and they

are able to do this without any risk, inasmuch as no question of the granting of personal credit is involved in the making of a policy loan by a life insurance institution. These loans are, from an economic standpoint, however they may be legally interpreted, identical in character with payments in advance of claims which later will become due and payable in any case. For the benefit of those who are not closely familiar with the technique of life insurance, the following additional remark may well be made: However hazardous and speculative the life insurance business may appear to laymen to be, it is in reality pure applied science. Mathematics and statistics from the assured bases of its successful operation. The risk which a company assumes when it insures a human life is exactly calculable; and even though this calculation upon the life of a single individual should in many cases prove too favorable or too unfavorable for a life insurance company, the "Law of the Large Number" affords assurance of correctness for the great average of individuals. The premium which the taker-out of life insurance has to pay is for the most part simply the equivalent in money for the risk of the insurer. The risk upon a human life naturally increases with every year of the duration of the insurance; and the logical consequence of this fact would really be that every taker-out of insurance must pay higher and higher premiums as he advances in life. It is clear, however, that, were the premium rates continually changing and increasing, with the increasing age of the insured, the activities of the life insurance companies would be very materially hampered. Therefore, almost all the insurance companies have adopted the plan of charging equal, or "level," premiums for all of the years of the contract period. The result of this is that all persons carrying life insurance pay more in the earlier years than the actual risk to the company calls for; while, on the other hand, in the later years they pay materially less than the actual cost of the risk. The excess payments of the first years are accordingly put aside by the companies as so-called premium reserves, to the end that the greater risk of the later years may be covered by them. A well conducted life insurance company has the risk of all its outstanding insurance mathematically established every year, and from this calculation it determines what part of its annual premium receipts must be put aside as premium reserves. Originally, the setting up of the premium reserves was looked upon as simply an internal procedure of the individual companies, and hence was thought to have the result that the accumulated reserves became properly inner resources of the individual companies themselves. But in Germany legislation on the subject of life insurance has proceeded from the standpoint that the premium reserves are compulsorily set aside for the protection of the insured; that the accumulated premium reserves actually belong to the insured; and that these reserves must be applied by the companies in accordance with this principle. This conception of the legal right of the insured to the premium reserves has also found practical expression in that our legislature has interdicted the alienation from the insured of the premiums he has already paid in, should his payments cease after a specified number of yearly payments has regularly been made by him. Without regard to other procedures which are possible and which the life insurance company may put into effect, the company is bound, upon the expressed wish of the insured, to buy back, or redeem, the latter's policy for a sum that corresponds with a fixed percentage of the accumulated premium reserve against the policy. More than this far the greater part of German life insurance policyholders have a claim upon the insurance companies, which may be asserted at any time whatever according to their pleasure, for the full amount of this redemption value. It follows, then, that an insurance company runs no risk at all, if it promises to make loans upon the policy, which are smaller by a specified amount than is the redemption value of the policy; for when the company makes the loan, it simply makes an advance against a claim which the insured actually has against it.

The provisions and stipulations with regard to the making of policy loans are not the same for all the life insurance companies. In particular, they vary in that some of the companies include in their insurance contracts only the possibility of obtaining such loans, which others promise them out and out. This whole question of policy loans was given very little consideration in that stage of the development of life insurance when insurances payable in case of death were chiefly made and when the first thought of the taker-out of life insurance was to insure to those surviving him a sum of money in case of his dying and especially in case of his dying suddenly and prematurely. The business of insurance against death pure and simple, however, has at the present time been pushed far into the background, in favor of the insurance in case of the survival of the insured. As the years have passed, there has been an incessant increase in the multitude of persons who have entertained the hope that they might themselves come into the enjoyment of the amount of the insurance they have carried and paid for. For these persons the life insurance company has really been a savings bank, which to be sure had the disadvantage of being relatively poor in the matter of the interest accruing on the deposits, but which, on the other hand, had the advantage of guaranteeing to the savings depositor the sum which he hoped to save up during a long life, even should his ability to save be interrupted by his premature death. For many also the compulsion to save regularly which is inherent in the life insurance contract was found to produce a very wholesome effect, recognized by themselves. As this revolution in the life insurance business proceeded, the loaning facilities of the policy naturally gained greatly in importance. For it was only through this provision that there could be an escape from the disadvantage of life insurance saving, as compared with deposits in regular savings banks or other ways of putting capital by, that the savings were not, in principle, available in case the need for them should arise between times. So it was that in connection with the selling of life insurance the loan value of the policy was continually pushed more and more into the foreground; and inasmuch as, by way of recognition of the new situation, loans on policies were very liberally granted by the insurance companies, the public was brought to an even greater extent to look upon the taking out of life insurance policies as a substitute for savings deposits and for straight-out accumulation of capital in any form.

In view of the facts just mentioned, it was not surprising that immediately upon the beginning of the war the life insurance companies were almost swamped by people who sought to obtain loans upon their policies. In insurance circles, however, it would appear that far from sufficient thought had been given to this possibility. In this connection it is not without interest to learn that the article upon "Financial Preparation for War on the Part of Privately Conducted Insurance," written by a director of the well-known Gotha Life Insurance Company, Dr. Jur. R. Müller, and published in this very year, 1914, by the German Association for Insurance Science, set forth that: "Policy loans may, assuming that no positive obligation to make them is stipulated, be restricted in case of necessity." I, for my part, shall not insist upon the fact that this possibility does not exist for those companies which have legally obligated themselves to make loans upon their policies; these companies cannot arbitrarily cut down the amounts of policy loans without breaking the terms of their contracts of insurance. It is not my purpose, however, to get over upon the

ground of what is legal or not legal. A much more important point of view is that of social economy, the general welfare; and from this point of view the principle proclaimed by Dr. Müller appears to me to be exceedingly questionable. If, nevertheless, the Association of German Life Insurance Companies has sanctioned this attitude through its adoption of the resolution mentioned above, this fact proves to me only the more clearly that the leading men in this association are lacking in a correct understanding of what is economically necessary in case of war.

Since the very beginning of the war I have myself insistently urged the idea, both in "Plutus" and elsewhere, that we must stake everything to keep our economic condition from breaking down, in spite of the war. I have appealed to the banks, begging them that for the present they should not only not restrict extensions of credit, but that wherever possible they should enlarge them. I have directly and indirectly given persistent warning to the public and to business people that they should not hold up making payments, but that, in so far as it was humanly possible, they should go on meeting their obligations, even under the pressure of the war. But all this is possible only upon the condition that the opportunity be afforded to the smaller people and to the business world to take advantage of any and every source of assistance which can be conveniently and safely put at their disposal. What should we say, if our savings banks or, indeed, our banks of deposit were suddenly to announce that they will no longer pay over to the public the latter's money which they have in their possession? I am well aware, of course, that as a matter of law claims derived from the contract of insurance cannot be compared strictly and without reservations to claims on savings banks and deposit banks. But, economically speaking, it is all one and the same thing, inasmuch as a multitude of persons have paid life insurance premiums under conditions that compelled the neglect of other forms of saving, in the firm conviction that at any time the stipulated loan value of their policies would be absolutely subject to their demand. If now the insurance companies deny this right and refuse the loans, the only conclusion is that we find here a real economic peril to the community, seeing that with the assistance of these loans a great number of persons would be able to fulfil obligations which otherwise they cannot fulfil. Moreover, this situation implies a no less serious danger to the future of the life insurance companies themselves; for, from now on, people will no longer assume the load of insurance policies as readily as heretofore, or, to say the least, they will materially limit the amounts for which they insure their lives. Everybody will constantly have it in his mind that other means of saving afford better protection in case of a general political crisis.

The private business side of this problem must be solved by the insurance companies for themselves; but the community and the State are interested in the public economic aspects of it. For it is obviously in the interest of our general economic welfare that those who have saved in time of peace, should be able in time of war to make their savings readily available for use and, moreover, it is a matter of no consequence for what objects they get their money where they can use it. It is only fair to recognize the fact that the insurance companies in cases of particular necessity have shown themselves thoroughly sympathetic and accommodating. As I am informed, whenever business men have been exposed to the danger of failure or have been called to the colors, and have had to face in consequence a really pressing situation, the companies have granted them policy loans to the full amount permitted by their policy reserves. But this is not sufficient. To begin with, it is imperative that persons carrying life insurance should under all circumstances be spared the shame-producing feeling that they are begging for a favor, that they are obliged to lay bare in detail their entire financial and commercial condition to the managers or officers of the insurance companies. Even in those cases in which the companies are under no contractual obligation to make the loans, it is after all their own money that the insured are asking for. They are under the form of law borrowing money; but, as a matter of fact they are simply making available for their own use the money they have saved. It must not be forgotten that the character and form of the policy loan are such as to have the great advantage that the lender cannot off-hand demand repayment of the loan. The man who goes to his country's defense can in this case return from the field with the comforting assurance that he is not to meet upon his home-coming an almost unbearable burden of debt, which he will have the greatest difficulty in getting rid of; but that, on the contrary, he can gradually, as his resources permit, pay off the obligation without being oppressed by it. The same thing is true for the business man. If he to-day gets his bills extended, he is merely pushing his debts ahead into the future, and he runs the risk that at the end of the war he will find himself laden with an indebtedness which it is beyond his strength to take care of. If, however, he is in a position to get hold of his own money upon his insurance policy, he is in just as good a case as if he had taken fresh capital into his business. Consequently it will be found that such business men as have recourse to their life insurance savings, will be much sooner in a condition of preparedness to fulfil their obligations. And this is quite apart from the consideration that at the present moment the possibility for the merchant to pay cash for what he buys, may mean an unusual profit to him. Therefore, the insurance companies are taking a wholly false standpoint when they base their willingness to make advances on policies upon the demonstrated necessities of the applicant. The community is deeply concerned that the companies should provide the business world and private individuals with amounts of capital commensurate with what they require.

Now, there is no question at all that in one respect the life insurance companies are in a worse position than the savings and deposit banks. Leaving out of account the timorous people who withdraw their money all at once from these banks, in order to keep it by them at home in cash through fear of a panic, the public in general withdraws its savings and deposit money only to the degree required for the needs that present themselves. In contrast with this, policy loans are, under existing conditions, withdrawn in their totality from the insurance companies and transferred to the ordinary bank accounts of the borrowers. Consequently, the demands made upon the insurance companies all at one time are greater than the similar calls upon the banks. The companies, however, are able to protect themselves easily from this evil; they should all, for the duration of the war, open banking departments. Then every policyholder who applies for a loan on his policy would have an account opened in his name in the banking department of his company, and whatever amount he might desire to borrow would be credited to him in this account. He would then be in a position to draw out the necessary amount as he finds use for it from time to time, or, if he preferred, to have it transferred to any other bank. Through this expedient, in the first place the demand for money directed all at once against the insurance companies would be greatly diminished. Furthermore, the companies would probably have the experience throughout that on the average the full amounts of the loans made would not actually be used by those having these accounts with their banking departments. It may even be expected that the borrowers, particularly the business men, would pay back considerable sums in the course of the war, so that upon the closing up of the accounts at the end of the war it

would in a great number of cases be found that but slight portions of the loans made had been actually taken from the companies. It is, of course, understood that the insurance companies, in their insurance departments, would charge the regular rate of interest upon the amounts loaned and that the insured would pay this. On the other hand, the companies in their banking departments would have to pay the same rate of interest upon balances left with them, that banks generally pay upon their deposits. In order to prevent the unnecessary handling of money backward and forward between the insurance companies and the banks, the expedient might commend itself that for the amount of their balances in the banking department the insured should be given check-books containing checks made out in amounts of 50 marks and 100 marks, and agreeing in total amount with the amount placed to the credit of the insured from their policy loans. These checks would certainly be accepted by the banks in payment of sums due them. If they were drawn upon insurance companies of recognized standing they could certainly also be used in payment of rents, in payment of interest on mortgages and in payment of business debts. Even if it should be true that for the moment certain legal or administrative obstacles stand in the way of such banking business carried on by insurance companies, these obstacles ought to be removed at once, for the community has the very greatest interest that the life insurance companies, of all our financial institutions, should not at a time like the present refuse their support. On the other side, it goes without saying that the insurance companies have a right to such protection of their interests that their situation is made as easy for them as possible.

It is an unfortunate fact that in peace times far too little attention was paid to the life insurance companies as an important factor in our financial mobilization. In the days of peace to come there will be all the more reason why this should be looked to. It will be particularly necessary to inquire whether the financial arrangements and equipment of our insurance companies for meeting exigencies like the present are not too weak in the direction above pointed out, inasmuch as altogether too much regard has been had to the mere safety of the companies' assets and not enough to the ability of the companies to make these assets quickly available, if necessity arises. It ought to be a cause for serious reflection that, in the year 1912, forty-three German life insurance companies had invested in mortgages no less than about 4,800,000,000 marks, out of their total resources of some 5,709,000,000 marks. Hence the requirement of a much increased investment in German Imperial and State loan issues appears to be the proper *mot d'ordre* of our life insurance companies in the years immediately ahead of us, to the end of increasing their ability to get their assets quickly into liquid form, if it becomes necessary for them so to do.

SHORTENING THE PERIOD OF CONVALESCENCE IN PERSONAL ACCIDENT AND WORKMEN'S COMPENSATION INJURY CASES

By Carl Fallén, M. D.
Late Medical Director of Zander Institute, New York, N. Y.

IT is most significant of our times that this meeting of laymen should take place at a health resort where the most modern forms of therapeutics have been installed and almost simultaneous with two important meetings for advanced therapeutics; one, the Meeting of the American Electro Therapeutic Association at Battle Creek, Mich., last week; and one, the Society for Spondylotherapy in Chicago, this week. The most elaborate, as well as the most important method that we find represented here at White Sulphur Springs, is the so-called "Zander System." Having been the manager, as well as the medical director for a Zander institute for sixteen years, and being familiar with its merits as well as its short-comings, I propose to lay before you in the simplest form its underlying theories, and I will assume my natural tendency of a teacher and show you the simplicity of it all and then suggest that you may shorten the period of convalescence by half without the expense of the Zander apparatus or extra medical service.

A favorite expression of Bismarck, the father of workmen's compensation, was, "Everything is an economical question," and his compensation law was certainly not established as philanthropy. We might now say these laws are largely a medical question, for if a casualty company could employ a man capable of removing all effects of injuries by a magic wand, that company would soon get all the business by its competition in rates; but the constantly increasing expense of medical service in Europe has raised many vexed questions there. Ever since 1884, when the workmen's compensation law was enacted in Germany, the influence of the physician in regard to these laws has been eminent and constantly increasing; in fact, at an international meeting of insurance men that took place at The Hague recently, three-fourths of the time was given to the so-called "doctors' question." Consider the treatment of hundreds and thousands, and, for the whole country, millions of cases, and you can readily see the value of saving one day in the time of recuperation of each case. Take the instance of a sprain, which I maintain should not require over three days' treatment, during which entire time the patient should be encouraged to use the injured part. Compare this with the records which show that an average time required for restoration of sprains is twenty-seven days, and you will realize what a saving could be accomplished if my statement be correct.

Numerous cases are discharged from the hospitals as cured and, while restoration of strength necessary to attend to their work may be delayed indefinitely with these so-called cured cases, no further treatment is accorded them; but the insurance company, or the employer, or the State Compensation Fund has to pay out 66 per cent of the regular wages of such employes. If these cases were properly cared for, statistics show that this time of convalescence could be shortened by 40 per cent to 60 per cent.

The promulgation of the act for insurance against accidents in Germany in 1884 has affected more than two hundred trade associations which direct nearly fourteen millions of workmen, or about one-fourth of the population of the German Empire. Hospitals had to limit their treatment of such cases to a minimum. The lack of control of the after-treatment soon made special Convalescent Homes necessary, where the after effects could be overcome in the speediest way possible. In these institutions, massage and Swedish movements, with or without mechanical apparatus, constitute the principal treatment. The first so-called "Health Home" was established at Nieder-Schoenhausen, near Berlin, by Dr. G. Schütz, the medical director of the Berlin Zander Institute, and at the expense of the trade unions. It was here these good results in reducing the convalescence period, as above stated, were obtained. Since then a great number of such institutions have been established, and some of them at very great expense, one of them costing 4,000,000 marks. Germany now has over one hundred Zander institutes; and when you figure that a complete outfit of apparatus alone costs about $20,000, you realize what large investments have been made there representing only the mechanical side of modern treatment. Quoting Dr. Schütz briefly, I will now give you an idea

A paper read at the Fourth Annual Convention of International Association of Casualty and Surety Underwriters, September 23, 1914.

of the system and some of the reasons for its success as an after-treatment of accident cases:

"The first and most important group of the Zander system contains the apparatus for active resistive movements. For each arm, leg and trunk movement there is constructed one apparatus (in all, forty) which by means of its adjustment adapted to the anatomical conditions allows of the active exercise of a certain group of muscles. The resistance to be overcome is accurately known and can be increased or diminished as occasion requires. Zander has ingeniously attained the measuring of the resistance by the application of the weighted lever with a gradation along which the resistance weight is moved. While therefore each apparatus at the same time represents a balance on which the amount of muscular action offered can be determined, it further makes possible the adjustment of resistance to the varying development of strength during the different phases of the contraction of the muscles.

"By the careful fulfilment of the main anatomical and physiological conditions in the construction of his resistive apparatus, Zander has succeeded in causing muscular exercises to be made in the most perfect manner. The movement is so unusually beneficial and strengthening in its effect, because it cannot but be given correctly by the apparatus, and because it meets with suitable resistance for each successive phase.

"Thus there is a sure guarantee for the gradual increase of strength of enfeebled muscles, as, from the very beginning, that which effects this increase,—the course of exercises,—is adapted to the exact strength of single muscles and is increased but gradually and in proportion to their increase of strength. Over-exertion with consequent decrease of strength is out of the question with proper use of the apparatus under mechanical control.

"The second group in the Zander *arsenal* for us to take into consideration consists of a small number of apparatus for passive movements, for instance, passive hand-flexion and extension of separate finger joints, passive chest dilation, etc., etc. The apparatus is set in motion by some mechanical motor, while the patient, without making resistance, allows the movement to be given him. Here again it is chiefly a question of making the joints flexible and of the tension of shortened muscles and tendons. By the uniform movement of the apparatus which cannot suddenly increase the appointed and adjusted range of movement, the patient experiences a feeling of security that the limit of painlessness, or of endurable pain will not be exceeded. He does not strain his muscles, and the absence of this half voluntary, half automatic or reflex innervation of muscles secures a more lengthened exercise for the mobility of joints than by manual passive movements during which the patient is not one moment secure against the well-meant but sudden and painful increase in the range of movement. This impersonality in the treatment with the apparatus is, therefore, of the greatest importance. Add to this that the patient is not,—passively, or completely, fettered by straps as in other apparatus,—left to the mechanical power of the motor; he can at any moment stop the movement, let go the handle and rest.

"The third group of Zander apparatus serves to effect certain mechanical operations, such vibrations, percussions, frictions, kneadings, of different and easily accessible parts of the body. Here the question is of a single massage manipulation, but only of regions where the mechanical apparatus can replace the action of the hand. It is necessary to emphasize this particularly, as 'mechanical massage' is frequently spoken of, and the subject represented as though in medico-mechanical institutes massage were exclusively given by means of mechanical aparatus. How unauthorized such a supposition is, appears from the words of Dr. Zander:

"'Even where mechanical gymnastics are practiced on a large scale and with the most complete apparatus, the hand must be called in to assist in the treatment of the disease of the locomotive organs, for accomplishing the now so generally used manipulations known by the name of "massage." However desirable it may be that this treatment, so fatiguing to the massage-giver and so expensive to the patient, could be effected by machines, there exists insurmountable obstacles for their use. The masseur must always be able to judge, by his own touch, of the anatomical and pathological nature of the tissues treated, in order to vary, as the case requires, both the direction and the nature and strength of the manipulation.'

"The disease, as represented, for instance, at the Convalescent Home for Injured, at Nieder-Schonhausen,—which, usually, is not in a position to begin the after-treatment until the tenth month following the injury, and consequently at a relatively late period—consist of the following seven groups:

1.	Fractures	49%
2.	Lesions of soft parts	19%
3.	Contusions	18%
4.	Dislocations	5%
5.	Suppuration of cellular tissues, inflammation of tendinous Sheaths	3.5%
6.	Sprains	3%
7.	Various other injuries	2.5%

"These percentages are taken from a list of 1,416 injuries treated during the last three years.

"Fractures, which according to this, form one-half of the injuries coming under treatment, result in exactly the same functional derangement as lesions of soft parts, contusions, dislocations and other injuries, and, therefore,—so far as the question is one of possible pathological improvement—offer the same therapeutical mission to the mechanical after-treatment. In the first place, we have to consider derangements in the action of muscles and joints, either as direct consequences of the lesion or as indirect consequences of the accident (caused by inactivity, tight bandages, etc.), and therefore pathological changes in muscles and articulations offer the most usual point of attack for mechanical therapeutics, and form the domain where these, according to the opinion of experts, reign supremely. In muscles there are, ordinarily, states of atony and atrophy (diminution of muscular tone or power, and wasting of muscular substance) as well as changes in the mechanical and circulatory condition of the muscles (contractions, lessened elasticity, stagnations and infiltrations).

"In the articulations, there occur agglutinations, deformities in the cartilaginous covering, infiltrations and shrinkings of the capsules and ligaments, as well as thickening of the synovia; far less frequently in increase of the said fluid and over-tension and relaxation of capsules and ligaments. The resulting functional derangements most generally consist in a limitation of the mobility of the joints (contractures), more seldom in undue mobility of the latter.

"By the side of these pathological changes in muscles and joints, changes in the tendinous sheaths (deformities as remains of past processes of inflammation), infiltrations and extravasations in the cellular tissues, and finally cicatrisations of the skin come relatively seldom under mechanical treatment.

"Besides the accomplishment of these special tasks, the important question is raised of improving the general state of strength and nutrition, especially when a lengthy confinement to the sickbed, severe blood-poisoning (pyaemia) or a wasting nervous illness have followed upon the injury."

Now as to the principles underlying this treatment, t is not generally understood, even in Germany, that Dr. Zander, of Stockholm, Sweden, great though he is as a physician and a mechani-

cal genius, is not the originator of any new principles in the treatment of human ailments for the principles are the old ones of treating diseases with motion, plainly the so-called "Swedish movements" and massage, used from time immemorial and traced back to Chinese, Hindu and Egyptian practice and recommended by the most famous physicians of Greece and Rome and in the medieval times by the Arabs whose domination in medicine lasted for centuries, chiefly following the principles of Galenus, the most prominent physician of the Roman Empire who gave this treatment much attention. But the medieval times had no use for rational treatment or simple experience. It was a time of speculation and mysticism and medicine has suffered longer than any other science from these dark ages when its representatives turned exclusively to the pharmacology and the monks found prayers and conjuration more convenient treatment than massage and exercise.

In the cases that result from accidents the primary efforts (except for surgical treatment) must be for the relief of inflammation in one form or another.

As for the consequences of prolonged inflammation with stasis and hardening of the soft tissues the drying up of synovial membranes, stiffening of joints, and adhesions, etc., these Zander machines are excellent as far as they go, but their adjustment and regulation of movements are not complete, and while this series contains various modalities for vibration they are, as a rule, not suitable for a practical breaking up of either adhesions, or clearing of articular surfaces which certainly should be the most important use for them.

This fact is quite natural when we know that Dr. Zander never intended these apparatus to be a complete substitute for either massage or Swedish movement.

Dr. Zander conceived the idea of this invention (afterwards so famous) at the time of his medical studies when he gave instruction in gymnastics at his sisters' boarding school for young ladies. He found the girls either too weak, or (possibly) too lazy, to perform the ordinary gymnastics; besides many of them needed medical gymnastics for asymmetry, deformities, or other ailments. From this simple beginning he gradually developed his complete rational medical therapeutic apparatus soon after he had graduated in medicine, which is now about fifty years ago and he is still managing the Zander Institute in Stockholm.

His first intention was to give the most rational kind of gymnastics for general constitutional effects. But they were to be used only subsequent to, and in conjunction with, manual massage and movements. In Germany there has been a tendency to promote the Zander system as an entirely new science, complete in itself and through its naturally expensive outfit and through local monopoly by means of contract, etc., exclude competition in the massage treatment which I claim every adult member of the poorest as well as the richest family should know how to give.

I heartily endorse everything that has been said here about educating the public in preventive medicine. This endeavor is now universal. But why shall we stop there? Why not deal with facts? Why not educate the public in the treatment of existing ailments, such as the effects of injuries. At least the people who assume the financial responsibility for restoration of health after accidents and in diseases should know the most economical as well as the most efficient ways of doing so.

My desire is to call your attention to a fact which seems not to have been fully recognized in Germany or anywhere else and that is the necessity of applying the principles which underlie the Zander treatment to the very earliest handling of every accident case.

All economists as well as physicians agree that the fundamental rule should be to secure the earliest possible examination and treatment of every accident case. In the admirable compilation of reports called "Accident Prevention and Relief," made by Schwedtman and Emery for the National Association of Manufacturers of United States of America, we read how the Baden Building Industry Employers' Association established that the expenditure of $8,000 in prompt and expert medical attention to injured workmen saved approximately $160,000 in compensation expenses; and that a Vienna insurance institution figured the net savings due to the establishment of a first aid medical station to be $27,000 in nine months. I cannot make my ideas clearer to you than by telling you how to apply the simplest and yet the most rational treatment of minor accidents, among which I count contusions and sprains.

Contusions.

If you knock your elbow against a doorway when too much in a hurry, you experience pain in the part which "knocked the wood" and you proceed at once to "rub" that spot in order to relieve the pain. Temporarily you obtain relief, but soon it returns and you send for a doctor who tells you it is a case of "contusion" which must be treated scientifically, as "ecchymosis" probably has occurred which may be followed by "suppuration," "anchylosis," or "necrosis." You are thoroughly frightened for the doctor certainly has told the truth; but the truth was told in such "big words" that the "contusion" has added confusion to your distress and you are willing to undergo a long process of "evaporating lotion," "compressions," "puncturing," and perhaps, "aspiration." You never realize that your good doctor in treating your case thus may be disingenuous in not telling you that you could handle your case much quicker and with very much less trouble and expense yourself. Or you may send for a masseur or "osteopath" who will proceed with a number of manipulations and gentle movements to relieve your pain and gradually reduce the swelling that may have developed. You like him and ask him to come again. He may tell you not to attempt to do any "rubbing" yourself, or to let any one in your family or in your service to do so. In this advice he may be equally disingenuous, if you are ignorant about the condition of that elbow of yours. Now wouldn't you like to know a little about this? "Contusion" is simply the medical term for a bruise, "ecchymosis" means just the oozing of blood into the injured part, and pain is caused by pressure on the numerous nerves in the blood crowded ("hyperaemic") region of any injury, small or extensive. In no case of this kind would your rubbing or anybody else's stroking and rubbing do any harm as long as you see to it that your pain is not increased by such manipulations. Gentle stroking is a great sedative always and, if done from the centre of the injured part towards its periphery, removes the superfluous blood to the adjoining regions where it will be absorbed. This is precisely what the doctor tries to do with his lotions. He may relieve the pain by causing the blood vessels to contract, thus reducing the blood supply, but this is done at the expense of a free circulation which is most essential for the removal and absorption of the hyperaemia which takes place at the very moment of the injury. By your manipulations you not only relieve the congestion mechanically, but you stimulate the small nerves in the walls of the blood vessels (the vaso-motor nerves) which cause an alternate contraction and relaxation and thus you help nature to restore the equilibrium of demand and supply of health restoring arterial blood as well as of removal of useless or deleterious matter in the venous blood.

Anchylosis (stiff joint) may result from just such irrational treatment as "immobilization," tight bandaging, or plaster of Paris encasing which is still resorted to. While it certainly reduces the swelling, it diminishes circulation in the injured part, thus pre-

venting the normal cleansing by the venous return and the antiseptic as well as the nutritive action of the arterial influx. Stasis is produced and infiltration promoted and, even if mobility is not permanently impaired, the normal function of a joint will certainly be delayed. Then a different kind of "rubbing" must be resorted to. Adhesions of soft tissues to bones or to each other must be broken up by vigorous kneading and passive movements (done by an operator). This process is painful as new counter irritations and inflammations must be set up in order to bring a fresh blood supply to the part which has hardened by infiltration and by closing up of its blood vessels. Each new inflammation thus produced will be almost a repetition of the first one produced by the original injury. What would have been accomplished in a few days by a common sense treatment may now take weeks and months.

Sprains.

Such an accident as spraining an ankle is usually looked upon as a serious affair, requiring immediate attention by a physician and weeks of idleness for the patient.

If people only knew the true condition of a sprain and the modern rational treatment of such cases, any member of the family could attend to it and the patient would never need to go to bed a single day. He would always be in normal condition in about three days.

A sprain should never be treated with bandages or plaster of Paris. The condition of most sprains is simply this: No bones are broken or out of joint; simply, the ligaments are stretched, or perhaps torn from the bones. Blood is rushed to the part, causing swelling and pain by pressure on the nerves. Some blood vessels may have been ruptured and blood oozed out from them, causing stagnation of the circulation. This is the reason why rest or "immobilization" should not be allowed. For prolonged stagnation of the blood causes stiffness of the joint. On the contrary, the blood vessels and the lymphatics should be kept open by application of water as hot as the patient can bear. Gentle stroking upward should be given with the palm of the hand above the swelling. Thus the blood in the local veins is pushed up in the larger veins giving room for the blood in the swollen part to be absorbed. By this method you can see at once how the swelling is reduced. The patient may think that the swollen part is too sore to be touched. But you may easily convince him that by simply touching the reddened skin you produce a cooling sensation and you can immediately proceed with the gentlest kind of stroking upward, even over the swelling. Then go over the parts above again with a little deeper stroking before going back to give gentle stroking to the tender swollen part. All stroking should be done in a direction toward the heart. If the stroking is done with sufficient care it may be kept up for an hour at a time. If the pain will allow any movement of the joint, do not delay trying it, as each movement causes an alternating opening and closing of the blood vessels, thus performing an act of pumping out the blood from the swelling, the retarding of which causes all the redness, swelling, heat and pain.

In daytime external heat for keeping open the small blood vessels (capillaries) is best kept up by water as hot as the patient can stand. Do not let it cool, but pour on more and more, if possible, with the foot under the faucet in a bath tub. At night, you let the affected part heat the water under a loose bandage and prevent cooling by supplying a water tight bandage. This is done in the following manner: "Wet an ordinary towel in water of the room temperature and wring it moderately dry. Wrap it around the swollen part. Outside this towel, wrap a piece of oil silk, sold in drug stores for about 25 cents a square foot. Use only one layer with ends overlapping each other a few inches. Also see that it is wider than the towel bandage, coming in contact with the skin for an inch or two above and below. Outside this oil silk wrap loosely another towel, or piece of flannel, to insure the keeping of the heat within the swollen part. This is not a bandage in the ordinary sense of compressing the part, but to prevent lowering the high temperature produced by the inflow of blood to the injured part. If properly applied, such a bandage should keep up an ever increasing heat and thus keep the capillaries open to allow a normal circulation to be restored and rapidly relieve the pain caused by pressure on the nerves. In the morning, you should find the whole ankle soft and steaming hot. Now continue the manipulations and gentle movements of the day before, increasing both as fast as the painfulness will permit; any member of the family, or servants, can readily alternate, rendering this service to the patient all day long, thus hastening the natural process of recovery. Encourage the patient to use the foot as soon as possible, gradually learning to stand the pain as much as possible. The normal functions of the part produce the speediest restoration to a normal condition. The "immobilization" of the part with rest and tight bandages will only delay recovery and cause stiffness and permanent enlargement of the joint.

Now I see no reason why any such cases should be sent to hospitals or even be granted but general supervision by the practicing physicians as neither could or would devote themselves to this simple, tedious and laborious work. I maintain that masseurs and masseuses (always restricting the cases to manipulators of the same sex) can easily be trained among the employes themselves and it will not be at all necessary that they should remain a special cast but be retained as workers in their individual capacity except for helping their injured co-workers. I go so far as to say that it would pay all employers to have every employe know the principles of massage. This would not promote quackery, as such treatment should be given only at the discretion of the physicians and under their general supervision. Thus, the prevention of numerous ailments and the quickest recovery from many of them as well as the best treatment immediately after all accidents would certainly be resorted to automatically and the effect on the number of "reported" accidents and, last but not least, the reduction in medico-surgical expense would be most startling.

The Zander method in Germany is used chiefly as a convalescent treatment usually months after an injury and the principle of treating all injuries as much as possible without bandaging or other restrictions of the circulation from the very beginning has not yet been sufficiently observed there. Otherwise there certainly would not have been the need of such tremendous efforts to overcome the evil effects of prolonged convalescence. These effects exist everywhere though we observe them less in private practice or in the ordinary hospital work when the individual must take care of himself. The world has ignored the unnecessarily prolonged suffering and sorely needed these compensation laws to realize the tremendous financial losses in order to wake up and see what should have been done and must be done in the future to prevent them as far as possible. But Zander's as well as all other mechanical apparatus are almost useless in the treatment of any injuries in the acute stage and were not devised for such service. In these conditions the human hand cannot be replaced by any machinery. And the best nurse cannot relieve the damming up of the circulation with her medicine bottle, nor with her bandages, nor with her kind words. She must proceed at once with the best machine yet constructed, the human hand, as physical means to remove the physical obstruction which is the first result of every physical injury. Now this may be used as an argument against

my plan, I mean that an excuse may be given that this work should be done by the nurses. I will answer such remarks in advance by saying: Don't be foolish or unreasonable. Their training is different and their work is certainly hard enough without this specialty which should not be expected of them. Massage, honestly given, is about as hard work as anybody can undertake for a living. I have seen the strongest mechanics and the hardiest nurses give up their regular occupation and become financially successful masseurs and masseuses, but, in a few years, succumb completely under the strain of their work. This will not be the case when every employe knows how to do this simple but arduous work so there will be no lack of relays when needed.

Now we may preach hygiene in every form and have many listeners and few followers, but when diseases come or accidents with their painful sequences occur we can show the people what to do for themselves, we need not preach any further and the value of hygiene will be realized later and if any of you are interested in this educational propaganda not only from a philanthropic point of view, but also from its economical side, the world will join us when we raise our banner with the motto: *Layman, Heal Thyself.*

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Bomb Insurance in London.—The swift advance of the German forces, during the last few days, through Antwerp toward Ostend and the coast which lies little more than twenty-five miles across the English Channel from England itself, has caused considerable fear in London of German airship raids with the accompanying danger from bombs. This fear has lead many to seek safety in so-called "bomb insurance," which is being issued principally through Lloyds.

A cable to the New York "Times," under date of October 14, states: "There was such a rush to-day for insurance against bombs that the rates at Lloyds' took a decided upward turn, being the highest for risks near the houses of Parliament, Buckingham Palace, the Mansion House, the Bank of England, Saint Paul's Cathedral and the railroad stations."

In these neighborhoods the rates charged are naturally higher than in others because certain buildings are sure to be the objective points of any German attack, should such an attack transpire. In such places rates are quoted from five shillings per cent to seven shillings and sixpence, and even ten shillings per cent in some localities (this would be, roughly, $1.25, $1.87 and $2.50 per $500 of property insured). The rate up to this time has been two shillings and sixpence per cent (62.5 cents per $500).

The so-called airship clause of the policies reads as follows:

"This policy is to cover risk of loss of and (or) damage to the property hereby insured directly caused by aerial craft, hostile or otherwise, including bombs and (or) missiles dropped or thrown therefrom, including risk of fire and (or) explosions directly caused thereby."

An official of one of the large English insurance companies is quoted as saying:

"Several large insurance companies have decided to write no policies against damage by bombs. They took such a step after considerable deliberation. They are of the opinion in the event of a real invasion by the Germans there would be a great chance that it would be impossible to pay claims."

Another question considered by the principal companies was the possibility of heavy loss on such policies, in view of which they were unwilling to make other policyholders share such responsibility.

However, one of the properties so insured is the office of the American Society, and a firm in Oxford Street, London, is said to have a policy for $750,000 on its premises and contents, for which it pays a rate of five shillings per cent ($1.25 per $500).

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Fatalities in Metal Mines in the United States During 1913.—According to a paper just issued by Mr. Albert H. Fay, of the United States Bureau of Mines, the number of men employed in the metal mines was, in 1913, 193,088, as compared with 169,199 in 1912. The number of fatalities in these mines was 683 in 1913, as against 661 in 1912. The number of men employed and the number of men killed in and about the metal mines in the United States during 1911, 1912, and 1913 is shown in the following table:

	Number Employed.	Number Killed— Total.	Number Killed— Per 1,000 Employed.
1911	165,979	695	4.19
1912	169,199	661	3.91
1913	193,088	683	3.54
Average for three years	176,089	680	3.86

"While the total number of persons killed in the metal mines during 1913 was slightly more than in 1912," says Mr. Fay, "there were about 24,000 more men employed, so that the rate is reduced to 3.54 per 1,000 employed during 1913, as compared with 3.91 for 1912.

"The important mining States showing a continuous reduction of fatality rates during 1911, 1912, and 1913 are Idaho, Michigan, Montana, Nevada, New Jersey, South Dakota, and Utah, representing, in 1913, 38 per cent of the mining industry. Of the States showing a decreased fatality rate during 1913 as compared with 1912 only, may be mentioned Alaska, Alabama, Colorado, New York, Oklahoma, Tennessee, Wisconsin, and Wyoming.

"This gradual reduction is to be accounted for largely by the introduction of safety appliances, better supervision, and a more strict enforcement of rules and regulations of the mining companies, and a closer observance of the State laws. Practically all of the larger companies, and many of the smaller ones, have done much in safeguarding their employes. They have inaugurated the 'safety first' movement, with the results above mentioned. By first-aid treatment many slight injuries have been cared for, pain relieved, and a cure effected in a short time, so that many of these injuries have been of short duration and kept out of the 'serious injury' or 'fatality' class."

* * *

Workmen's Compensation in British South Africa.—In a recent "Newsletter" of the Southern Life Association, an insurance company of Johannesburg, South Africa, appears the following interesting comment on the new workmen's compensation law of British South Africa:

"The above Act was passed during the last session of Parliament, and will apply to the four Provinces of the Union. It will certainly be a great advantage to everyone concerned that one Act should apply to the whole Union, and it will undoubtedly simplify matters, in so far that the employer of labor will now know exactly what his liability is, should he obtain contracts in any Province, or have employes traveling from one Province to another. It will also probably lead to a uniform rating in respect of this branch of insurance. The new Act is certainly an improvement on the Cape and Transvaal Acts at present in force, and will do away with several debatable problems that exist under those Acts. We are given to understand that the Act will come into operation on the first of January, 1915."

* * *

Tax on Foreign Fire Companies in Argentina.—It is evident from a paragraph in an English periodical that Argentina is a

believer in home industry. It is proposed by the Argentine Finance Minister to increase the tax levied on premiums taken in by foreign fire insurance companies in that country to 15 per cent, as against 2 per cent for local companies. The present taxation is 7 per cent for foreign companies (of which there are about twenty working in Argentina, all except three being British), and 1 per cent for local companies.

INSURANCE NEWS IN THE WEST

The American Life Convention and Federal Supervision.—The declaration of opposition to Federal supervision is regarded as the most important action taken by the American Life Convention in annual meeting at Dallas, Texas, last week. The companies composing this organization are mostly Western and Southern institutions. At home many of them cut considerable of a figure and their interests are regarded as important. They recognize that in size and influence they do not compare to the great institutions of the East. So long as their own State legislatures enact the laws for their government, they are fairly sure of receiving friendly consideration. If Congress were legislating for all of them, there is no certainty that it would be friendly.

Notwithstanding the increasing cordiality between the American Life Convention and other organizations, its members are not in all cases certain that they would not suffer if it were within the power of the large companies of the East to make them do so. Thus, some of the members fear that if Congress were legislating on life insurance for the whole country, it would do away with the preliminary term system of valuation and do it on recommendation of the Eastern companies, which put up full reserves from the start. This would be a body blow to the younger companies, and they prefer State supervision with all its drawbacks to a system that might put them at the mercy of their strongest and largest competitors.

Another consideration that weighed for something in deciding the convention's attitude on Federal supervision was the fact that it is very doubtful if it could be brought about without a constitutional amendment and, if such an amendment were offered to the States, it likely would be several years before enough of them would adopt it to make it effective. During all that time insurance legislation would be more strongly called to public attention and companies would have to be constantly vigilant to try to head off legislation of an undesired character.

* * *

More Trouble in Chicago Agency Problem.—Now comes the executive committee of the Class Two Agents' Association of Chicago, and after a recitation of the causes which in its opinion have created the bad conditions now existing in Cook County, intimates that unless conditions are corrected it will seek legislation to deprive the Chicago Board of the control of the business which it now enjoys. These Class 2 agents, who are largely real estate and renting agents, small outlying banks and the like, want the same rates of commission as are paid the downtown agents. They want full voting membership in the board and various other privileges they are not likely to get. These agents control a large amount of preferred business in Cook County. This business is profitable because it is rated out of all proportion to similar risks in other parts of the State. Accordingly, certain companies which have large Class 2 agency plants and are making money out of them, have always been accustomed to look after the interest of this class in any legislation undertaken by organizations of companies. Otherwise they probably would not be faring as well as they do, for many of them are mere "interceptors" of business that otherwise would go to a broker or a Class 1 agent who is giving real attention to the fire insurance business and endeavoring to give service.

* * *

Western Coal Mine Operators and Compensation.—The recent declaration of Industrial Commissioner Warren Garst, of Iowa, that the workmen's compensation act of the State needs amending so as to provide for insurance exclusively through a State fund, has brought out an interesting letter from a prominent Western casualty man. Mr. Garst had pointed to the coal operators as a class that are nearly all staying out from under compensation and he attributed this action to the stock company rates, which he holds are about seven times too high on coal mines.

The casualty man who comments on Mr. Garst's declaration says that nearly all the coal mine operators of Iowa and of several other neighboring States are insured through an interinsurance concern. He says that it is the established policy of this institution to advise its subscribers in compensation States not to go under the compensation laws. The theory on which this practice is based is that the liability of coal operators could be carried for a very reasonable figure if it were not for the great catastrophe hazard. If the operator elect to pay compensation, the laws of most States require that he take insurance covering the entire liability. Including the catastrophe hazard, no company or concern can carry coal mine liability at a low figure. In order to limit the liability of the insurer and make a low rate possible, sbuscribers are advised to remain under common law and statutory liability. In the vast majority of cases the limited liability insurance will be sufficient. Where a mine suffers from a catastrophe, it appears that it is considered preferable to let the operator be ruined and go through bankruptcy and leave the victims and their families without recourse, rather than tax all operators enough to pay the insurer for carrying the whole liability.

If it be a fact that it is, or is to be a settled policy among coal operators in States having elective compensation laws to elect to remain outside and fail to provide for the explosion hazard, it is difficult to see any other outcome than increased efforts by constitutional amendment or otherwise, to make the compensation laws compulsory.

* * *

Merger Difficulties in the West.—Within the past few months considerable attention has been given by a number of men connected with Western casualty and surety companies or promotions to bringing about mergers. In several cases this has proved so difficult that it had to be given up although those in charge were desirous of amalgamating them. The laws of the States offer many difficulties. A company doing business in its home State in some cases cannot enter a neighboring one to reinsure a company of that State. Promotions that have been partially carried through cannot find a legal way of adding themselves to going concerns. Another difficulty is to agree upon terms of merger, even where both sides desire it. Sometimes the relative values of plant and good will cannot be agreed upon. Often no merger can be effected unless a certain number of officers of both companies are well taken care of, and to do this would break the back of the merged company in paying salaries.

Of late, at least two securities companies have been organized chiefly for the purpose of facilitating mergers. Their promoters maintain that by exchanging stock of insurance companies for stock of securities companies several companies can be brought under one management, viz.: that of the securities company, and the owner can in time merge them on such plans as it sees fit. David W. Armstrong, former secretary of the National Surety Company and now president of the National Fidelity and Casualty Company

of Omaha, is president of the Underwriters Securities Company, one of these institutions. Associated with him as officers or directors are officials of several other Western companies or mutual associations. This furnishes ground for belief that the merger of these concerns with others is contemplated, although this does not necessarily follow.

The West has a large number of casualty and surety companies that control considerable business, but either have not capital enough to enter adjoining States or are not heavy enough to carry on the lines of business they would like to do. South Dakota has several surety companies with small capital, but considerable business. In Nebraska are several accident and health companies doing a fine business, but without capital enough to permit their expansion. Wisconsin also has one or two accident companies of this class. There are other larger Western companies chartered to do a multiple line business that have looked with longing eyes towards Illinois and the large business of Chicago, but cannot possibly get into the State with their present capital and broad charters. Possibly through the medium of the securities companies a number of these will be amalgamated into one or two large companies which can enter any of the States.

Chicago, October 16, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

At a conference held in the offices of the Maryland Casualty Insurance Department in Baltimore the Manual Committee of the Workmen's Compensation Bureau submitted a basis of insurance rates of companies transacting ninety-three per cent of the business written in Maryland. Insurance Commissioner Shehan and the Maryland Industrial Accident Commission have decided upon a manual of minimum rates.

The Maryland Accident Commission has selected as counsel J. Walter Lord, Esq., who has for a number of years made a special study of American and European workmen's compensation legislation and is recognized as one of the leading authorities in this branch of underwriting. The commission has also selected Edgar S. Montell, for some years identified with a Baltimore casualty company, to prepare plans for operating the workmen's compensation bureau. The commission has under consideration a uniform policy which was submitted to the companies operating in Maryland and only two raised objections. After making a few minor changes the policy was referred to the counsel of the commission for his judicial opinion.

Insurance Commissioner Welch of Oklahoma, has been advised by the Attorney General of that State that in making deductions from premiums collected, for cancellations and dividends, to secure a basis for the State two per cent tax on foreign life companies' premiums, cash surrender values paid to policyholders in the State may not be deducted.

In the language of the opinion it was held that the cash surrender values may not be "embraced in cancellations and dividends within the terms" of the statute providing for the annual fees and taxes.

A system of investigating and approving all factory safety appliances and devices and labeling those approved is about to be put into effect by the Workmen's Compensation Service Bureau. This new departure in accident prevention endeavor will be undertaken on behalf of the bureau by the Underwriters' Laboratories, Inc., of Chicago, with which the bureau has affiliated for this special work.

The Underwriters' Laboratories, with its extensive plant and well established inspection and testing system, has facilities for extending its inspection work to cover safety life devices, and thereby render great service to the bureau members. When the plan is fully put in operation it is intended that the label of approval in use shall be applied to workmen's compensation and employers' liability risks which use the labeled appliances of the laboratories.

A revised plan for inspection of compensation risks was submitted at a special meeting of the Compensation Inspection Rating Board held last Wednesday and referred, after discussion, to a committee of five, with Edmund Dwight, chairman. The proposed plan for inspection is as follows:

(a) That the form of inspection report for each classification be so modified in all cases as to localize the defects or conditions for which charges are made so as to enable the insurance carrier from the inspection report to make proper recommendations to the assured for the improvement of the risk.

(b) That upon special request of any insurance carrier, and subject to a charge for the extra cost, the inspection report under existing inspection of any risk be amplified to localize the defects or conditions for which charges are made so as to enable the insurance carrier from the inspection report to make proper recommendations to the assured for the improvement of the risk.

(c) That upon special request and at the expense of the insurance carrier a preliminary inspection of any risk shall be made and report furnished thereon in such form as to enable the carrier to proper recommended thereon in such form as to enable the carrier to make proper recommendations to the assured for he improvement of the risk, such inspection to be followed within the first six months of the policy term by a final inspection for ratings.

The programme for transforming the Prudential Insurance Company of America from a stock into a mutual company is being carried out as rapidly as is permitted by the legal requirements to be met. At a meeting of the stockholders held at the home office in Newark, N. J., last week, 30,839 shares out of the total of 40,000 shares of the company's stock outstanding were voted in favor of mutualization. The principal step remaining to be taken is to procure the assent of the policyholders. For this purpose President Forrest F. Dryden will call a meeting of the policyholders, probably for November 15. Publication of the notice for four weeks in every State in the Union in which the company does business, and also in Canada, will be required.

At the annual meeting of the Surety Underwriters' Association of New York the following officers were elected: President, William H. Conroy, Massachusetts Bonding and Insurance Company; vice-president, Fred C. Williams, Globe Indemnity; secretary and treasurer, John H. Manning. Executive committee, Joseph A. Flynn, Fidelity and Deposit; W. M. Smith, Jr., Aetna Accident and Liability; C. Wilson Gott, Illinois Surety; Lester H. Moore, American Surety.

At the forty-fifth annual meeting of the Fire Underwriters' Association of the Northwest, held in Chicago last week, the following officers were elected for the coming year: President, B. L. West, Western department, Insurance Company of North America, Chicago; vice-president, John Fitzgerald, Indiana State agent, Queen Insurance Company, Indianapolis; secretary, Guy A. Richards, of Richards & Hecox, Chicago; treasurer, C. L. Hecox, of Richards & Hecox, Chicago; directors, for three years, Daniel W. Andrews, Gustav Wollaeger, Jr., Robert Raynolds; for one year, F. A. Dunning, W. J. Sonnen.

Following the unanimous vote of the stockholders of the Aegis Life of Denver the reinsurance of that company by the Central States Life of St. Louis has been negotiated by Vice-President James A. McVoy, of the Central States, and E. M. Grossman, attorney for the Aegis. The Aegis had about three and one-half million dollars of business in force and an income of about $120,000 a year.

Manager J. H. Lenahan, of the Nord Deutsche Fire Insurance Company, has completed negotiations for the reinsurance of the Georgia and Florida business of the Commercial Fire Insurance Company of Washington, D. C. The business carried by these States was conducted by the general agency of Rhett & O'Beirne, of Atlanta, who arranged for the reinsurance. The business of the Commercial Fire in Virginia has been reinsured in the City of New York.

The Kentucky Court of Appeals has affirmed the judgment of the Franklin Circuit Court, which requires the Provident Savings Life to pay the premium tax on policies which it reinsured in the Postal Life of New York. The opinion, which was written by Judge Carroll, contains the following language:

"A foreign insurance company doing business in this State will not be permitted to escape payment of taxes by reinsuring its policyholders in another company never authorized to do business in Kentucky."

At a meeting of the board of directors of the New Amsterdam Casualty Company last week the original plan formulated a year ago, when change of stockholders took place, was carried out. W. F. Moore, at his own request, was elected chairman of the board of directors and J. Arthur Nelson was elected president. The other officers of the company remain as heretofore, with the exception of additional assistant secretaries and vice-presidents, for purposes usual in a company conducting the fidelity and surety business.

Professor Dr. Alfred Manes, General Secretary of the German Association for Insurance Science (Deutscher Verein für Versicherungs-Wissenschaft) and Editor of the Zeitschrift für die gesamte Versicherungs-Wissenschaft, the official organ of the Association, is serving in the German army in a Bavarian cavalry regiment. There could be no better illustration of how the belligerent European countries are calling upon all their citizens, irrespective of their position in the community or the character of their services in other directions, to give up their peaceful pursuits and join the ranks. Readers of this paper have had more than one opportunity, through translations appearing in its pages, to become familiar with the ability and learning of Professor Dr. Manes; and they will hope that the fortunes of war will bring him safely back to his labors in the field of insurance.

It is stated in a cabled despatch from Paris, under date of October 10, published by "The Annalist," of New York, that: "The (French) Government has decreed the seizure of the assets of Austrian and German insurance companies and has appointed receivers for them."

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

FINANCIAL AND COMMERCIAL REVIEW

PROBABLY because of prevailing dispositions to regard the war crisis with exaggerated optimism there was a pronounced spread of depression throughout the financial and business community in the last few days on the actual developments in the European war. These included chiefly Germany's successful prosecution of a vigorous offensive which practically completed the occupation of Belgium, the German attack extending down toward the Channel ports following the fall of Antwerp; the indications that the Russian armies were not only making no headway in the Eastern theatre of war, but were retiring and the outbreak of Boer rebellion in South Africa stimulated by German intrigue.

The natural consequence of such events was to send a chill through the supporters of schemes for the restoration of banking and business activities on the theory that the Allies in general and Great Britain in particular were not threatened dangerously by the possibilities of German victory. A secondary implication was that hopes of a comparatively early termination of the war could not be reasonably entertained except on the ground of a sweeping German triumph which would not square at all with the predominant views in this country of the most desirable ending of the conflict. It was also implied that in a war of protracted duration there must be much more adequate reckoning than has been so far apparent with the varying contingencies of the fortunes of war.

One thing which these developments undoubtedly did was to lend enhanced interest to the proposals to be submitted to our Government and to our financiers by the official representatives of British finance, which includes the British Treasury, sent to this country for the purpose of considering the difficult situation in foreign exchange and the troublesome problems of the suspended securities and cotton markets. It would seem hardly likely that Washington will incline very much, nor that our bankers will feel, that we can afford to venture very far in the direction of allying ourselves economically with the war fortunes of Great Britain. However, the initiative which British finance has taken in steps to relieve conditions that are preventing a revival of domestic banking and business activities are none the less welcome and there is room for much to be done without running excessive hazards.

Apropos the war there is little to be gained by the premature counting of its costs. Statisticians are exploiting a good deal of newspaper space with figures setting forth estimates that the war expenditure is ranging from $30,000,000 to $50,000,000 a day in the aggregate for all the belligerents, as well as for the neutral nations which are mobilized against possibilities. The excuse for these computations is suggested by the question invariably asked after the footing has been rendered, namely how long the contestants can keep up such a dire waste as is denoted. The trouble with this form of reasoning is that it is precisely the argument in which pacificists indulged for years before the war to prove that a general war in Europe could never occur.

It is conceivable that utter financial exhaustion may be the direct cause of the ending of the awful conflict that is now raging, but there is no comfort for anybody in such a conclusion. If exhaustion of that sort finishes the war it will mean the total ruin of Europe. The real cost of the war is to be reckoned after it is finished, and perhaps it will be some advantage to ourselves if we try to imagine the colossal dimensions of the bill of destruction that will then come in. We may thus begin to get some approximate understanding of what this catastrophe signifies and so prepare ourselves all the better now to adopt those measures and institute those processes which may serve to diminish somewhat the hardships and distress which must inevitably follow in the train of war.

About the most encouraging feature of the moment is the unmistakable manifestation of improvement in domestic monetary conditions. It is not safe to assume that this means very much more than that trade and industry are steadily contracting. At the same time it is of help to the situation to have some of the strain of money market tension lifted from whatever cause, and that it is being lifted cannot be doubted. The shading of commercial paper rates has been carried further, some discounts as low as six per cent being reported for names of very high grade and toward the week end Wall Street banks offered money at 7 per cent for new loans on collateral security.

This to an extent is the result of a gradual widening of the supervised market for cash dealings in securities of all descriptions except shares listed on the Stock Exchange. The Stock Exchange authorities and the banks have been feeling their way very carefully, but their prudence has been rewarded by the accommodation of a considerable decline in security values without any disturbing shock. Already prime bonds are changing hands at declines of six to seven points from the level which obtained at the end of July, but although only a limited market is furnished there is still a market for purchases and sales. In consequence a reduction of loans has been facilitated which has been assisted further by the customers of brokerage houses who have taken up outright securities that had been carried on margins.

We seem nevertheless to be a long ways from a reopening of the Stock Exchange. This is an event which must apparently wait upon some real relaxation in foreign exchange and on some arrangement with Europe to accept for the return of American securities payment in such ways as we can make it. Foreign exchange conditions are baffling to the last degree. The operations of the gold fund committee have been helpful in that they have assured an ultimate supply of exchange, but the committee has after all sold no large amount of bills, and the presumption is that it has been marking time until it could be seen what was intended by the visit of Great Britain's financial representatives and to what this was going to lead.

Our foreign debit balance must be very large indeed and because imports are keeping up remarkably under the stimulus of European liquidation of goods and commodities our present export trade movement is gaining on our indebtedness abroad but slowly. Still the outward movement of merchandise is visibly increasing and Washington has stated officially that an average of daily trade balances in our favor is now accruing. The progress which the New York clearing house banks and trust companies have made

in cutting their reserve deficit $40,000,000 from the August maximum is most reassuring as it has taken place in an interval of large demands on the country's financial centre for the provision of gold for export.

Our bankers on the whole have, with very little recourse to governmental assistance, handled the crisis so far most commendably, and it is worth observing that the sanest proposal yet for dealing with the cotton problem is contained in the bankers' plan for a $150,000,000 pool to furnish loans on cotton. There are objections to be offered to this scheme, but none that are very valid if it is made on adjunct to the reopening of the cotton exchanges and the restoration of the contract market which will, in economic fashion, take care of the large surplus of this year's cotton yield.

The grain markets have reflected the war news with another upward reaction under the leadership of wheat. It is obvious that every fresh sign of a prolonged war will evoke a rising response from staple foodstuffs. Trade reports only go to confirm in the main all the indications of a progressive slackening of industry. Operations at steel mills must now be about half capacity and the percentage is declining all the time.

Next week hearings in the reopened Eastern rate case will begin and much anxious attention will be directed toward the proceedings. Considering the part which railroad finance and railroad enterprise have played in the past expansion of domestic business of all sorts it is more than probable that the prospects of at least a partial business recovery are dependent on the Interstate Commerce Commission's disposition of this matter. Whether or not the commission alleges emergency as the excuse for reversing itself, if it makes a liberal grant of rate increares to the carriers, investment all over the country will be encouraged and capital will become more available than it is to-day for the employment in any direction.

There is more than a suggestion in new attitudes at Washington that governmental bodies and individuals have begun to see business in a different light than that in which it was regarded before the war showed its utter dependence on incentives to accumulate capital and invest it. Not the least of the hopeful changes is betokened by the announcement that the Administration party in the forthcoming Congressional campaign will proclaim a truce in the political crusade against big business.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.
Clearing House Members (In Millions of Dollars).

Average Status.

	Week Oct. 3, 1914— Banks.	Trust Cos.	Both.	Week Oct. 10, 1914— Banks.	Trust Cos.	Both
Loans	....	....	2,202.1	1,758.1	617.8	2,175.9
Deposits (net)	....	....	1,956.2	1,456.5	477.4	1,933.2
Cash reserves	....	....	424.1	363.1	65.9	428.4
Reserve ratio (%)	....	....	21.8	24.9	13.6	22.4

Actual Status.

	Week Aug. 1, 1914— Banks.	Trust Cos.	Both.
Loans	1,423.4	695.3	2,0 8.7
Deposits (net)	1,42 .7	488.7	1,911.5
Cash reserves	241.3	67.1	411.5
Reserve ratio (%)	21.9	13.9	21.5

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	Sept. 26	Oct. 3	Oct. 10
Loans	[illegible]	[illegible]	[illegible]
Deposits (net)	700	[illegible]	[illegible]
Cash reserves	[illegible]	[illegible]	[illegible]
Reserve ratio (%)	[illegible]	[illegible]	[illegible]

Aggregate Statement Actual.

(Estimated of Small National Banks Not Reporting Weekly)

	July 31	Aug. 7	Aug. 14
Loans	2,6 [illegible]	2,629.5	2,479.1
Deposits (net)	2,572.0	2,479.1	publishing the actual
Cash reserves	520.2	464.7	returns of the banks and trust companies.]

PHILADELPHIA BANKS STATEMENT.

	1914— July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	100.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914— July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.3	31.4

CHICAGO BANKS (Periodical).
(Five Times a Year; No Weekly Returns.)

	1913. Oct. 21-22.	1914 Jan. 13-14.	1914 June 30.	1914 Sept. 12.
Loans	710.4	667.2	761.2	704.7
Deposits	1,093.2	997.4	1,024.3	964.4
Cash, other reserves	449.5	470.2	335.2	311.9
Reserve ratio (%)	41.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.
(Five Reports a Year.)

	1913— Oct. 21.	Jan. 13.	1914— Mar. 4.	June 30
Loans	6,260.8	6,175.4	6,357.5	6,430.0
Deposits (individual)	6,051.6	6,072.0	6,111.3	6,268.6
Cash reserves	889.6	981.9	968.0	963.0
Other reserves	586.8	588.8	572.5	577.1
Reserve ratio (%)	20.54	21.74	20.62	20.63

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week of	1913 New York.	Outside.	Total.	1914 New York.	Outside.	Total.
September 12	1,840	1,408	3,248	*856	999	1,856
September 5	1,724	1,211	2,935	1,083	1,251	2,334
August 29	1,640	1,151	2,755	.....	.....	2,065

*Five days.

MONEY RATES AT NEW YORK.
(Rates Quoted are Highest for Each Week.)

Week of—	1913 Call money.	60-day loans.	Merc. paper.	1914 Call money.	60-day loans.	Merc. paper.
Oct. 17	5	5	6	8	8	8
Oct. 10	5	4½	5½	8	8	8
Oct. 3	4½	4½	4½	8	8	8

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914— Sept. 24.	Oct. 1.	Oct. 8.	Oct. 15.
Deposits	153,938	135,489	165,498	162,561
Circulation	34,262	34,971	34,828	35,767
Gold	51,673	52,926	56,566	59,235
Securities	136,114	141,551	141,865	137,276
Reserve ratio (%)	23.33	22.75	24.53	26.50
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914— July 9.	July 16.	July 23.	July 30.
Deposits	3,019.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914— July 9.	July 17.	July 25.	Aug. 15.
Gold and silver	1,596.4	1,681.6	1,722.7	1,590.2
Loans and discounts	1,026.0	867.3	801.0	180.9
Circulation	2,192.0	1,994.5	1,890.8	3,881.9
Discount rate (%)	4	4	4	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914— May.	June.	July.	August.
Loans on call	197.1	204.0	193.9	166.7
Loans, other	927.5	925.5	927.0	928.2
Deposits, demand	340.7	355.0	346.8	338.9
Deposits, other	759.3	767.7	766.9	755.1
Circulation	97.7	99.1	94.8	93.3
Cash reserves	113.3	113.3	113.3	113.3

THE COUNTRY'S COMMERCE

	July 1913.	July 1914.	August 1913.	August 1914.
Merchandise.				
Imports	139,281,227	$160,178,133	$129,1 0,000	$137,651,000
Exports	160,515,941	154,082,225	187,909,000	110,337,000
Specie.				
Gold—Imports	7,859,463	2,691,715	5,803,753	3,034,824
Exports	8,653,448	33,669,424	1,194,657	18,125,617
Silver Imports	2,796,190	1,228,104	3,401,335	2,162,095
Exports	4,936,456	3,952,956	4,907,806	3,627,337

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.*	Tues.	Wed.	Thurs.	Fri.
New York	51¼	..	51⅞	51⅛	51⅜	50⅞
London	23⅞	....	23½	23⅜	23⅜	23⅛

*Holiday

COTTON

October 17, 1914.

COTTON markets in the sense known to the world for more than a generation past cannot exist so long as the great cotton futures exchanges in this country and England remain closed. Inasmuch as not one of these exchanges has yet found itself in a position to reopen, all that can really be recorded of the trade in cotton during the past week must have reference to the scattered purchases and sales for cash which are being made from day to day throughout the South. Reports of these sales show that, in spite of the determination of great numbers of farmers to carry their cotton back to their farms, rather than accept such prices as are now offered for it, there still remains a sufficient surplus of cotton that must be sold to make each new day's Southern quotations a little lower than those of the day before. It may be said that for the generality of interior markets, except those in close proximity to Southern mills, the price of middling has settled squarely to the level of 6 cents per pound; and there is no inconsiderable quantity of cotton that can be bought at an even lower price than this. Cotton is now cheaper in the South than it has been at any time since the early Spring of 1898; and it goes without saying that the price is far below the present cost of production of any cotton at all, no matter how favorable may be the conditions under which it is grown. Could the Southern farmers be convinced that they could not possibly get more than 6 cents per pound for any cotton they might raise next season, there would virtually be a total cessation of cotton production from one end of the South to the other. As things now are, however, even at this ruinous price the demand is inadequate to take care of all the cotton offering, and it is entirely possible, assuming that no outside assistance is rendered, that a still further decline is ahead of us. And the cruel par of the matter, from the standpoint of the cotton producer, is that there is not a single thinking person, familiar with cotton, in the world, who does not believe that the purchase of cotton at persent prices is equivalent to seizing one of the greatest opportunities for profit ever afforded in this country. All would like to buy cotton now and at this price; but all the machinery for doing so is out of order, and the opportunity must be let slip. Spinners can borrow from their banks only money enough to buy a small part of the season's requirements at a time; merchants can only buy such cotton with one hand as they can sell with the other to spinners, being deprived of their indispensable basis of credit, the hedging of their stock of cotton by means of future contracts sold on the cotton exchanges; speculators cannot buy because they have no acquaintance with the problems of warehousing, insuring and borrowing upon cotton; exporters cannot buy because they cannot sell their bills of exchange upon foreign markets, not because such bills are undesirable and discredited, but because there are no bankers in the foreign markets who are in a position to accept them. So the Southern cotton producer is left with his cotton precisely where the great London banker is left with his overdue German acceptances; both have valuable property, but neither can get his money out of it without waiting for an indefinite period, until the world is once more at peace. In the meantime the seething pot of projects, political and other, for assisting the South in its plight continues to boil, and perhaps with more violence as time goes on. A mere catalogue of the bills offered in Congress, most of which in the last analysis mean simply diverting the money of the country as a whole to the South, would be of interminable length. In scarcely one of them is there a gleam of economic sense or the faintest indication of regard for the ultimate consequences, even to the cotton producers themselves, of what it is proposed to do. Easily the most vicious of these measures seem to be fathered by Senator Hoke Smith, of Georgia, who has finally pushed his propositions so far beyond the uttermost limits of governmental and financial sanity that they have become hardly more than the laughing stock of the Senate. It is therefore a refreshing fact to report that every indication points to a total failure of Congress to act upon the matter at all. Better that the South should have a year of privation than that governmental policies pregnant with future harm should be adopted even in this severe emergency. Outside of Congress, there is one proposed plan of relief for the South which cannot be criticised as demagogic, no matter what may be said of its indeterminations on the practice and technical side. This is the plan of the St. Louis banker, Mr. Festus J. Wade, to provide $150,000,000 of banking credits for the carrying of cotton. So far has this plan advanced that the required $150,000,000 has already been pledged by banks from one end of the country to the other. What is lacking is dependable machinery for loaning this money on cotton. Much has been assumed throughout, as that there will be no trouble in obtaining fire insurance on 5,000,000 bales of stored cotton, nor in procuring guarantees of the trustworthiness of the warehouse receipts fom surety insurance companies, nor in arranging that warehouse receipts serving as collateral can be kept instantly available for the owners of the cotton, should they wish or need to sell. We would not appear to be discouraging about Mr. Wade's considerable project, which at least has the advantage over all other projects as yet advanced, that the money needed for its realization is in hand and not proposed to be obtained in some vague way in the future, whether from the banks or from the Government. We cannot, however, say that we are confident that it will do the good which is expected of it. The really encouraging thing in the situation, as we see it, is that the cotton trade itself, acting through its exchanges, has almost reached the point where it can resume its normal activities. The best information is that the New York Cotton Exchange will have proceeded far enough with the adjustment of its affairs to reopen not much after November 1. After the amateurs, congressional and other, have tried their hand, it will be interesting to see what happens when the cotton trade has its innings. It may happen that more buyers of cotton will be discovered in a day on the cotton exchanges than the amateurs have discovered in the past three months.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	8.50	8.50	8.50	8.50	8.50	8.00
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		
May—						
High	.....	.....	.....	.....	.....	..
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		
August						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
September						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
August—						
Opening	} 25 points over J-F					
12:30 p. m.						
Close						
Aug.-Sept.—						
Opening	} 15 points over J-F					
12:30 p. m.						
Close						
Sept.-Oct.—						
Opening	} 6 points over J-F					
12:30 p. m.						
Close						
Oct.-Nov.—						
Opening	} 4 points over J-F					
12:30 p. m.						
Close						
Nov.-Dec.—						
Opening	} 1 point under J-F					
12:30 p. m.						
Close						
Dec.-Jan.						
Opening	} 1 point under J-F					
12:30 p. m.						
Close						
Jan.-Feb.—						
Opening	} 5.00	5.00	5.00	5.00	5.00	4.75
12:30 p. m.						
Close						
Feb.-Mar.—						
Opening	} 1 point over J-F					
12:30 p. m.						
Close						
Mar.-Apr.—						
Opening	} 3 points over J-F					
12:30 p. m.						
Close						
Apr.-May—						
Opening	} 3½ points over J-F					
12:30 p. m.						
Close						
May-June—						
Opening	} 4 points over J-F					
12:30 p. m.						
Close						
June-July—						
Opening	} 2½ points over J-F					
12:30 p. m.						
Close						

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
New Orleans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	6 11-16
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	6.34	....	....	6.09
Good middling	....	....	5.70	....	....	5.45
Middling	5.30	5.30	5.30	5.30	5.30	5.05
Low middling	....	....	5.07	....	....	4.29
Good ordinary	....	....	4.01	....	....	3.45
Estimated spot sales..	....	2,600	3,700	3,300	3,400	4,100

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling..	.....	.....	.....	.....	.....	.....
Fully middling	.....	.....	.....	.....	.....	.....
Low middling	.....	.....	.....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	483,227	510,540	483,611	202,157
Overland to mills and Canada	26,172	18,344	30,047	13,125
So. mill takings, est., exclusive of takings from Southern ports.	85,000	85,000	85,000	55,000
Gain of stocks at interior towns	67,048	61,059	71,385	116,336
Brought into sight for week	661,447	674,943	670,043	386,718
Total Movement—				
Port receipts	2,838,135	2,574,913	2,647,380	817,640
Overland to mills and Canada	67,527	50,788	93,389	34,390
Southern mill takings..	482,032	455,873	494,796	228,000
Stocks at interior towns in excess of Sept. 1..	349,299	274,711	251,222	402,857
Brought into sight thus far this season	3,736,993	3,356,285	3,486,787	1,482,887

The total crop movement is respectively for 81 days, 79 days, 78 days and 77 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week—		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	133,083	1,078,430	180,079	89,002	401,979	138,452
New Orleans	55,388	165,784	82,141	22,529	71,612	82,710
Mobile	18,267	93,768	48,625	5,033	22,579	19,270
Savannah	128,580	622,557	161,304	34,995	151,318	69,236
Charleston	32,001	175,620	79,728	11,677	43,843	37,369
Wilmington	26,402	122,608	31,694	3,075	18,986	15,870
Norfolk	22,852	73,768	20,944	12,180	34,912	73,949
Baltimore	6,898	19,211	2,590	850	2,764	4,983
New York	....	74	16,932	294	394	70,471
Boston	226	1,791	3,158	.....	1,537	2,609
Philadelphia	.....	36	4,469	.....	110	4,508
Newport News	1,176	3,884	.....	418	8,142	.....
Brunswick	23,700	107,150	10,905	500	3,250	390
Pensacola	5,694	14,403	.....	.....	.....	.....
Port Arthur	.....	.....	.....	.....	400	.....
Pacific ports	5,303	34,020	.....	2,890	22,623	.....
Texas City, etc.	22,287	127,663	9,661	16,856	26,798	15,727
Jacksonville, etc.	754	6,613	1,302	1,958	8,393	453
Georgetown	.....	.....	.....	.....	.....	.....
Totals	483,611	2,647,380	654,330	202,257	819,640	485,997

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	1,640	20,663	1,546	1,179	720	7,062	116	5,434
Dallas	2,995	17,948	2,873	5,960	5,811	20,652	6,060	4,666
Shreveport	10,132	40,308	5,047	19,001	9,338	34,128	1,048	33,817
Little Rock	10,054	28,798	4,308	21,610	8,741	21,809	5,086	17,108
Helena	4,932	11,048	1,564	8,930	4,040	11,120	1,571	9,725
Vicksburg	1,166	4,274	209	3,416	1,291	4,591	491	4,031
Columbus, Miss.	2,835	10,537	1,785	5,604	1,267	3,595	535	2,668
Natchez	678	4,790	787	2,529	1,397	6,350	200	6,423
Memphis	52,483	130,368	27,679	72,546	45,533	121,625	15,446	95,131
Nashville	951	2,945	682	1,729	285	532	50	482
Selma	9,499	58,711	8,455	10,139	8,869	42,302	2,684	32,254
Montgomery	13,327	71,887	9,269	21,995	13,325	62,458	3,787	51,468
Eufaula	2,067	11,315	1,477	2,379	1,525	9,012	368	6,360
Columbus, Ga.	3,180	17,660	2,450	8,191	3,637	21,061	950	15,396
Macon	5,133	17,615	4,820	1,802	2,550	13,943	514	12,411
Albany	2,200	18,405	1,955	2,138	1,697	13,018	457	14,812
Atlanta	20,176	61,177	19,049	16,147	7,681	15,500	4,036	7,573
Rome	4,549	18,628	4,775	5,059	2,875	8,592	2,186	2,863
Augusta	26,641	123,088	21,570	34,400	25,554	106,944	7,111	77,239
Columbia	2,451	20,666	2,451	.....	6,514	17,182	6,514	.....
Newberry	2,443	8,481	2,443	.....	1,206	3,684	1,206	.....
Charlotte	1,262	3,177	1,202	.....	292	1,325	292	.....
Raleigh	832	4,698	900	305	138	485	75	95
St. Louis	12,194	34,188	10,308	5,692	7,096	20,255	5,992	14,487
Houston	134,136	927,496	118,941	115,029	93,080	428,841	77,712	83,308
Meridian	1,437	5,979	1,158	4,266	840	3,852	184	4,453
Cincinnati	1,109	14,654	2,377	15,578	1,814	10,124	1,848	4,081
Yazoo City	2,079	6,616	1,020	7,449	2,751	9,124	466	9,179
Totals	333,121	1,797,854	261,103	393,073	259,865	1,019,485	146,985	515,464

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	175,947	154,045	42,113
France	51,615	46,178	400
Cont'nent	89,253	167,015	24,031
Mexico	.....	.....	1,450
Japan	6,982	5,803	19,842
Totals	323,797	373,041	87,836
Since August 1.			
Great Britain	755,881	700,727	141,459
France	266,768	260,979	3,810
Continent	566,025	793,411	107,704
Mexico	253	8,005	6,668
Japan	17,251	35,560	51,795
Totals	1,606,178	1,798,682	311,436

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	440,000	450,000	.....
Since September 1	1,131,974	1,578,792	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	3,500	16,082	8,800	26,382	.....	.....
To Manchester	8,000	18,475	.....	19,689	.....	.....
To Continent	5,000	25,632	7,750	36,284	.....	.....
To America	1,000	3,870	.....	878	.....	.....
Total exports	17,500	64,059	15,750	83,233	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	30,000	123,000	.....	.....
Exports to Great Britain	1,000	3,000	.....	.....
Exports to Continent	20,000	118,000	.....	.....
Exports to Japan and China	13,000	46,000	.....	.....
Afloat in harbor	8,000	.....	.....	.....

Exchange, 1s. 4 13-32.

Receipts exclusive of ——— American this week, —— this season; —— this week last year, 1,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	482,000	303,000	.....	.....
London	6,000	.....	.....	.....
Manchester, in wareh'ses	40,000	23,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	3,000	.....	.....
Bremen	121,000	118,000	.....	.....
Havre	88,000	82,000	.....	.....
Other ports—Continent	30,000	14,000	.....	.....
Alexandria	191,000	.....	.....	.....
Bombay	255,000	.....	.....	.....
U. S. interior towns	393,073	393,073	.....	.....
U. S. ports	654,330	654,330	.....	.....
Afloat for—				
Liverpool	422,000	370,000	.....	.....
London	.....	.....	.....	.....
Continent	662,000	562,000	.....	.....
Afloat in Bombay harbor	8,000	.....	.....	.....
Coastwise to New York	15,000	15,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	3,384,403	2,537,403	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 374,855. Increase in American visible supply for the week, ———, against 341,855 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	3,486,787	.....
Total supply	4,818,927	.....
Less visible supply, American, to-day	2,537,403	.....
World's takings, American, to date	2,281,524	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	.....
Receipts at United States ports to date	2,647,380	817,640
Total supply at ports	2,808,669	1,070,841
Deduct.		
Stocks at ports to-day	654,330	485,997
*Exports to date	1,813,682	322,456
Southern mill takings from ports	12,597	30,133
Burnt at ports	.....	.....
Totals	2,480,609	838,586
To Northern mills from ports	328,060	232,255
Overland to Northern mills	93,389	34,390
Total Northern mill takings	421,449	266,645
Southern mill takings	507,393	258,133
Total American mill takings, including Canada	928,842	524,778

*Includes ——— in transit between Southern ports and New York, against ——— last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	176,147	928,842	.....	.....
Great Britain	62,045	580,727	.....	.....
Continent	54,193	728,390	.....	.....
Mexico	.....	8,004	.....	.....
Japan and China	.....	5,803	.....	.....
Totals	328,188	2,281,524	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	60,000	46,000	19,000	20,000
Sales, American	45,000	37,000	14,000	15,000
Sales, speculation	2,000	1,000	.....	.....
Sales, exports	4,000	1,000	3,000	2,000
Forwarded	89,000	97,000	38,000	34,000
Imports, all kinds	121,000	177,000	9,000	20,000
Imports, American	103,000	137,000	4,000	16,000
Actual exports, all kinds	2,000	2,000	3,000	5,000
Stock, all kinds	519,000	482,000	786,000	769,000
Stock, American	376,000	303,000	485,000	471,000
Afloat for Great Britain, all kinds	486,000	422,000	107,000	.....
Afloat for Great Britain, American	439,000	370,000	81,000	.....

CENSUS BUREAU REPORT ON CONSUMPTION AND DISTRIBUTION OF COTTON IN SEPTEMBER.

On Wednesday, October 14, the United States Census Bureau issued its monthly cotton supply report, giving the consumption, distribution and supply of cotton in the United States for September, 1914. The figures, with comparisons for September, 1913, are given in the following tables,—round bales being counted as half bales and bales imported from foreign countries being reduced to equivalent 500-pound bales (net weight):

CONSUMPTION AND ACTIVE SPINDLES IN SEPTEMBER.

	Consumption		Active Spindles	
	1913, Bales.	1914, Bales.	1913, No.	1914, No.
In mills in the Cotton States	240,935	229,510	12,009,006	12,257,006
In mills in all other States	201,500	185,684	18,625,375	18,305,179
Totals for United States	442,435	*415,194	30,634,381	30,562,185

*Includes 14,148 bales of foreign cotton.

STOCKS OF COTTON IN MILLS AND IN WAREHOUSES ON SEPTEMBER 30.

	In Manufacturers' Establishments		In Independent Warehouses	
	1913, Bales.	1914, Bales.	1913, Bales.	1914, Bales.
In the Cotton States	196,522	161,404	1,269,892	1,550,794
In all other States	418,059	394,664	25,263	111,062
Totals for U. S.	614,581	†556,068	1,295,155	‡1,661,856

†Includes 58,163 bales of foreign cotton.

‡Includes 12,214 bales of foreign cotton.

IMPORTS AND EXPORTS OF COTTON IN SEPTEMBER.

Imports from	1913. Bales.	1914. Bales.	Exports to	1913. Bales.	1914. Bales.
Egypt	4,000	8,912	United Kingdom	376,426	50,980
Peru	1,328	516	Germany	290,805	.....
China	413	1,201	France	131,950	.....
All other countries	1,708	4,686	Italy	45,290	16,678
			All other countries	85,857	58,120
Total imports	7,449	15,315	Total exports	930,328	§725,778

§Includes 188 bales of linters.

The consumption of cotton in the United States during the two months ended September 30, 1914, was 798,874 bales, against 874,785 bales in the same period in 1913.

The consumption of linters in the United States during the two months ended September 30, 1914, was 52,669 bales, against 54,327 bales in the same period in 1913.

* * *

The Jute Crop of 1914 and Present Market Conditions.—A recent Consular and Trade Report, issued by the Department of Commerce in Washington, quotes from "The Glasgow Herald" a despatch from Dundee, Scotland,—the most important jute manufacturing centre in the world outside India,—with regard to this season's jute production and also with regard to present market conditions for jute and jute products in Dundee. The substance of the despatch is as follows:

"The official estimate of this year's jute crop places it at 10,440,000 bales, against 9,836,675 bales (actual crop) last year. The acreage given to the crop last year and this was 3,181,514 and 3,359,000, respectively. The average crop increase per acre was only .02 of a bale, using the estimated 1914 crop figure in the calculation.

"The full consuming capacity of the world in normal times is close to 10,000,000 bales a year. The exclusion of Germany and Austria at the present time means at least 1,000,000 bales, while there are other countries which will be unable to use their regular amounts. There is therefore plenty of jute in India. Business [in Dundee] is very quiet, and prices on the raw stock are declining. Spot jute has been quite neglected, notwithstanding the greater difficulty in shipments, and yarns were dull also. Sacking sizes are also off in sale, while the sacking cloth trade gives evidence of a pause, even in the trades that have been a matter of great urgency of late. There has been little doing all around, even in the matter of testing prices."

* * *

Area Planted to Cotton in India.—The following table, published by the "Indian Trade Journal," shows the estimated acreage of land planted to cotton in India in 1914-15, compared with the two preceding years. The memorandum is based upon reports furnished by provinces which comprise about 76 per cent of the entire cotton area of India.

ESTIMATED COTTON ACREAGE OF INDIA.

Provinces and States.	1914-15.	1913-14.	1912-13.
	Acres.	Acres.	Acres.
Bombay (Deccan)*	1,794,000	1,639,000	1,357,000
Central Provinces and Berar	4,646,000	4,506,000	4,222,000
Madras	61,000	109,000	60,000
Punjab*	1,831,000	1,918,000	1,228,000
United Provinces	1,699,000	1,573,000	1,145,000
Burma	231,000	235,000	192,000
Bihar and Orissa	83,000	84,000	85,000
Bengal*	90,000	85,000	50,000
Northwest Frontier	58,000	57,000	48,000
Ajmer-Merwara	20,000	32,000	14,000
Assam	32,000	35,000	35,000
Hyderabad	2,838,000	2,829,000	2,213,000
Central India	*890,000	1,328,000	1,137,000
Rajputana	366,000	388,000	298,000
Mysore	11,000	15,000	11,000
Totals	14,710,000	14,833,000	12,095,000

* Including Native States.

In this connection it is interesting to note that the Government of Bombay, through its direct officers, is advising local agriculturists to grow wheat and other grains instead of cotton. It has been pointed out to them that the prices of cotton are too low and will probably go down further owing to the war, while a good demand will spring up for foodstuffs from Europe, and they are likely to bring good prices.

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3	3
Gray goods, 38 in., standard	3 7/8	3 7/8
Brown sheetings, Southern standard	6 1/2	7 1/2
Denims, 9-ounce	13 17	13 1/2 17
Tickings, 8 ounce	13	13
Standard prints	5 1/4	5 1/4
Standard staple ginghams	6 1/4	6 1/4
Yarns.		
Southern 2 ply skeins, 30s	19 1/2-20	19 1/2-20
Southern 2 ply skeins, 40s	13-14	13-14
Southern single skeins, 20s	15-15 1/2	15-15 1/2
Southern single chain warps, 20s	17 1/2 18	17 1/2 18
Southern 2 ply chain warps, 20s	17	17
Southern frame cones, 2 ply	18 18 1/2	18 18 1/2
Southern frame cones, 3	20 3/4-21	20 3/4 21
Eastern carded cops, 20s	20	20 1/2
Eastern carded cops, 30s	21 1/4	21 1/4
Eastern carded peeler warps, 20s	19 1/2	19 1/2
Eastern carded peeler warps, 50s	1	1

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 10..	1.10 1/2	1.09 3/8	1.10 1/4	1.15 7/8	1.14 7/8	1.15 3/8	.....	.....	.....
Oct. 12..	.....	.....	.....	.....	.....	.....	.....	.....	.....
Oct. 13..	1.11 1/2	1.10 1/4	1.11	1.16 7/8	1.16 1/8	1.16 3/8	.....	.....	.....
Oct. 14..	1.12 3/8	1.11 1/4	1.12 1/2	1.18 1/2	1.16 1/2	1.18 1/2	.....	.....	.....
Oct. 15..	1.13 1/8	1.12	1.12 1/4	1.18 3/4	1.17 3/8	1.17 3/8	.....	.....	.....
Oct. 16..	1.13 1/2	1.12 3/4	1.13 3/8	1.18 7/8	1.17 3/4	1.18 3/4	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 10..	67 1/4	66 5/8	67	69 7/8	69 3/8	69 5/8	....	....	....
Oct. 12..	....	....	....	....	....	....	....	....	....
Oct. 13..	67 5/8	66 7/8	67 1/8	70 1/4	69 1/2	69 7/8	....	....	....
Oct. 14..	67 3/4	67 3/8	67 1/2	70 1/2	70	70	....	....	....
Oct. 15..	67 3/8	66 1/2	66 3/4	70	69	69 1/4	....	....	....
Oct. 16..	67	66 3/8	66 7/8	69 5/8	68 7/8	69 1/2	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 10..	47 7/8	47 1/2	47 5/8	51	50 5/8	50 5/8	....	....	....
Oct. 12..	....	....	....	....	....	....	....	....	....
Oct. 13..	48 1/8	47 5/8	47 3/4	51 1/4	50 3/4	51	....	....	....
Oct. 14..	48 3/4	47 5/8	48 3/8	51 3/4	51	51 1/2	....	....	....
Oct. 15..	48 5/8	47 3/4	47 7/8	51 5/8	50 7/8	51 1/8	....	....	....
Oct. 16..	48 3/8	47 5/8	48 1/4	51 3/8	50 7/8	51 1/4	....	....	....

LARD.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 10..	10.05	9.85	10.05	9.97	9.82	9.97	9.95	9.87	9.92
Oct. 12..	....	....	....	....	....	....	....	....	....
Oct. 13..	10.00	9.95	9.95	9.95	9.87	9.90	9.90	9.82	9.85
Oct. 14..	10.30	10.20	10.30	10.20	9.95	10.17	10.07	9.87	10.10
Oct. 15..	10.30	10.30	10.30	10.17	10.02	10.17	1 .07	9.90	10.07
Oct. 16..	10.50	10.50	10.50	10.40	10.25	10.40	10.12	10.00	10.00

RIBS.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 10..	10.85	10.85	10.85	....	....	....	9.87	9.80	9.80
Oct. 12..	....	....	....	....	....	....	....	....	....
Oct. 13..	....	....	10.97	....	....	....	9.72	9.67	9.70
Oct. 14..	11.05	11.00	11.05	....	....	....	9.90	9.72	9.90
Oct. 15..	11.02	11.00	11.00	....	....	....	9.90	9.72	9.82
Oct. 16..	....	....	10.95	....	....	....	9.82	9.70	9.75

PORK.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 10..	....	....	....	....	....	....	19.00	18.80	18.97
Oct. 12..	....	....	....	....	....	....	....	....	....
Oct. 13..	....	....	....	....	....	....	18.80	18.65	18.70
Oct. 14..	....	....	....	....	....	....	19.02	18.75	19.02
Oct. 15..	....	....	....	....	....	....	18.87	18.70	18.80
Oct. 16..	....	....	....	....	....	....	18.82	18.60	18.65

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.30	....	5.25	5.20	5.15	5.15
October	5.30	....	5.20	5.20	5.15	5.15
November	5.39	....	5.25	5.28	5.18	5.16
December	5.48	....	5.35	5.35	5.30	5.22
January	5.58	....	5.47	5.43	5.40	5.33
February	5.67	....	5.55	5.52	5.50	5.43
March	5.79	....	5.69	5.66	5.65	5.61
April	5.92	....	5.84	5.80	5.78	5.74
May	6.02	....	5.93	5.93	5.88	5.85

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
Spot	6 1/4	....	6 1/4	6 1/4	6 1/4	6 1/4

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Last sale.	[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	79	
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O		
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*		
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	99	
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	98⅞	
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*		
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O		
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	95½	
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*		
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-O*		
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	64	
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	91	
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	92¼	
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov		
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	100¾	
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	90½	
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S		
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	87¼	
91¾	Jan	13	88	June	11	Balt & Ohio prior 3½s	1925	J-J*	89½	
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O		
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*		
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	87⅞	
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	98	
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*		
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	100	
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	99¾	
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N		
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S		
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*		
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	96	
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	116⅜	
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J		
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	90½	
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N		
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S		
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	70	
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*		
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	37⅛	
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	92½	
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	95	
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*		
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	95	
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N		
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N		
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	68	
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	95	
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*		
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*		
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J		
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*		
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*		
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	81¾	
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	19½	
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	66	
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D		
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D		
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*		
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	71	
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*		
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	89½	
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N		
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A		
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	98	
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N		
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	75½	
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*		
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	52½	
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*		
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*		
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J		
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	67½	
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O		
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	63½	
90	Jan	20	85⅜	July	23	Erie (Pa) col 4s	1951	*F-A	88¾	
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-O		
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*		
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*		
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	105¼	
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb.		
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J		
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O		
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O		
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*		
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	91	
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	43	
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	72½	
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	97½	
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	100½	
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J		
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S		
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D		
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S		
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	71	
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O		
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J		
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O		
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F		
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J		
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*		
88½	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D		
93½	Sept	8	88½	Dec	19	Lake Shore deb g 4s	1928	M-S*	90	

Range for 1913 High.		Range for 1913 Low.		Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Close.
92⅝	Feb 3	88	Dec 20	Lake Shore deb g 4s	1931	*M-N	
89⅛	Feb 19	84	Aug 9	Long Island unified 4s	1949	*M-S	
94	Jan 4	86	July 17	Long Island gen 4s	1938	*J-D	
96	Apr 23	89½	Aug 22	Long Island ref 4s	1949	*M-S	
99½	Jan 13	91½	June 11	Louis & Nash unified 4s	1940	J-J*	93¼
95	Jan 14	86½	July 1	Manhattan con 4s	1990	*A-O	
95½	Jan 22	87¾	June 19	Man Ry 4s stpd tax exempt.	....	....	
95¼	Jan 8	86½	Oct 22	M K & T 1st 4s	1990	*J-D	81⅞
81¾	Jan 8	71	Nov 21	M K & T 2d 4s	June 1990	F-A	57
99¾	Sept 11	95½	Nov 12	M K & T ext g 5s	1944	M-N*	
77½	Feb 3	67¼	June 23	M K & T ref 4s	2004	M-S*	
87	Jan 2	79½	July 7	M K & T gen 4½s	1936	*J-J	
100¼	Jan 17	97	Aug 26	M K & T of Tex 5s	1942	M-S*	
100	Feb 18	95	Dec 1	Mo Pac col tr 5s	Jan 1917	M-S	
99⅜	Jan 13	91	July 14	Mo Pac col tr 5s	1920	F-A*	85½
70⅜	Jan 9	62	Dec 29	Mo Pac 4s	1945	*M-S	39½
85⅞	Jan 14	79⅝	Dec 16	Mobile & Ohio gen 4s	1938	M-S*	
78	Jan 7	73	Dec 9	Nassau Electric 4s	1951	*J-J	
88½	Jan 4	52	Dec 11	Nat Rys of M per lien 4½s	1957	J-J*	
78	Jan 9	76¼	Dec 28	Nat Rys of M con 4s	1977	A-O*	
108½	Feb 11	104½	Nov 8	Nash Chatt & St L con 5s	1928	*A-O	
103	Jan 6	96½	Dec 17	N Y Air Brake con 6s	1928	*M-N	97
87¼	Jan 30	80	Dec 10	N Y Central ref 3½s	1997	J-J*	79¾
91½	Jan 9	83	Dec 29	N Y Central deb 4s	1934	*M-N	
83	May 14	76½	Dec 23	N Y Central L S 3½s	1997	J-J*	
80	May 22	71	Dec 5	N Y Central M C col 3½s	1998	*F-A	
99½	Jan 2	93½	July 18	N Y C & St L 1st 4s	1937	A-C*	93½
86½	Jan 10	80	Nov 5	N Y G E L H & P 4s	1949	*F-A	
103⅝	Sept 29	100⅝	June 14	N Y G E L H & P col tr 5s	1948	J-D*	104
126	Jan 3	102¾	Dec 17	N Y N H & H con deb 6s	1948	*J-J	99
87	Jan 23	68	Nov 12	N Y N H & H deb 3½s	1956	*J-J	
92¼	Jan 20	81	Dec 23	N Y Ont & W 1st ref 4s	June 1992	M-S	81
79	Jan 10	72½	June 10	N Y Rys ref 4s	1942	J-D	72
61	Dec 30	51⅛	June 10	N Y Rys adj 5s	1942	J-D	45
99	Jan 31	88	June 11	N & W con 4s	1996	A-O*	
92¾	Jan 10	87	Dec 20	N & W div 1st lien 4s	1944	J-J*	
104⅞	May 26	102¼	Nov 5	N & W conv 4s	1932	*J-D	
92	Jan 13	83	June 23	N & W P C & C joint 4s	1941	J-D*	
98⅝	Jan 10	91½	July 7	North Pac prior 4s	Jan 1997	Q-J	92
68⅝	Sept 20	63½	June 5	North Pac gen 3s	Jan 2047	Q-F	67¼
94	Feb 25	86	Nov 6	Oregon Ry & Nav 4s	1946	*J-D	
112⅛	Jan 14	108½	July 17	Oregon Short Line 1st 6s	1922	*F-A	
109	Jan 16	103½	June 19	Oregon Short Line cons 5s	1946	J-J*	
93⅛	Jan 7	86½	June 13	Oregon Short Line ref 4s	1929	J-D*	89½
101½	Feb 3	98	July 16	Pacific Coast 1st 5s	1946	*J-D	
101	Jan 11	95	June 11	Pacific Tel & Tel 5s	1922	*J-J	
102¾	Feb 5	98	Nov 29	Penn con 4s	1948	M-N*	99
97½	Jan 7	95⅞	July 18	Penn con 3½s	Oct 1 1915	J-D	98¼
89	Jan 2	79	June 27	Peoria & E 1st 4s	1940	*A-O	
49¾	Feb 20	35	June 4	Peoria & E income 4s	Apr 1990	Ann.	21
97½	Jan 25	90⅜	Dec 19	Reading gen 4s	1997	*J-J	93
96¾	Mar 12	91½	June 16	Reading Jersey Cent col 4s	1951	*A-O	
103	Oct 11	102	Sept 30	Rep Iron & Steel col 5s	1934	A-C*	104
85¼	Jan 13	78	Oct 15	Rio Grande W 1st 4s	1939	J-J*	
81	Jan 23	67½	Dec 17	Rio Grande W col tr 4s	1949	*A-O	
84	Jan 31	75¼	Dec 10	St J & G I 1st 4s	1947	*J-J	
106	Jan 10	100	June 26	St L & I M gen 5s	1931	*A-O	
82⅝	Jan 31	74	Dec 22	St L & I M ref 4s	1929	J-J*	
83½	Jan 3	76½	Dec 9	St L & I M Riv & G Div 4s	1933	*M-N	
76¾	Jan 8	65	May 29	St L & S F R R ref 4s	1951	J-J*	63⅝
82¼	Jan 7	50½	July 18	St L & S F R R gen 5s	1927	*M-N	
90	Jan 6	82¼	Dec 22	St L S W 1st 4s	1989	M-N*	81⅛
80	Jan 3	78	Feb 17	St L S W 2d income 4s	Nov 1989	J-J	
81	Jan 7	75	Nov 26	St L S W consol 4s	1932	*J-D	
104½	Jan 13	100¼	July 16	St P M & M con 4½s	1933	J-J*	
96¼	Apr 4	92	July 21	St P M & M Mont ext 4s	1937	*J-D	95¼
85¾	Jan 2	75	Nov 19	San Antonio & A P 4s	1943	*J-J	
79	Jan 13	72½	Oct 15	Seaboard A L ref 4s	1950	A-O*	
86	Jan 23	79½	July 7	Seaboard A L stamped 4s	1950	A-O*	85
77¼	Jan 20	66½	June 12	Seaboard A L adj 5s	1949	F-A*	72
94⅛	Feb 4	87	June 12	So Pac ref 4s	1955	*J-J	89
98	Feb 7	87⅞	June 27	So Pac col 4s	Aug 1949	J-D	
92⅝	Feb 1	84	June 10	So Pac conv 4s	June 1929	M-S	80½
107⅛	Jan 10	101	June 24	So Ry 5s	1944	J-J*	102
78½	Jan 2	70¼	Dec 1	So Ry col tr 4s	1956	*A-O	67¾
86½	Jan 21	74½	June 20	So Ry M & O Div 4s	1938	M-S*	
88½	Jan 8	79⅛	Aug 12	So Ry St L Div 4s	1951	*J-J	
103	Jan 11	96	Dec 18	Tenn Coal & Iron gen 5s	1951	*J-J	
89¾	May 10	88	Oct 16	Term Ass'n St L ref 4s	1953	*J-J	
107¼	Jan 3	99	Nov 24	Texas Pac 1st 5s	2000	*J-D	
82⅝	Jan 10	77½	June 11	Third Av ref 4s T R ctfs std	2000	*J-J	
81½	Dec 31	80	Dec 18	Tol St L & W 3½s	1925	J-J*	
60	Aug 29	47	June 9	Tol St L & W 1st 4s	1950	*A-O	44⅛
96	Sept 26	90½	May 13	Un Dispatch London 4s	1947	J-J*	
99⅜	Jan 14	94	Dec 2	Union Pacific 1st 4s	1932	*J-J	97
97	Jan 2	86⅜	June 12	Union Pacific conv 4s	1927	J-J*	86
95½	Jan 7	87⅜	June 19	Union Pac ref 4s	June 2008	M-S	93½
67	Jan 3	56½	Nov 24	United Rys San Fran 4s	1927	*A-C	
89	Jan 10	79	Nov 29	U S Realty & Imp 5s	1924	J-J*	
27	May 8	25	Jan 2	U S Reduc & Ref 6s	1931	J-J*	
103¾	Feb 8	101	Mar 13	U S Rubber 6	1936	*M-N	102
102	Jan 7	96⅜	June 10	U S Steel 5s	1939	*F-A	101¼
98	Jan 13	90¼	July 1	Va Car Chemical 1st 5s	1918	J-D*	96¼
106½	Jan 9	101	June 5	Wabash 1st 5s	Apr 1939	M-N	
99½	Jan 14	85½	Dec 2	Wabash 2d 5s	1939	J-D*	
64⅞	Jan 2	40½	June 12	Wabash ref & ext 4s	1956	J-J*	41¼
27½	Jan 2	10	Dec 19	Wabash Pitts Term 1st c	1954	*J-D	6¾
3	Aug 18	1	June 13	Wabash Pitts Term 2d tr c	1954	*J-D	
82¾	Feb 6	75	June 11	West Maryland 4s	1952	A-O*	58
10[illegible]	Feb 11	1[illegible]	Sept 8	West N Y & P 1st 5s	1937	*J-J	
106½	Feb 4	95	Nov 22	West Union coll tr 5s	1938	*J-J	
97½	Jan 14	87½	Dec 4	West Union R E 4½s	1950	*M-N	
98¼	Jan 13	9[illegible]	Nov 22	West Shore 4s	2361	*J-J	
94	Jan [illegible]	87	Dec 18	Western Md 2d 4s	1952	*J-J	93
80⅝	Jan 20	70	July 17	Wheeling & L E con 4s	1949	M-S*	
91⅝	Jan 11	84	June 25	Wisconsin Central 4s	1949	J-J*	86

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

*Denotes month of maturity.

Quoted Prices of Active Stocks on the New York Stock Exchange

[Under the head "Revised List" we quote the prices for active stocks as revised by the Stock Exchange Committee of Five.]

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Last sale.	Revised List.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	917/8	903/8
243/4	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	191/8	191/2
9	Dec	26	75/8	Dec	16	Allis-Chalmers	..	.....	6	*
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	321/2	.....
801/2	Sept	16	615/8	June	10	Amalgamated Copper	6	Q May	491/2	.....
57	Jan	3	411/4	Sept	5	Am Agr Chemical	4	Q Jan	501/8	491/8
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	.....	92
501/2	Jan	2	193/4	June	10	Am Beet Sugar	..	.....	19	.....
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....	731/2
961/4	Jan	4	891/2	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....	881/8
1365/8	Jan	6	1273/4	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....	136
467/8	Jan	31	21	June	11	Am Can	..	.....	191/2	.....
1291/2	Jan	30	801/2	June	10	Am Can pfd	7	Q Jan	80	781/4
563/8	Jan	2	361/2	June	10	Am Car & Fdry	2	Q Jan	443/4	433/8
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	112	1101/4
483/4	Jan	6	331/4	July	2	American Cities	..	.....	.....	.....
781/2	Jan	2	601/4	June	28	American Cities pfd	6	Jan-July	591/2	.....
573/8	Jan	2	331/2	June	12	Am Cotton Oil	..	.....	32	.....
98	May	6	921/2	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....	935/8
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	100	99
51/8	Jan	3	31/2	July	9	Am Hide & Leather	..	.....	31/4	.....
281/4	Feb	10	151/8	June	10	Am Hide & Leather pfd	..	.....	17	.....
273/4	Apr	4	17	June	10	Am Ice Securities	..	.....	195/8	193/8
121/8	Nov	7	67/8	June	10	Am Linseed	..	.....	71/2	71/8
333/8	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	25	.....
441/2	Jan	6	27	June	10	Am Locomotive	..	.....	201/4	.....
1063/4	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....	951/4
13	Jan	3	51/4	Oct	17	Am Malt	..	.....	.....	5
611/2	Jan	3	417/8	Oct	24	Am Malt pfd	4	May-Nov	32	.....
86	Jan	9	791/2	June	12	Am Smelting pfd B	5	Q Jan	.....	.....
743/4	Jan	30	581/2	June	10	Am Smelting & Refin	4	Q Jan	521/2	511/2
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	971/2	953/4
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	153	.....
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan	.....	1051/4
401/2	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	271/2	27
118	Jan	31	997/8	Dec	9	Am Sugar Ref	7	Q Jan	100	991/4
1165/8	Jan	28	1101/8	June	12	Am Sugar Ref pfd	7	Q Jan	108	1061/4
661/8	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....	573/4
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	114	112
2943/4	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar	215	210
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	104	1021/2
231/2	Sept	27	15	Dec	1	Am Woolen	..	.....	12	.....
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....	713/4
321/4	Jan	2	117/8	Nov	14	Am Writing Paper pfd	..	.....	.....	11
411/2	Jan	2	307/8	June	10	Anaconda Copper	3	Q Jan	25	243/4
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....	15
431/8	Feb	19	421/4	Jan	30	Associated Oil	6	Q Jan	.....	131/8
1063/4	Jan	6	901/4	Nov	10	Atch Top & Santa Fe	6	Q Mar	895/8	881/8
1021/4	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	973/4	.....
1333/4	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	114	.....
521/2	Jan	8	361/2	Dec	13	Baldwin Locomotive Co	2	Jan-July	41	.....
1051/2	June	6	1001/4	June	25	Baldwin Locomotive Co pfd	7	Jan-July	1053/4	.....
1063/8	Jan	22	905/8	June	10	Baltimore & Ohio	6	Mar-Sept	72	69
88	Jan	10	771/4	June	18	Baltimore & Ohio pfd	4	Mar-Sept	721/2	701/2
411/2	Jan	9	25	June	10	Bethlehem Steel	..	.....	30	.....
74	Aug	12	621/4	June	10	Bethlehem Steel pfd	5	Q Jan	81	797/8
923/4	May	26	833/4	June	10	Brooklyn Rapid Transit	6	Q Jan	791/2	78
1377/8	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	.....	1191/2
116	Jan	30	1001/2	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....	88
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....	281/4
561/2	Feb	3	16	Oct	22	California Petroleum	..	.....	161/4	161/8
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	50	481/4
63	Feb	13	581/2	May	13	Canada Southern	3	Feb-Aug	.....	581/2
2663/4	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	1571/2	155
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....	1041/2
301/8	Feb	5	17	June	10	Central Leather	2	Feb	28	.....
971/4	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	961/4	95
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	.....	300
80	Jan	2	511/4	July	11	Chesapeake & Ohio	4	Q Mar	411/2	.....
18	Jan	2	71/2	June	12	Chicago & Alton	..	.....	.....	91/2
253/4	Feb	25	171/4	Aug	21	Chicago & Alton pfd	..	.....	.....	123/4
177/8	Jan	9	101/8	June	4	Chicago Great Western	..	.....	91/4	.....
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	271/4	25
1161/4	Jan	9	963/4	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	851/4	823/4
145	Jan	30	1311/2	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	126	1261/2
138	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	1271/2	1211/4
188	Mar	3	1711/2	Nov	19	Chicago & N W pfd	8	Q Jan	.....	168
125	Mar	8	1191/2	Aug	25	Chicago St P M & O	7	Feb-Aug	.....	131
1501/2	Jan	21	1301/2	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....	1281/2
475/8	Jan	2	303/8	June	10	Chino Con Copper	$3	Q Jan	32	311/2
54	Jan	21	347/8	Aug	26	C C C & St L	..	.....	.....	22
943/4	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....	40
411/2	Feb	3	241/2	June	10	Colorado Fuel & Iron	..	.....	211/2	.....
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....	140
33	Jan	3	233/4	June	12	Colorado Southern	..	.....	20	.....
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....	373/8
651/4	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....	30
1021/4	Feb	25	1021/4	Feb	25	Consolidation Coal	6	Q Jan	.....	.....
1423/4	Jan	9	1251/4	June	10	Consolidated Gas	6	Q Mar	1161/4	115
171/8	Jan	31	73/8	June	10	Corn Products Ref Co	..	.....	71/4	.....
791/4	Jan	31	611/2	June	10	Corn Products Ref Co pfd	5	Q Jan	581/8	567/8
1001/8	Jan	16	911/2	Dec	27	Deere & Co pfd	7	Q Mar	921/2	903/4
167	Jan	8	1471/2	June	11	Delaware & Hudson	9	Q Mar	140	1373/4
445	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	390	3871/2
231/8	Jan	9	133/8	June	11	Denver & Rio Grande	..	.....	.....	1
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	87/8	.....
305/8	Feb	4	671/2	June	3	Detroit United Railway	6	Q Mar	.....	681/2
213/4	Jan	2	93/4	June	10	Distillers' Securities	..	.....	11	.....

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Last sale.	Revised List.
8½	Jan	2	4	Dec	19	Duluth S S & Atl	..	.....	.....	3
16¼	Jan	2	10	July	11	Duluth S S & Atl pfd	..	.....	.....	8
32½	Jan	6	20¼	June	10	Erie	..	.....	20½	.....
49½	Jan	30	33½	June	10	Erie 1st pfd	..	.....	32	.....
41	Jan	30	28¼	June	10	Erie 2d pfd	..	.....	26¼	26½
18	Jan	22	11	Dec	17	Federal Min & Smelt	..	.....	10	.....
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd	6	Q Mar	29½	28½
185¼	Apr	23	175	Jan	14	General Chemical	6	Q Mar	.....	169
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	.....	108½
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	139	137
40	Aug	18	25	May	15	General Motors	..	.....	58⅞	.....
81¾	Sept	30	70	May	8	General Motors pfd	7	May-Nov	79¼	.....
180	Jan	11	150	May	19	Geo W Helme Co	..	.....	.....	156½
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co	..	.....	29	.....
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd	7	Q Jan	88	86¼
132⅝	Jan	9	115½	June	10	Great Northern pfd	7	Q Feb	114	.....
41¼	Jan	3	25½	June	10	Great Northern Ore ctfs	..	.....	23	.....
52¾	Jan	7	40¾	July	11	Guggenheim Exploration	3½	Q Jan	40½	39⅜
87	Feb	6	80	Oct	17	Havana Electric Ry	5	Q Feb	.....	79
96	Jan	8	90	Nov	5	Havana Electric Ry pfd	6	Q Feb	.....	95
125	June	4	125	June	4	Hocking Valley	8	Q Mar	.....	125
120	Nov	26	100⅜	July	7	Homestake Mining	65c	Monthly	110	109⅜
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	106	105½
39	Jan	11	5	June	6	Inter Agricultural Corp	..	.....	.....	10
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	26¾	.....
19⅝	Jan	30	12⅜	June	4	Interborough-Met	..	.....	11	.....
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	52	.....
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	84	85
114¾	Sept	19	111	May	12	International Harv pfd	7	Q Mar	117	115¼
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	.....	2
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd	..	.....	.....	7
12⅝	Jan	30	6½	Oct	9	International Paper	..	.....	6¾	.....
48½	Jan	30	32½	Oct	15	International Paper pfd	2	Q Jan	34½	30
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	.....	3
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd	..	.....	.....	11
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	.....	5
23	Jan	2	13	June	6	Iowa Central pfd	..	.....	.....	13
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd	4	Q Jan	.....	72
110	Jan	2	106½	Oct	10	Kansas City Southern	..	.....	21⅜	20¼
78	Jan	7	53½	Sept	9	Kan City Southern pfd	4	Q Jan	55	49¼
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co	6	Q Jan	.....	87½
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd	7	Q Feb	.....	105½
83	Sept	15	58	June	9	Kresge (S S) Co	6	Jan-July	.....	48½
102	Jan	4	97	June	10	Kresge (S S) Co pfd	7	Q Jan	.....	92
49⅞	Feb	4	29⅞	June	7	Lackawanna Steel	..	.....	26½	.....
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	85	83¼
11½	Feb	5	7	May	2	Lake Erie & Western	..	.....	.....	5⅛
35	Jan	6	16	Nov	10	Lake Erie & Western pfd	..	.....	.....	12
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July	121	119½
225	Mar	6	195	June	6	Liggett & Myers	12	Q Mar	.....	205
116½	Jan	23	106½	July	22	Liggett & Myers pfd	7	Q Jan	.....	112¼
43⅛	Jan	6	30	June	10	Long Island	..	.....	31	.....
200	Jan	28	150	June	13	Lorillard (P) Co	10	Q Jan	160	157½
116½	Jan	22	103	June	10	Lorillard (P) Co pfd	7	Q Jan	115	113¼
142¼	Jan	10	126¼	June	11	Louisville & Nashville	7	Feb-Aug	127	.....
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	61	59⅜
69	Apr	7	62	Dec	17	Mackay Companies pfd	4	Q Jan	.....	68
132⅝	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	128⅜	126½
76⅞	Jan	2	65	Oct	14	May Department Stores	5	Q Mar	.....	59½
105½	Jan	2	97½	June	10	May Dept Stores pfd	7	Q Jan	99½	98¾
78¼	Feb	4	41¾	Nov	13	Mexican Petroleum	..	.....	53	.....
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd	..	.....	.....	73½
26½	Jan	4	20⅜	June	10	Miami Con Copper	50c	Q Feb	17½	17
23¼	Jan	2	12	June	11	Minn & St. Louis	..	.....	.....	12
47	Jan	29	30	Dec	4	Minn & St. Louis pfd	..	.....	.....	28
142¼	Jan	9	115¼	June	11	M St P & S S M	7	Apr-Oct	112	101
145	Apr	8	131	Nov	12	M St P & S S M pfd	7	Apr-Oct	.....	127½
83½	Mar	5	81½	Dec	10	M St P & S S M 1'd line	4	Apr-Oct	.....	82¼
29¼	Jan	7	18⅞	June	10	Missouri Kan & Tex	..	.....	19¼	.....
64½	Apr	11	52	June	10	Missouri Kan & Tex pfd	..	.....	27⅞	.....
43⅜	Jan	9	21¼	Dec	23	Missouri Pacific	..	.....	8	.....
.....	.....		.....	.....		Montana Power	2	Q Jan	13½	12
.....	.....		.....	.....		Montana Power pfd	7	Q Jan	.....	100
150	Jan	14	132½	June	6	Nashville Chatt & St L	7	Feb-Aug	135	.....
120	Sept	13	101	June	11	National Biscuit Co	7	Q Jan	120	118¼
124⅞	Jan	8	116	June	4	National Biscuit Co pfd	7	Q Feb	127	122½
100¼	Jan	30	9	Jun	6	National Enameling	..	.....	.....	90
9 4	Jan	30	74½	Oct	21	National Enameling pfd	7	O April	.....	78¼
56¼	Jan	2	43	Oct	20	National Lead Co	8	Q Mar	118	117
107¾	Oct	4	103	Oct	21	National Lead Co pfd	7	Q Mar	.....	101¾
50	Mar	3	31	Dec	8	Nat R of Mex 1st pfd	..	.....	.....	31
9 7½	Jan	2	8⅝	Dec	16	Nat R of Mex 2d pfd	..	.....	9⅛	.....
26	Jan	2	13	June	10	Nev Con Copper	175c	Q Mar	19¼	.....
89½	Jan	8	56	July	16	New York Air Brake	6	Q Jan	88	86½
109⅜	Jan	20	94⅜	Dec	15	New York Central	7	Q Jan	77	78¼
62¾	Jan	15	47	Dec	21	N Y Chicago & St L	.....	.....	.....	55
10	Oct	14	8	Nov	10	New York Dock	.....	.....	.....	.....
129⅞	Jan	10	67¾	Dec	12	N Y N H & Hartford	..	.....	61	.....
28⅞	Jan	11	15¼	June	11	N Y Ontario & West	.....	.....	18½	.....
47½	Apr	5	30	Dec	19	Norfolk & Southern	1	Jan	.....	23½
112½	Jan	2	98	June	10	Norfolk & Western	6	Q Mar	101	97
87	Feb	13	80¼	Aug	12	Norfolk & Western pfd	4	Q Feb	.....	85
81½	Jan	9	69	June	9	North American	3	Q Jan	70	67⅜
77¾	Jan	15	54	Dec	27	Northern Ctr & Elect	2	Q Mar	.....	58
102⅞	Jan	6	101¾	June	10	Northern Pacific	6	Q Feb	98	98¼
21½	Jan	10	16	June	10	Pacific Mail	.....	.....	17	.....
46	Jan	4	32	Nov	18	Pacific Tel & Tel	6	Q Jan	50	.....
96	Feb	13	82	Dec	4	Pacific Tel & Tel pfd	6	Q Jan	.....	88
123¾	Jan	7	106	Dec	13	Pennsylvania Railroad	6	Q Feb	110	109⅝

[Under the head "Revised List" we quote the prices for active stocks as revised by the Stock Exchange Committee of Five.]

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Last sale.	Revised List.
129¾	Sept	23	104	June	10	Peoples' Gas & Coke	8	Q Feb	106	104
99⅞	Jan	29	85	Sept	12	Philadelphia Co	7	Q Feb		
104	June	11	77⅛	Dec	11	P C C & St Louis	3	Q Jan	65¼	
100	June	25	100	June	25	P C C & St Louis pfd	4	Q Jan		95
24⅜	Jan	2	14½	June	11	Pittsburgh Coal			16½	
95	Jan	9	73	June	11	Pittsburgh Coal pfd	5	Q Jan	82	
100	Jan	6	90	Nov	12	Pittsburgh Steel pfd	7	Q Jan		25
36	Jan	7	18½	June	10	Pressed Steel Car	3	Q Mar	34	33¼
101⅛	Jan	7	88½	June	10	Pressed Steel Car pfd	7	Q Feb		102¾
118	Jan	21	105	Dec	12	Public Service Corp N J	6	Q Jan		110
165	Jan	2	149	Sept	5	Pullman Co	8	Q Feb	153⅞	151⅞
4⅜	May	16	1	Dec	11	Quicksilver Co			1	
8	May	17	2	Dec	11	Quicksilver Co pfd			1½	
35	Jan	9	22¼	June	11	Railway Steel Spring			19¾	
100	Jan	13	90¼	June	10	Railway Steel Spring pfd	7	Q Mar		88¼
22	Jan	2	15	June	10	Ray Consol Copper	37½c	Q June	16¼	
171¾	Dec	26	151⅜	June	10	Reading	8	Q Feb	140	
92½	Apr	10	82½	Oct	14	Reading 1st pfd	4	Q Mar		86
95	Apr	10	84	June	10	Reading 2d pfd	4	Q Jan	82	81
28⅜	Jan	31	17	June	10	Republic Iron & Steel			18½	
92¼	Sept	13	72	June	11	Republic Iron & Steel pfd	7	Q Jan	78	77
24⅞	Feb	4	11⅝	Oct	17	Rock Island			⅞	
44¾	Jan	2	17½	Oct	17	Rock Island pfd			1⅝	
92¼	Jan	7	14	Nov	24	Rumely (M) Co			8	
99¾	Jan	4	33	Dec	18	Rumely (M) Co pfd			22	
20¾	Apr	1	14½	June	10	Seaboard Air Line			15	
49⅜	Sept	23	38	June	12	Seaboard Air Line pfd	4	Q Nov	47⅜	46⅜
19¾	Jan	11	2¾	June	17	St L & San Fran			2⅛	
59	Feb	11	13	June	28	St L & San Fran 1st pfd				10
29	Jan	11	5½	June	17	St L & San Fran 2d pfd				3¾
96½	May	15	96½	May	15	St L & S F C & E I pf ctf				
35½	Jan	13	20	Dec	19	St Louis S W				18½
75	Jan	9	56¼	Dec	20	St Louis S W pfd	2	Q Jan		37
213½	Jan	2	154¾	June	12	Sears-Roebuck	7	Q Feb	170¼	168½
124½	Jan	2	116	June	19	Sears-Roebuck pfd	7	Q Jan	122	120¼
45½	Jan	28	23	July	8	Sloss-Sheff St & I Co			19½	
93¼	Feb	8	88	Apr	30	Sloss-Sheff St & I Co pfd	7	Q Jan		85
110	Jan	30	83	Nov	10	Southern Pacific	6	Q Jan	84⅞	83⅜
28⅝	Jan	2	19⅛	June	12	Southern Railway			17¼	
81½	Mar	26	72	June	10	Southern Railway pfd	5	Apr-Oct	67½	
40½	Jan	31	31	Dec	9	Standard Milling	3	June	33	
66⅞	Feb	4	52½	May	1	Standard Milling pfd	5	Apr-Oct		62
36	Feb	6	15¾	Dec	1	Studebaker			27½	28
93¼	Jan	13	64½	Nov	10	Studebaker pfd	7	Q Mar	82¾	81
39½	Jan	4	26¾	June	10	Tennessee Copper	75c	Q Mar	24¾	24
132½	Dec	31	89	June	10	Texas Co	10	Q Mar	113	110½
22⅝	Jan	28	10¼	June	4	Texas Pacific			12	
97	Jan	18	93	June	4	Texas Pacific Land Tr			95	
43⅜	Sept	23	27⅞	June	10	Third Avenue R R			33	
3	Jan	14	2	June	4	Toledo Railways & Light				
13	Jan	9	7⅛	July	9	Toledo St L & W				5
29¾	Jan	9	15¼	June	4	Toledo St L & W pfd				10
109	Sept	6	101⅛	June	6	Twin City Rap Tran	6	Q Jan	94⅞	93⅜
7¾	Jan	3	4	Nov	14	Union Bag & Paper Co			4	
41¾	Jan	3	18½	Nov	20	Union Bag & Paper Co pfd			18½	
99½	Jan	3	78	June	10	Underwood Typewriter	4	Q Jan		73
113	Jan	21	104	July	10	Underwood Typewriter pfd	7	Q Jan		104
162¾	Jan	6	137¾	June	11	Union Pacific	8	Q Jan	113½	111½
93½	Jan	6	79¾	June	10	Union Pacific pfd	4	Apr-Oct	79	77
50½	Feb	7	40¼	June	10	United Cigar Mfg Co	4	Q Nov	40¼	
103	May	7	96	Sept	3	United Cigar Mfg Co pfd	7	Q Mar		98¼
101	Jan	8	87	July	2	United Dry Goods				60
105½	Jan	14	95	Dec	16	United Dry Goods pfd				60⅛
35½	Jan	3	16	June	11	United Rys Invest Co				9½
63½	Jan	3	30	June	11	United Rys Invest Co pfd			22	
16¾	Jan	30	9¼	June	10	U S Cast Iron Pipe			9	
56¾	Jan	31	40	Dec	31	U S Cast Iron Pipe pfd	4	Jan		30
44	Jan	6	25	June	9	U S Industrial Alcohol				16
97	Mar	4	85	June	18	U S Industrial Alcohol pfd	7	Q Jan		78¼
77	Jan	9	49¾	Nov	28	U S Realty & Improv	5	Q Feb		53
1⅞	Jan	16	½	Sept	25	U S Reduc & Refin				
4	Jan	10	3	Apr	25	U S Reduc & Refin pfd				3
69½	Apr	4	51	Nov	10	U S Rubber	6	Q Jan	45¾	44¾
109¾	Apr	9	98	June	10	U S Rubber 1st pfd	8	Q Jan	97	
81½	Jan	9	78¾	Feb	13	U S Rubber 2d pfd	6	Q Jan		
69⅛	Jan	2	49⅞	June	11	U S Steel	5	Q Mar	517⅛	505⅜
110¾	Jan	30	102½	June	10	U S Steel pfd	7	Q Feb	106½	104¾
60⅝	Jan	2	39⅝	June	10	Utah Copper	75c	Q Mar	46	45¼
43⅛	Jan	3	22	July	1	Va-Car Chemical			21	
114	Jan	3	93	June	30	Va-Car Chemical pfd	8	Q Jan	96	94
54	Jan	28	36	Dec	15	Va Iron Coal & Coke			37	
58	Feb	13	51	Jan	7	Va Ry & Power	3	Apr-Oct		48
90¾	Dec	11	89	July	24	Va Ry & Power pfd	6	Jan-July		95¼
21¾	Jan	24	11¼	Aug	8	Vulcan Detinning				
90	Jan	6	49	Oct	1	Vulcan Detinning pfd				21
6	Aug	12	2	June	11	Wabash				¾
17⅛	Aug	13	6⅛	July	8	Wabash pfd				2⅛
123	Jan	6	85¼	Dec	18	Wells-Fargo Express	6	Jan-July	80	
46	Jan	2	28⅞	Dec	12	Western Maryland Ry			13¼	12¾
65	Jan	27	53½	June	18	Western Maryland Ry pfd			30	
75⅛	Jan	9	54⅛	Dec	22	Western Union Tel	4	Q Jan	54	52⅜
79¼	Jan	2	53⅝	June	10	Westinghouse E & M	4	Q Jan	65½	64½
119¾	Jan	7	107¾	June	13	Westingh'se E & M 1st pfd	7	Q Jan	119	117¼
8	Jan	3	3¾	Oct	24	Wheeling & L E			2½	
28⅛	Jan	13	13	June	11	Wheeling & L E 1st pfd				9½
14	Jan	3	5⅝	Dec	19	Wheeling & L E 2d pfd				3½
58½	Apr	23	40⅛	June	11	Wisconsin Central			29¾	
112	Jan	2	81½	June	20	Woolworth (F W) Co	6	Q Feb	90	88½
115½	Jan	3	109	June	14	Woolworth (F W) Co pfd	7	Q Jan	116	114¼

[Under the head "Revised List" we quote the prices for active stocks as revised by the Stock Exchange Committee of Five.]

c Ex. dividends. e Ex. rights.

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday	Monday.*	Tuesday	Wednesday	Thursday	Friday
Cables	4.97⅝		4.97⅝	4.98¼	4.98¼	4.99
Demand	4.96½		4.96⅞	4.97¼	4.97½	4.97¼
Sixty days sight	4.93		4.92½	4.93½	4.93¾	4.94¼
Ninety days sight	4.91⅛		4.91½	4.92½	4.92¾	4.93
Francs—						
Cables	5.04		5.05	5.04¼	5.04½	5.05
Demand	5.05		5.05	5.05	5.05	5.05
Reichsmarks—						
Cables	92½		93	92⅜	92⅜	92½
Demand	92		92⅛	92⅛	92½	92¼

*Holiday. On account of unsettled conditions all quotations are nominal.

Estimated Per Capita Consumption of Wheat in the Leading Countries of the World.—The "American Miller," in a recent editorial, calls attention to the United States Government estimates of per capita wheat consumption in the leading countries of the world. Although the editorial is inclined to doubt the correctness of the estimates, they are of value as being probably the most accurate figures available on the subject. We quote as follows:

"The estimated consumption is based on the average production for ten years, exports and imports of wheat including flour, with an allowance made for quantities used for seed. Exports and imports may be arrived at with tolerable accuracy; but the crop production is only an approximation, and the amount used for seed is also an estimate. Nevertheless, the Government believes that the figures it gives for the consumption of wheat per capita in different countries are less than 10 per cent in error and that for the United States the consumption given is a minimum of probability and may be an underestimate of 2 to 4 per cent. The grounds of such confidence are hard to comprehend.

"Excluding the amount used for seed, the per capita consumption of wheat for a period of ten years is given as follows [in bushels]: Canada, 9.5; Belgium, 8.3; France, 7.9; Spain, 6.1; United Kingdom, 6.0; Switzerland, 6.0; Australia, 5.5; Italy, 5.4; United States, 5.3; Uruguay, 5.3; Argentina, 5.2; Bulgaria, 5.0; Austria-Hungary, 4.3; Netherlands, 4.2; Roumania, 4.0; Denmark, 3.5; Chile, 3.4; Germany, 3.2; Russia, 2.7; Servia, 2.5; Sweden, 2.5; Egypt, 2.5; Portugal, 1.8; British India, 0.8; Mexico, 0.8; and Japan, 0.5."

That these figures cannot be used very accurately to estimate the per capita consumption of flour is clearly shown by another editorial in the same issue of the same paper. In answer to an inquiry as to "the average quantity of finished flour obtained from one bushel of wheat and also the average quantity of by-products (bran and shorts) obtained from one bushel of wheat, the "American Miller" says, in part:

"Can there be any such thing as an 'average yield,' except for a certain kind of wheat in a certain season and in a certain mill? We think not. Certainly we would not know how to go about figuring an average. There are tolerably well authenticated cases of a barrel of flour being made from four bushels and twelve pounds of wheat. That makes the flour yield over 77 per cent. A common figure is four bushels and thirty pounds; that makes a flour yield of about 72 per cent. Probably the commonest actual figure is five bushels; that makes the flour yield something over 65 per cent of the weight of the wheat.

"And the actual figures published show exactly this wide divergence. One test with Minnesota hard wheat showed a flour percentage of 75, shorts 11.6 per cent and bran 13.4 per cent. Tests of Kansas wheat showed a variation in flour percentage from 69.58 to 75.19 per cent. Tests with Tennessee wheat showed an average of 14.11 pounds of flour per bushel which is something over 70 per cent. Washington wheat showed 14.31 pounds of flour per bushel. Kansas samples showed 73.22 per cent of flour. In the Kansas samples the average percentage of bran was 18.54 per cent of the weight of the wheat and of shorts, 6.83 per cent. These samples included all sorts of wheat from the best to the poorest. In the Minnesota samples, which averaged better wheat than the Kansas samples, the average percentage of bran was about 17 per cent and of shorts, 6.53 per cent."

* * *

The Assessed Valuation of New York City.—The assessed valuation of New York City is approximately one-third of the total assessed valuation of taxable property in 184 leading cities of the United States, with a population of more than 30,000, according to the "Real Estate Bulletin." The total assessed valuation of taxable property in these cities was $26,059,387,438 in 1910. Of this total, $17,491,117,653, or 67.2 per cent, was in eighteen cities which have a population of more than 300,000.

The assessed valuations in some of the largest cities are shown as follows:

Total property:		Real property:	
New York	$8,322,958,952	New York	$7,044,192,674
Chicago	848,994,536	Chicago	603,022,875
Philadelphia	1,458,851,880	Philadelphia	1,457,108,534
Boston	1,409,479,723	Boston	1,118,992,100
Jersey City	241,561,118	Jersey City	184,481,409

The basis of assessment in the above cities are: New York, Philadelphia, Boston and Jersey City, 100 per cent; Chicago, 33 per cent. Chicago's totals should therefore be multiplied by three for comparison.

Statement of the ownership, management, circulation, etc., required by the Act of August 24, 1912, of The Market World and Chronicle, published weekly at New York, N. Y., for October 1, 1914.

Editor, A. R. Marsh, 80 Wall St.; Managing Editor, A. R. Marsh, 80 Wall St.; Business Manager, W. B. Marsh, 80 Wall St.; Publisher, The Chronicle Co., Ltd., 80 Wall St.

Owners: (If a corporation, give its name and the names and addresses of stockholders holding 1 per cent or more of total amount of stock, if not a corporation, give names and addresses of individual owners.) The Chronicle Co., Ltd., 80 Wall St., New York; Arthur R. Marsh, 80 Wall St., New York; Miles M. Dawson, 141 Broadway, New York; An Unknown Stockholder, address unknown; Stephen M. Weld & Company, 82 Beaver St., New York (of whom the members of the firm are: Stephen M. Weld, 82 Beaver St., New York; Edward M. Weld, 82 Beaver St., New York; Rudolph Weld, 82 Beaver St., New York; Philip B. Weld, 82 Beaver St., New York, Webb Floyd, 82 Beaver St., New York; Harry S. Thompson, 82 Beaver St., New York); David H. Miller, 15 William St., New York; Fergus Reid, Norfolk, Va.; George H. McFadden & Bro., 3 So. William St., New York (of whom the members of the firms are: George H. McFadden, 3 So. William St., New York; John H. McFadden, 3 So. William St., New York; George McFadden, 3 So. William St., New York; Philip G. McFadden, 3 So. William St., New York; J. Temple Gwathmey, 3 So. William St., New York, Walter S. Thomson, 3 So. Wiliam St., New York); William R. Craig, 25 Broad St., New York.

Known bondholders, mortgagees, and other security holders, holding 1 per cent or more of total amount of bonds, mortgages, or other securities: (If there are none, so state.) None.

(Signed) ARTHUR R. MARSH,
Editor.

Sworn to and subscribed before me this 5th day of October, 1914.
Frances E. Healing,
Commissioner of Deeds Residing in Kings Co., New York City, N. Y.
Certificate filed in New York and Kings Co.
(My commission expires October 27, 1914.)

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IT is impossible not to follow with great interest the newspaper accounts of the purposes and reports of the utterances of the distinguished English financial authority, Sir George Paish, who is now in the United States on a mission to arrange with our Government and with our representative bankers and business men such an adjustment of the financial obligations of the United States towards Great Britain as will facilitate the resumption of normal financial and credit operations in the latter country. It may be assumed that more than one of the plans which it is asserted Sir George Paish has in mind to propose or has actually proposed in a tentative way, are more fanciful than real. In the nature of things, the true object of his visit must be to see what can be done here in the way of strengthening England in her vast undertaking to carry her war to a successful conclusion. Suddenly and, as we believe, most unexpectedly to herself, England has found herself in a position in which she needs to have in hand a very large part of the resources which she has been accustomed to leave in other countries, employed there to her profit and to the profit of those to whom she entrusted it. And, in so far as this is humanly possible, she needs these resources, not in the shape of the commodities she has customarily taken in payment of interest or of such portion of her capital as she might choose to call in, but in actual money, at least at the start. All the nations of the earth, except possibly France and the Scandinavian countries, are debtors to England; and the chief of these debtors is the United States. Here she has invested more of her capital than anywhere else; here she sells more of her own products than anywhere else; and here more than anywhere else she expects to collect, through international exchange operations, the balances from other countries, like Brazil, to which she advances capital and sells goods. For so many years that we have forgotten any other order of things she has been able and willing to accept in payment of what we annually owe her, our cotton, our grain, our provisions and a great variety of our specialized manufactured articles. She has seldom called upon us for money in any amount. But in her present situation, she feels that, except for our foodstuffs, it is unwise for her to take and carry more than day-to-day stocks of our commodities and manufactured products. Like the sound business man who foresees and prepares for heavy drafts upon his resources, England now wants cash to put into the bank; and there can be little doubt that the real occasion of Sir George Paish's trip across the Atlantic is to ascertain how large a part of our indebtedness to Great Britain can be met by us in this form.

The first impulse of the debtor, when any change is proposed, not in the stipulated but in the usual and expected method of meeting his obligation, is to resent the fact and to feel that his rights are being invaded by the creditor. He attributes his own embarrassment to the unreasonableness and arbitrariness of his creditor. Economic history is full of illustrations of this truth, one of the most striking being the Free Silver agitation here in the United States, which was attributable in the last resort to the belief of Western borrowers of Eastern money that the decline in the prices of agricultural commodities in terms of gold, so severe in the last years of the past century, substantially altered the conditions of the indebtedness and made it iniquitous for the lenders to demand payment of interest and principal in gold. Similarly, there is no denying that on the present occasion there has been a widespread feeling among American business men, bankers, and even officers of the Government, that England, no matter what her necessities, has no right to change suddenly her practice of accepting payment from us in kind and to urge that we pay her in money. It has been only too apparent that the change is disadvantageous to us in at least two important regards: in the first place its immediate effect is to weaken our own financial and credit position; and, in the second place, it leaves our commodities, such as cotton, on our hands, to the serious depreciation of their market value, instead of giving us the most important of the usual remunerative outlets for them. And this latter burden upon us happens at this time to be the more grievous, because the war has absolutely deprived us of other outlets hardly less indispensable. In short, large numbers of people in this country can and do point to what appear to them to be substantial reasons why it is not equitable that we should be pressed by England for payment of our indebtedness, or a large portion of it, in the form that now best suits England's own situation. They resist in principle the remittance of large sums of gold to England; they urge that it is the first duty of this country to protect its own business interests and that the credits required by those interests should not be exposed to the danger of restriction by reason of the withdrawal of gold in quantity; they are for applying to our obligations to England the same moratorium which England herself applied in the first weeks of utter confusion consequent upon the outbreak of the war; and they argue that, as we are not immediately concerned in the war, it is highly improper that we should be compelled in effect to pay no inconsiderable part of the cost of it.

It is obvious that there are questions here, which, treated tactlessly, might give rise to no small amount of bad blood on both sides. Thus, the fundamental question of the absolute duty of debtors to creditors, or of a debtor nation to a creditor nation, is one of infinite complexity in fact, in spite

of its simplicity in appearance. The bald principle that creditors are entitled to be paid what is owed them and that it is the duty of debtors to pay what they owe, when called upon to do so, will not bear a moment's critical examination from the point of view of the present economic organization of the world. And this is the more true because those who assert the principle as governing are invariably found to have implicit in their thought the notion that because debts are stated in terms of money, therefore it is always money which debtors owe and ought to pay. How fallacious this notion is appears immediately if debtors as a class are set over against creditors as a class, and it is argued that in principle the former may be called upon to settle with the latter in money all at the same time. There is not money enough in the world to make this possible. It is not even possible for limited classes of debtors to settle all at once, or within a short space of time, with their creditors in money. The savings banks in the United States, for example, could not do it in a period of many months without causing general ruin. And *a fortiori* a great borrowing country like the United States could not undertake to settle in money with a great lending country like England, without utter economic disaster to both countries.

The very possibility of the settlement of obligations between debtors and creditors in money, then, is completely dependent upon having only a relatively small number of such settlements take place at the same time. *En masse*, these settlements are impossible and even unthinkable in the modern economic world, as it has come to be. General settlements of indebtedness between large classes of individuals or between nations can only be accomplished through credits, which are really the values of commodities or services in course of exchange, but translated into terms of money. And so evident is this truth that it must be assumed that lenders as a class, or the citizens of a great lending nation like England, are fully aware of it; and that it is indefensible for them to set up the claim that what was lent by them was money and that they are absolutely entitled to money in repayment of their loans. Indebtedness to-day, in a general economic sense, is immeasurably removed from indebtedness in the Middle Ages when only actual money was lent and when equivalent money might with some show of equity be demanded in payment of the debt. To-day, in the overwhelming majority of cases, credit, —i. e. the value of commodities of some kind,—is lent; and the debtor may fairly expect to repay with credit, if money is not available.

This is the large economic truth of the matter; and if England, because of her present need of money in the bank, were to revert to the mediaeval conception of her rights as a creditor, the result in this country could only be growing indignation and resistance. And yet it is just as true that the debtor is under the most imperative obligation not only to pay his debt but also to accommodate the payment, within the bounds of reason and human possibility, to the desires and needs of the creditor. In normal times, the individual debtor is unquestionably in duty bound to repay his creditor in money, if the latter calls upon him to do so. Our economic system makes this possible, just as it makes it possible for the borrower to get his loan in money, if he desires; and the duty of repayment in money is co-extensive with the possibility of borrowing in money. The same principle appears as between borrowing and lending nation. In so far as it is possible, without economic ruin, for the debtor nation to pay its debts to the creditor nation in money, if the latter desires it, it is a plain duty for the debtor nation to do so, and not to assert an absolute right to repay only in kind. In the present instance, therefore, there is not only not the slightest impropriety, but rather the clearest justification for England's calling upon the United States to marshal all its resources in money, and to pay England in money the largest possible portion of its indebtedness consistent with the maintenance of a sound economic and credit situation in the United States itself. Nor is it a tenable argument against this that the United States is not directly engaged in the European War and should not be expected to bear any part of the cost of that war. It is a general truth that the borrower, by the very act of assuming the obligation of a debt to the lender, makes himself to a degree dependent upon the fortunes of the lender. He must be prepared to suffer loss, if need be, in case the situation of the lender becomes such that the latter requires for his own use what he has lent. This truth is seen illustrated on all sides at all times.

That the United States at the present moment owes England, in the way of matured indebtedness, a large sum,—perhaps $500,000,000,—nobody would venture to deny. Equally undeniable, on the other hand, is the fact that this indebtedness could not be paid in full in gold, without economic ruin to the United States. Somewhere between paying the entire indebtedness in gold and paying none of it in gold, lies the present duty of the United States. Sir George Paish, as financial adviser of the British Government, has come to us to ascertain, if possible, how much of our debt we can pay in gold, and how much of it England must expect to get in other forms of payment. This is a wholly reasonable quest, and deserves to be treated by us as such. And there is all the more reason so to treat it, because Sir George Paish himself is a widely and deeply experienced man of affairs, completely familiar with all the commercial and financial inter-relations between this country and England, conversant with the most intimate details of our credit and banking situation, and probably better able than any other man living to bring about wise co-operation between those who are doing the constructive work in restoring normal economic activity in the United States and those who in England are bearing the double burden of making adequate and dependable provision for the awful cost of the war and of setting in order the disturbed machinery of world-wide credit, whose functioning is of such inestimable importance to every people on the globe.

We have no information, other than that contained in the newspaper reports, as to the proposals which Sir George Paish is making or is prepared to make to the officers of our Government or to our financial and commercial leaders with respect to the adjustment of our obligations to England. As has been indicated above, we cannot think that all which the newspapers have said on the subject can be correct. We do not think, for instance, that there can be substantial truth in the intimation that Sir George Paish is holding out the prospect to us of paying a large part of our present matured or maturing debt to England in cotton, to be bought *en bloc* and stored as a cotton reserve by the British Government. However much we might wish this to be true, for the sake of American cotton producers, we cannot believe that at this juncture England is prepared to em-

bark on what after all would be a gigantic speculation in cotton. We assume rather that he is discussing appropriate means for making available some portion of our vast supply of superfluous gold,—not by drawing it from our banks, but by wringing it out of our gold saturated circulation,—and getting this gold to London, where it will serve the double purpose of paying a part of our indebtedness to England and of serving as a basis for many fold its own amount in international credits, of which we as well as England herself will get the benefit. We suppose, further, that Sir George Paish is studying ways and means for co-operative action between the London securities market and our own stock exchanges, so that on both sides of the water dealing in securities may be resumed under such supervision and control that there may be no danger of insensate trading, with its possibilities of an irrational collapse of prices, spreading technical, even though not intrinsic insolvency in all directions. These are the lines of fruitful activity for Sir George Paish to pursue in this country at the present moment; and we are willing to believe that his sagacity, so often demonstrated in the past, has led him to them. He can do both us and England great good in these matters; and we deem it of good augury that it is the general opinion that this is the case.

Arthur Richmond Marsh

THE TEXTILE INDUSTRY IN GERMANY

By A. Raffalovich*

Translated from "L'Économiste Français"

IT is astonishing to mark the intense industrialization of the textile business during the last thirty years. By the term industrialization should be understood the establishing of large plants in place of those of medium or slight importance. In thirty-two years the number of establishments in Germany has diminished 60 per cent, while that of the workers (both sexes) employed has increased 17 per cent. This development is explained by the increasing use of machinery. Another development is the decrease in the number of male operatives employed and the increase in the number of women, which now exceeds a half of the working force.

	Establishments.	Workers.	No. of Men.
1875	403,024	926,767	610,220=66%
1882	406,574	910,089	547,951=60%
1895	248,617	993,257	532,037=53%
1907	161,218	1,088,280	529,899=48%

In 1907, the motive power used in Germany (steam and electricity) was estimated at 986,000 horsepower, having doubled in twelve years. From 1895 to 1907, the working force increased 9 per cent, the motive power 86 per cent. In 1895 a census of machines was taken, showing 5,304 combing machines, 10,000,000 spindles, and 448,574 looms, knitting machines, etc.

The textile industry is customarily divided into seven parts: (1) preparation of fibres; (2) spinning; (3) weaving; (4) knitting; (5) embroidery, laces; (6) bleaching, printing, dyeing, finishing; (7) trimming. The spinning mills form the largest group of establishments, after which come establishments for preparing the fibres, bleaching them, dyeing and printing. On the average, each spinning mill uses 154 horsepower and 10 kilowatts, the preparing plants come next, but some distance behind, with 24 horsepower and 2 kilowatts, and then the weaving establishments with 6 horsepower and 5 kilowatts.

On the other hand, if an attempt is made to distinguish between the different classes of fibre, it appears that cotton takes first place in number of establishments, consumes two-thirds of all the motive power used (464,072 horsepower, 37,253 kilowatts), wool employing a fourth (207,600 horsepower, 10,746 kilowatts). Electric power is largely used in silk manufacture (7,524 kilowatts).

As has already been shown, the textile industry is centered in different parts of Germany, although it is found in almost every part of the country's territory. Of the total working force employed in the different States, 41 per cent is in Prussia, 30.2 per cent in Saxony, 7.2 per cent in Alsace-Lorraine, 7.4 per cent in Bavaria, 4.8 per cent in Wurttemberg, and 3.4 per cent in Baden. Progress has been made in Saxony, Bavaria, Wurttemberg and Baden, but a falling off appears in Prussia and Alsace-Lorraine. In Prussia the greatest number of textile workers are found in the province of the Rhine, followed by Silesia, Brandenburg, Westphalia, Saxe-Royale, and Berlin.

Spinning is of chief importance in Upper Alsace, then Dusseldorf, Zwickau, Chemity, and Leipsic; weaving in Dusseldorf, Bautzen, Upper Alsace, Frankfort-am-Oder, Zwickau, Breslau, Chemity, Liegnity, Upper Franconia, Aix-la-Chapelle, Minister Souabe, and Lower Alsace. Knitting is principally carried on in Saxony (two-thirds), and at Wurttemberg (one-fifth). As for the industries which finish the product, they are mostly found in Alsace, the Rhine, Silesia, and Westphalia. The manufacture of trimming has its centre in Saxony.

The large plants (that is to say those employing more than fifty workers) employ 71 per cent of the total number of workers engaged in the preparation of raw materials (16,189 out of 22,798), 90 per cent (184,308 out of 107,205) in spinning, 74 per cent (375,000 out of 486,000) in weaving, 47 per cent (49,000 out of 103,000) in knitting, 66 per cent (77,251 out of 118,000) in bleaching and finishing, and 38 per cent in trimming. Out of 106,582 plants, 3,915 are estimated as having more than 51 workers; 981 from 200 to 1,000; 33 more than 1,000 workers; 7,538 from 6 to 50; and 95,129 from 1 to 5. In 1907 there were reckoned to be 15,386 weaving plants employing 867,657 persons, of which 459,016 were women and 408,641 men, 44 per cent being in Prussia, 26 per cent in Saxony, 8 per cent in Alsace-Lorraine, 7 per cent in Bavaria, and 5 per cent in Wurttemberg.

Three hundred and twenty-six plants, with 569 million marks [mark equals 23.75 cents] of capital, and 121 million marks of surplus made up the total stock companies; their debt obligations were 133 million, with mortgages to the amount of 34 million. Two hundred and ninety-two companies had a total profit of 88.5 million marks; 27 showed losses to the amount of 2.9 million marks. Two hundred and seventy-two companies paid together 53 million marks in dividends. The largest number of companies (114, with total capital of 247 million marks) were employed in the manufacture of cotton. The oldest of these (a spinning and weaving mill) was founded in 1835, at Augsbourg. From 1850 to 1860, 27 companies were formed; from 1861 to 1870, 16; from 1871 to 1880, 17; from 1881 to 1890, 89; from 1891 to 1900, 91, of which 24 were established in 1899. Between 1904 and 1910, 66 companies were founded, 16 of which in 1909.† This kind of enterprise appears principally in Alsace (32), then in Bavaria (28, of which 15 are at Augsbourg). According to the business census of 1907, out of a total working staff of 1,088,000 persons, there were 857,000 work-

*This is a sequel to a previous article by M. Raffalovich, published in translation in THE MARKET WORLD AND CHRONICLE for August 8, 1914, p. 167.

†In 1912, there were founded fifteen companies with total capital of 21.6 million marks; in 1913, fifteen companies with total capital of 17.8 millions.

ingmen, 41,000 office employes, and 27,000 technicists and superintendents.

The industry of the home, the small domestic establishment, is disappearing more and more; employing 287,129 persons in 1882, it employed in 1907 only 138,000. Of this latter figure, weaving occupied 70,250 or 70 per cent, embroidery and knitting 17 per cent, and laces, lingeries, etc., 15 per cent.

Although, in the early days, the textile industry used principally, if not exclusively, native raw materials (flax, hemp, wool) or silk from Italy and France or cotton from the Orient, America, the Antilles and Brazil, to-day this branch of German production could not be carried on if cut off from foreign supplies.

The following table shows, for the period since 1859, the imports, the exports and the stocks of raw materials in the country (in tons):

	Imports.	Exports.	Stocks.
1859	93,388	39,481	96,907
1875	312,670	110,925	201,645
1895	786,013	144,699	639,314
1910	965,415	181,200	784,215

In fifty years, imports have increased tenfold, exports have quadrupled, and consumption has increased twelvefold, now absorbing five-sixths of the imports. If a comparison is made of values (in millions of marks), it appears that, from 1875 to 1910, imports jumped from 613 million marks to 1,436 millions, exports from 205 millions to 280 millions, and consumption from 407 millions to 1,156 millions. If, instead of taking the totals for all kinds of raw textile material, a more detailed analysis is made, the following developments appear to have taken place from 1859 to 1910:

	1875. Tons, 000 omitted.	1910. Tons, 000 omitted.	1875. Marks, 000,000 omit'd.	1910. Marks, 000,000 omit'd.
Cotton.—Imports	154	471	203	651
Exports	39	90	52	97
Consumption	114	383	151	504
Wool. — Imports	59	232	218	492
Exports	20	45	73	117
Consumption	39	187	145	385
Jute. — Imports	9	129	4	42
Exports	...	6	...	2
Consumption	9	123	4	40
Silk. — Imports	3.8	10	117	83
Exports	1.2	2.5	39	19
Consumption	2.6	7.5	78	64
Flax. — Imports	86	122	69	83
Exports	49	37	40	19
Consumption	37	85	29	64

Germany imports not only raw textile materials, but also yarns, and these in increasing amounts. The textile industry of the country is not, thus, a ruling market factor either in quantity nor quality of goods. In 1910, taking all kinds of yarn, imports amounted to 67,663 tons valued at 250 million marks, exports to 32,132 tons valued at 144 million marks, and consumption to 35,000 tons valued at 110 million marks. For cotton, the average annual imports for the years 1907-1909 were 26,000 tons; for wool, 21,500 tons. The average annual exports of cotton for the same period were 6,450 tons, as against 9,700 tons of wool. The German consumption of foreign cotton yarns is, annually, 19,550 tons valued at 76 million marks, of foreign wool 11,800 tons valued at 48 million marks, and of foreign flax 8,075 tons valued at 20 million marks. The principal importer is England, which imported, in 1910, cotton and woolen yarns to a value of 190 million marks; then comes Belgium (wool and flax), France (wool), Austria-Hungary (wool and flax), and Switzerland (wool). Germany exports to England, Austria-Hungary, Russia, Sweden, Switzerland, Japan, Egypt, Italy, Holland, British India, China and Bulgaria. As regards woven products of all kinds, the following figures are interesting:

	Quantities (Tons). 1875.	Quantities (Tons). 1910.	Value. (Millions of Marks). 1875.	Value. (Millions of Marks). 1910.
Imports	26,659	19,091	177	150
Exports	33,900	112,125	315	837
Excess of exports	7,211	93,036	137	687

Thus it appears that Germany is exporting increasing quantities of cloths and manufactured products. Cotton goods account for over half of such exports, amounting in 1910 to 60,421 tons, against imports of 10,394 tons. The quantity has increased sixfold since 1869, while the value has increased fourfold. From 62 million marks, the value of cotton goods exported has jumped to 308 millions (being 40 per cent of the value of all textile goods). The amount of woolens exported has increased in the same period from 9,400 to 33,059 tons, while imports have declined from 7,500 to 3,768 tons. The value of exports has increased from 142 million marks in 1879 to 263 million in 1910. From 1859 to 1910, exports of manufactured silks have increased from 1,410 to 10,489 tons* (sevenfold), but their value has fallen from 200 million marks in 1889 to 183 millions in 1910. The vicissitudes of the linen industry are considerable, and this branch of the textile trade plays a very modest rôle in Germany as compared with the others.

The countries from which Germany gets its supply of manufactured goods are England (cotton and wool; value, 64 million marks), France (silk; value, 30 millions), Switzerland (value, 18 millions); Austria-Hungary (value, 7.5 millions), and Japan (value 5.7 millions). More than sixty countries purchase partly manufactured and finished textile goods from Germany. The value of exports to some of the leading purchasers was, in 1910: England, 201 million marks; United States, 110 millions; Switzerland, 42 millions; Holland, 39 millions; Argentina, 34 millions; France, 32 millions; Italy, 30 millions; Austria, 27 millions; Russia, 24 millions; Denmark, 22 milions; Sweden, 21 millions; Turkey, 21 millions; Brazil, 17 millions; Belgium, 17 millions; British India, 16 millions; Norway, 11 millions; Rumania, 11 millions.

According to M. Oppel, in 1910 the commercial movement of the different classes of textile goods was, in amount and value, as follows:

	Imports — Amount. Tons.	Imports — Value. Marks.	Exports — Amount. Tons.	Exports — Value. Marks.
Raw materials	945,000	1,436,000,000	181,000	279,000,000
Yarns	69,000	259,000,000	37,000	143,000,000
Manufactured products	19,000	150,000,000	112,000	838,000,000
Totals	1,053,000	1,839,000,000	330,000	1,260,000,000

Thus total imports and exports of textile goods in 1910 amounted to 1,384,000 tons, valued at 3,100 million marks, 41 per cent of which was cotton goods, 36 per cent wool, 16 per cent silk, and 7 per cent flax, hemp, and jute.‡ The excess of imports over exports of raw materials was 784,215 tons or 1,156 million marks, and of yarns 32,334 tons or 109 million marks. On the other hand, manufactured products showed an excess of exports of 93,000 tons, valued at 687 million marks. The net balance was, therefore, 579 million marks, in favor of other countries.

As regards finished articles of dress, Germany exported these valued at 65 million marks in 1898, 121 million marks in 1902, 103 millions in 1910, 112 millions in 1911, 118 millions in 1912, and 132 millions in 1913.

German statistics give no exact information concerning the movement of merchandise by land and by sea. If a distinction would be made between imports by land and imports through the ports, it is necessary to consult the statistics of the different maritime localities. In order of importance, from the point of view

‡In 1913, Germany imported yarns and manufactured textile articles to a total of 451 million marks, exports being valued at 1,293 million marks.

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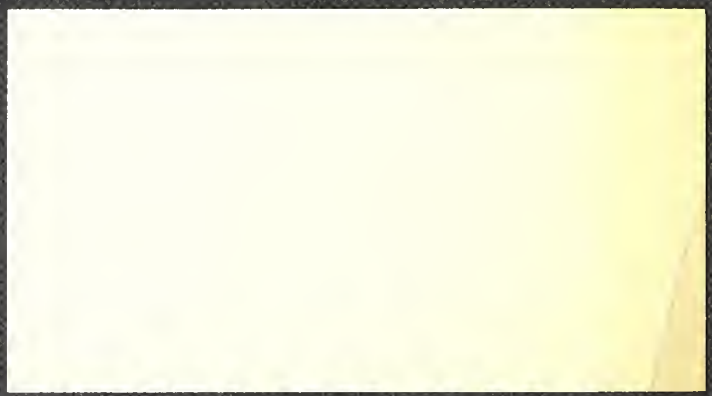

of transactions relative to the textile industry, first place must be given to Bremen (where a regular cotton market is carried on, similar to that at Liverpool), followed by Hamburg which imports cotton and wool, Koenigsberg (flax from Russia), Danzig and Lubeck. In 1910, imports and exports of textile products at Bremen amounted to 876 and 907 million marks, respectively; at Hamburg, to 939 and 752 million marks, respectively. Geographically speaking, Germany is perhaps less favorably situated than its competitors,—England, the United States and France. England has the benefit of an industry old in experience and years, the trade centres of which are within easy reach of the import points; the industry is firmly established and well concentrated, with supplies of oil and iron close at hand; and when it becomes a question of exporting, the English mills are in the same vicinity with the shipping ports. The humidity of the climate is favorable to spinning. The United States has the tremendous advantage of being the largest producer of raw cotton and of being able to procure within the boundaries of the country the greater part of its supply of wool. France has incontestible advantages; it has a large port on the Mediterranean, whereas Germany has no outlet on and is far distant from this ocean. The consumption of cotton in Germany has increased from 0.3 kilograms in 1840, to 7.6 kilograms in 1912. The German cotton mills, in which an eighth of all textile workers of the Empire are employed and which are subject to the fluctuations of the cotton market and American "corners," are anxious to diminish the prominence of the United States as the centre of the world's production of raw cotton. But this is scarcely probable: out of a world's cotton production of about 27 million bales, the United States produces 14 to 15 million, India 4.4 million, China 2.3 million, and Egypt 1 million bales. Russia keeps for its own consumption what it produces or purchases in Central Asia. Fifteen years ago Germany first began the experiment of developing independent sources of supply. The Colonial Economic Committee, under the inspiration of Professor Warbourg and Professor Woltmann, lent its efforts to this end. After the appointment of M. Dernburg as head of the colonial department, the cotton problem was given practical study. In 1911, a position of financial advisor on agriculture was created in the colonial department. It was filled by M. Busse, who instituted a whole series of experiment stations. In 1912, the German consumption exceeded 2 million bales, valued at 580 million marks. The production of German East Africa was 9,370 bales, valued at 3.3 million marks. In the Indies the prospects are more encouraging. Cotton cultivation is an industry of great antiquity there, going back to 350 years before the birth of Christ. During the Civil War in the United States, the value of exports of cotton from the Indies jumped from 82 million marks in 1859 to 717 millions in 1863, and 751 millions in 1864. After peace was declared in America, prices fell off, but the demand for cotton continued.

In 1912, there was imported into Germany raw cotton to a value of 535 million marks, while exports amounted to 54 million marks. Germany imports from 15 to 20 per cent of the Indian crop. In 1912 cotton imports from India were 38,385 tons (value, 39,153,000 marks), from Egypt 41,000 tons (value, 69,500,000 marks), and from the United States 422,310 tons. The principle re-exports of cotton were to Austria-Hungary (25,000 tons) and to Russia (9,863 tons). Cotton was also exported from Germany to Sweden, Switzerland, Italy, Holland, and Belgium.

There was exported from German East Africa, in 1912, 18,816 quintals* of cotton, valued at 2,110,000 marks, and from Togo 5,509 quintals, valued at 515,000 marks. In 1912, 12,941 hectares† in German East Africa were planted in cotton by Europeans, against 6,144 hectares in 1909. The military expeditions, which had to be made in 1905 and 1906 to subdue the rebellious natives, retarded the development of the production. Up to the present, the results obtained have not been considerable. The development of the railway system will, perhaps, facilitate the extension of agriculture.

EX-PRESIDENT TAFT ON THE MEANING AND INTERPRETATION OF THE NEW ANTI-TRUST LEGISLATION

At the first day's session of the Annual Meeting of the American Bar Association, on Tuesday of the present week, at Washington, D. C., the President of the Association, William Howard Taft, ex-President of the United States, devoted the greater part of his address to the discussion of the true meaning, in the light of the tradition of the law, and to the probable practical interpretation and application, of the two considerable measures enacted by the present Congress for the purpose of amplifying and making more determinate the provisions of the Sherman Anti-Trust Act, viz., the Trade Commission Act and the so-called Clayton Act. Because of the distraction of the public mind due to the European War, these new laws have received remarkably little attention since their passage; but, as they are expected by President Wilson and the leaders of the Democratic Party to affect profoundly the entire conduct of business in the United States, all competent attempts to elucidate them and to forecast their effects, wether legal or practical, are important for thinking men of affairs. Consequently, the essential portions of Mr. Taft's discourse, in so far as this dealt directly with the two measures in question, are here given.

* * *

The most noteworthy national legislation of the year, from the standpoint of the administration of justice, is contained in the Trade Commission Act and the so-called Clayton Act. Together they affect two general subjects matter. They supplement existing statutes and general law as to illegal trusts and monopolies in interstate commerce, and they deal with the application of the Anti-Trust Act to labor associations, the issuing of injunctions in labor disputes in Federal courts, and the procedure for the punishment of contempts in a certain class of cases.

Both measures in the most painstaking way make clear that nothing in them is to vary the meaning of the two important sections of the Sherman Act, which have been so fully considered and clearly construed by the Supreme Court in the light of, and by the rule of, reason. We may, therefore, in beginning the consideration of this new legislation, rejoice that in spite of the exuberant criticism of the Supreme Court decisions in the Standard Oil and Tobacco cases when announced, and the threats of legislation to dethrone reason in judicial construction as applied to trust law, we may still use in a normal way those mental processes with which nature has endowed us in attempting to find out what Congress means in these acts.

[Here follows in Mr. Taft's address a discussion in detail of the specific provisions of the two measures.]

The first new term that confronts us in the Trade Commission Act is unfair competition. What does it means? It does not appear in the Clayton Act at all, and yet the two acts are *in pari materia*.

It is hard to reach any other conclusion, after consideration of the old legislation and the new, than that unfair competition only

*Quintal equals 220.5 pounds. †Hectare equals 2.47 acres.

includes those methods and practices in interstate trade, the effect and intent of which would bring them within the scope and condemnation of the second and third sections of the Sherman Act. The same thing is true of several specific offenses denounced in the Clayton Act. These are: (1) Discrimination in price in sales of goods; (2) a sale or lease of goods patented or unpatented on condition that the vendee shall not deal in or use the goods of a competitor; (3) acquisition of stock by one corporation in another; (4) acquisition of stock by one corporation in two other corporations, when the effect of any one of these four acts may be substantially to lessen competition, restrain interstate commerce, or tend to create monopoly.

The words "with the effect substantially to lessen competition" are to be construed in the light of their association with the words that follow them, in order to secure some guide to the meaning of "substantially." It certainly does not mean any lessening of competition, however small, because its ordinary signification prevents that. More than that, the union of two corporations by a holding company or otherwise must always lessen competition somewhat The only reasonable solution would seem to be to hold that it means such substantial suppression of competition as to constitute a real restraint of trade and a tendency to monopolize.

Now it is possible to point out specific decisions of the Supreme Court on the anti-trust law in which just such acts as are here denounced are held to be within the Sherman Law. The so-called tying provision in the sale of patented articles, as to which the Supreme Court divided, may be an exception. But with this exception, so far as I can see, the field of illegal and criminal effort in respect to restraints of interstate commerce or monopolies of it is not enlarged under the new acts, and indeed it is difficult to see how it could be, under the sweeping language of Chief Justice White in construing the Sherman Law in the Standard Oil and Tobacco cases.

The new laws only specify certain phases of violations of the Sherman Law which can be prosecuted under separate indictments, and in many respects are only declaratory of existing law. Thus one section of the Clayton Act provides that if a corporation shall violate the law, any director, officer or agent authorizing such violation shall also be deemed guilty of misdemeanor and punished by fine and imprisonment. This section is intended to carry out the famous policy, advanced as a new departure, that guilt is personal.

It is certainly a wise provision; but it can hardly be called a new one, for it has always been the law since there were crimes at the common law and rules punishing aiders and abettors. The section suggests that line of Holmes to the "Katydid": "Thou sayest an undisputed thing in such a solemn way."

The analogy between the functions of the Commerce Commission and the Trade Commission is not complete. The consideration of the question of unreasonableness and undue discrimination as to rates would seem to vest in the Commerce Commission a much wider discretion and range of judgment, free from examination and review by the courts, than the Trade Commission has in finding the facts and making the restraining order as to "unfair competition."

In the former case the Commerce Commission is not only finding the facts but is exercising in detail the legislative function of Congress of rate regulation, which, with general limitations, has to be delegated to it in order that it can be effectively exercised at all. All that the court does in review of action by the Commerce Commission is to see that it is within the scope and limitations of the general delegation of power and that it does not deprive the carrier of his property and its use without due process of the law, i. e., that it is not a confiscation. The function of the Trade Commission is to find the facts also, but when it comes to decide the question of unfair competitio upon these facts it would seem to be, as I have before said, only a question of law under the Sherman Act. * * *

The Trade Commission, therefore, is merely to apply the law to the facts as a Master in Chancery would do. This is to use the very analogy by which the duties of the Trade Commission under another section are described. So, when the court comes to consider the Trade Commission's action on review, it takes its findings and order and treats them as it would the report of a Master in Chancery, with the exception that it cannot re-examine a finding of fact unless there is no legal evidence to suport it. It may remand the case for additional evidence for further finding and report.

Proper equity practice requires that the Chancellor should not set aside the finding of a Master on the facts, unless plainly contrary to the weight of the evidence. The difference between this and treating the finding of fact as conclusive, so far as I can see, is the only difference between the function of the court in dealing with the Trade Commission's order and that which it performs in dealing with the report of its Master in Chancery as to the facts and the proper order or decree to be entered upon them in an equity cause.

It is not germane to my purpose to discuss the effect of the prohibition of interlocking directorates and the denunciation as Federal crimes of breaches of trust of those having control of interstate commerce carriers, except to say that the inconvenience they may cause to law-abiding business men of scrupulous honesty will be much more than offset by the substantial good they will do in protection of the public from illegal combinations, and in the protection of confiding stockholders from being plundered. * * *

In the last quarter of a century we have witnessed the enormous growth of power in bodies of men, secured by the combinations of capital on the one hand and of labor on the other. The necessity for the combination of capital, in order to increase the effectiveness of production and manufacture, and to reduce its cost, has been fully recognized by all persons at all familiar with business conditions and economic principles. The equal necessity for the combination of labor, in order to exact from capital its fair share of the value of the joint product, consistent with the normal operation of economic law, has also been recognized by sane students of economic and social science. The enormous power which these combinations give has proved to be subject to great abuses.

The combinations of capital too frequently strengthened their control by the use of money in politics and through the instrumentality of the political boss and the machine. After the country had sobered down from the intoxication of its enormous business expansion and prosperity, the scales fell from the eyes of the people, they saw the danger of plutocracy, and throughout the length and breadth of the land they attempted, by their representatives in the Legislatures and in Congress, to curb this power of combined capital and to restrain it within legitimate limits; and so we had the interstate commerce law, the anti-trust laws, and the amendments to those laws, and the struggle in the courts until now both laws have received authoritative construction and have become reasonably effective for the purpose for which they were enacted.

But the momentum that such a popular movement acquires prevents its stopping at the median line, and we are in danger of excessive regulation which will really interfere with that freedom of trade and unrestricted initiative which has helped so much the material progress of the country heretofore. Party leaders and parties, in the imaginative and efflorescent style of party platforms and stump deliverences, have denounced the slow judicial process of remedying evils and establishing justice, and have called for cross-cut methods, direct and summary remedies, and the sup-

pression of evil and the upholding of the good by executive action in which those acting were not to be bothered by precedent but were to decide everything upon the merits of the particular case. Legislatures have sought to meet this demand by creating commissions with large powers to enforce laws.

In so far as these commissions have rendered more effective the exercise of what is really an executive function, they have been good things, and often they have relieved the courts of quasi-executive duties that have not only burdened the courts, but also exposed them to unnecessary prejudice and attack, because the matters acted on had a political, economic, or social phase. Many have been disposed to view this delegation of powers to commissions as derogating from the authority of courts and as depriving the citizen of a real judicial hearing in defense of his right to life, liberty, and property and the pursuit of happiness. Whatever the early effect, I do not think we need fear such an ultimate result. The natural spirit engendered in every one who has blended with all his conceptions of social and political life the principles of Anglo-Saxon justice will prompt limitations in such legislative enactments and rules of practice in their execution and preserve the same due process of law for the party litigant that the barons of Runnymede wrested from King John for the freedom of England.

The Court of Chancery was evolved from the wide, unlimited and apparently arbitrary discretion that the King vested in his Chancellor to remedy individual instances of injustice done by the King's own courts of common law. The natural conservative tendency, even of radical reformers, when confronted with the difficult duty of drafting practical legislation is well illustrated in the provisions of these two statutes which are far less drastic and revolutionary than we had been led to expect when there was so much "thundering in the index."

While the abuses of combinations of capital have properly aroused public alarm and evoked the most stringent laws to suppress them, the abuses growing out of the enormous power of combinations of labor, which have been also manifest, have not evoked the same regulative legislative tendency.

The labor provisions of the new legislation (of the sitting Congress) are, first, a declaration of the legality of labor, agricultural, and horticultural associations for mutual help and without profit, and a protection of them in lawfully pursuing their legitimate objects. This is plainly declaratory, and does not change or affect existing law.

The procedure prescribed as to the issuing of preliminary restraining orders without notice and of preliminary injunctions in Federal courts is admirable. It is in accordance with the best equity practice, and will doubtless tend to prevent any ill-advised orders without notice and hearing.

THE POSITION OF THE FOREIGN BANKS

IT has been impossible to obtain full and reliable figures regarding the position of the foreign banks since the outbreak of the European War. The Bank of England has issued regular statements, but the Bank of France and the Imperial Bank of Germany have not done so. The following statement issued by the National City Bank is of interest in recording the underlying conditions:

"The Bank of England's position had been improving before the outbreak, its metallic reserve having increased from 44½ per cent on May 13 to 52⅜ per cent on July 22. About the latter date the *pour parlers* over the Servian situation began to offset it unfavorably and on July 29 the reserve had fallen to 40 per cent and the bank rate was raised from 3 to 4 per cent. On July 31 war was declared and the bank rate was immediately raised to 10 per cent where it remained for a day or so, and then was gradually reduced to 8, 7, 6 and 5 per cent, the rate now prevailing. Between July 29 and August 8 the reserve fell to 14¾ per cent, partly because of a loss of £11,000,000 of gold, and partly because of a rise of £15,000,000 in 'deposits' which signifies loans. This increase of 'deposits' was only the beginning of the flood; from £55,000,000 on July 22, they rose to £159,000,000 on September 30, or an increase of $520,000,000 (on October 22 they were £168,822,000). The securities naturally rose also in the same time, the figures for the two dates being £44,000,000 and £141,000,000 (on October 22 securities had fallen to £132,862,000). The Bank has been gaining gold since August 7 its stock rising from £27,000,000 to £53,000,000 on September 30 (on October 22, it reached £60,062,756). Its stock of gold on the latter date was the largest in many years, but owing to its enormous 'deposit' account the ratio to liabilities was only 22.81 per cent. The Bank of England is now presumably receiving practically all of the gold product in South Africa, Australasia, India and Canada, which totals approximately $15,000,000 per month, or 40 per cent of the world's production.

"No statement for the Bank of France is available for a date later than July 30, the publication of statements having been discontinued. Its 'discounts and advances' increased between July 23 and July 30, from $455,000,000 to $640,000,000, and the note issues from $1,180,000,000 to $1,335,000,000. The discount rate now stands at 5 per cent, the highest rate since 1870. Its holdings of gold on July 30 were $828,000,000.

"The statement of the Imperial Reichsbank is doubly interesting at this time on account of Germany's complete isolation from the rest of the world. Communication with Germany can only be had in an indirect way and through the intermediary of third parties. From July 23 to August 31 its metallic stock fell off from $424,000,000 to $409,000,000, about $20,000,000 of this being silver. Between the same dates its 'bills discounted' increased from $137,500,000 to the enormous sum of $1,187,500,000, its 'deposits' from $235,500,000 to $610,000,000, and its circulating notes from $472,500,000 to $1,058,500,000. The enormous increase in the items of liabilities indicates that the Reichsbank is pursuing the same general policy of extending credit freely as the Bank of England. The Imperial Treasury has resorted to the issue of emergency currency and notes are now in circulation of as low a denomination as 2 marks and 1 mark [mark equals 23.75 cents]."

Later figures regarding the Reichsbank indicate that the stock of gold and silver has increased from $409,000,000 on August 31, to $434,860,000 on October 1. It has been suggested that the stock of gold amounting to $60,000,000, set aside by the Government out of the French indemnity of 1872, has been turned over to the Reichsbank. Later figures on "bills discounted" and "deposits" are not available. Note circulation on October 1 reached the figure of $1,122,725,000 as against $1,058,000,000 on August 31. This is an increase of $650,225,000 over the figure of $472,500,000 recorded for July 23.

INDUSTRY, COMMERCE AND FINANCE

The Foreign Trade of the United States in September and an Analysis of the Gold Movement.—The Department of Commerce at Washington has issued figures covering the foreign trade of the United States during September. Imports reached a total value of $139,204,267 as against $129,399,496 for August, and $171,084,843 for September a year ago. Exports amounted to $156,188,790, as compared with $110,337,545 last month, and $218,240,001 for September, 1913. For the month, then, there is an excess of exports of $16,984,423, as compared with an excess of imports of $19,051,951 last month. This is the

first monthly excess of exports since last March. For the nine months there is an excess of exports of $57,972,916, as compared with an excess of exports for the corresponding period in 1913 of $405,797,087. It is noteworthy, however, that 1913 was a banner year; we need go back only as far as 1909 to find the value of exports for September below the present value; and in the case of imports, the present figure of $139,000,000 for September was never reached before 1911, when the figure went slightly above $144,000,000.

FOREIGN TRADE OF THE UNITED STATES BY MONTHS, 1914.

	Exports.	Imports.	Excess.
September	$156,188,790	$139,204,267	Exp. $16,984,423
August	110,337,545	129,389,496	Imp. 19,051,951
July	154,072,225	160,178,133	Imp. 6,095,908
June	157,110,451	157,772,973	Imp. 653,522
May	161,732,619	164,281,515	Imp. 2,548,896
April	162,552,570	173,762,114	Imp. 11,209,544
March	187,499,234	182,555,304	Exp. 4,943,930
February	173,808,468	149,937,011	Exp. 23,871,457
January	203,799,517	154,469,263	Exp. 49,330,254

There is even less ground for alarmist deductions in an examination of the figures covering the first nine months of the past ten years, as shown in the following table:

	Exports.	Imports.	Excess Exports.
1914	$1,467,538,446	$1,409,565,530	$57,972,916
1913	1,733,422,158	1,327,625,071	405,797,087
1912	1,616,024,491	1,332,894,727	283,129,764
1911	1,455,474,239	1,133,002,284	322,472,005
1910	1,222,926,758	1,172,362,409	50,564,349
1909	1,161,024,910	1,068,594,356	92,430,534
1908	1,230,767,349	798,408,168	432,269,181
1907	1,331,588,636	1,108,072,299	223,516,399
1906	1,237,834,424	948,267,117	289,567,307
1905	1,102,551,375	1,102,551,375	230,278,847

The figures for 1905 exceeded those of any preceding year. It is apparent, therefore, that the export values for the first nine months of 1914 are the greatest in our history with the exception of the years 1913 and 1912. And the import values for the nine months were the greatest ever recorded for a similar period in any year of our commercial history. Had imports remained stationary a greater excess of exports would have resulted.

The imports of gold for September reached the value of $2,761,590, as against $3,034,824 last month, and $4,626,748 in September, 1913. Exports of gold amounted to $21,867,392, as against $18,125,617 last month, and $496,037 for September, 1913. It appears from the following table that only in one other year since 1905 have exports of gold exceeded imports during September:

IMPORTS AND EXPORTS OF GOLD DURING SEPTEMBER, 1905-1914.

	Exports.	Imports.	Excess.
1914	$21,867,392	$2,761,590	Exp. $19,105,802
1913	496,037	4,626,748	Imp. 4,130,711
1912	568,302	4,200,682	Imp. 3,632,380
1911	2,372,861	4,704,096	Imp. 2,351,235
1910	1,822,476	3,192,341	Imp. 1,369,865
1909	7,545,442	2,351,158	Exp. 5,195,284
1908	3,774,391	4,767,051	Imp. 792,660
1907	1,503,936	2,759,017	Imp. 1,255,183
1906	2,278,522	31,431,038	Imp. 29,152,116
1905	1,112,701	5,243,062	Imp. 4,130,738

On the other hand, the next table shows that since 1905, in every year except two there has been an excess of exports of gold over imports at the close of the first nine months of the year. However, the excess this year sets a new high record.

IMPORTS AND EXPORTS OF GOLD FIRST NINE MONTHS, 1905-1914.

	Exports.	Imports.	Excess.
1914	$117,656,778	$3,841,946	Exp. $117,714,832
1913	31,079,467	3,209,608	Exp. 27,870,671
1912	42,778,271	38,789,843	Exp. 4,038,431
1911	41,263,210	15,117,106	Imp. 26,013,736
1910	55,318,781	45,682,127	Exp. 9,635,954
1909	96,972,834	31,105,373	Exp. 66,167,441
1908	88,837,280	58,327,973	Exp. 30,509,407
1907	41,307,913	30,562,220	Exp. 10,017,543
1906	35,189,102	111,776,017	Imp. 75,986,055
1905	42,577,921	30,339,602	Exp. 12,338,319

A vivid conception of the actual extent of the gold movement may best be arrived at by going back over a number of years. The total value of gold exported for the first nine months of 1914 was $157,656,778. Going back to 1820 the Government records show that gold exports for a full year exceeded $100,000,000 first in 1864. Nothing approaching this amount was reached again until 1893, when gold valued at over $108,000,000 was exported. In 1896, there was an exportation amounting to more than $112,000,000 and in 1910, the highest previous mark was reached with $118,563,215. It appears, therefore, that the gold exportation for the first nine months of 1914 exceeds the export total of any previous full year by $39,093,563. The gold import figures present nothing out of the ordinary.

To review the net result of the gold movement during the past ten years the following table is compiled from the Statistical Abstract of the United States:

EXCESS OF IMPORTS OR EXPORTS OF GOLD, 1904-1913.

	Excess of			Excess of	
	Imports.	Exports.		Imports.	Exports.
1904	$17,595,382	.....	1909	.....	$47,527,829
1905	.....	$38,945,063	1910	.....	75,223,310
1906	57,648,130	.....	1911	$51,097,360	.....
1907	63,111,073	.....	1912	.....	8,391,848
1908	75,904,397	.....	1913	.....	8,568,597

This table indicates that of the past ten years there have been five in which gold imports exceeded exports and five in which exports exceeded imports. The average excess of imports was $53,071,270 a year, and the average annual excess of exports only $35,731,329. It is already evident that for the year 1914 the exports of gold will largely exceed the imports.

* * *

World's Wheat Production in 1914.—A statement issued on October 17, by the Bureau of Statistics, United States Department of Agriculture, estimates the world's production of wheat for the year 1914 at 3,741,013,000 bushels, as compared with 4,125,310,000 bushels in 1913 and 3,791,875,000 bushels in 1912. Hence, despite the record-breaking yield of 892,000,000 bushels estimated for the United States, the total wheat crop of the world appears likely to turn out smaller for 1914 than for either of the two previous years. It is of interest to see how the decrease of production has come about. In Europe only three countries appear to have had really good wheat crops in 1914. England yielded about 6,000,000 bushels more than in 1913, while France and Spain had somewhat better crops. But the indications with regard to the crop in European and Asiatic Russia are for no less a decrease from the unusually good crop of 1913, than 183,000,000 bushels. Italy's crop was short and so was Hungary's. Rumania and the Balkan States also appear to have fallen behind their recent average crop. Authoritative figures are not available for Germany and Austria, but it is believed that the crop of each of these countries this year was less than in the two previous years. Taking the European countries for which official figures have been issued,—Great Britain, Italy, Spain, Hungary and Russia,—there is found to be in them a decrease of production of 237,000,000 bushels in 1914, as compared with 1913, though an increase of 34,000,000 bushels, as compared with 1912. The figures for the European countries not yet reporting are expected to increase the deficiency for 1914. The five non-European wheat producing countries,—United States, Canada, Argentina, British India and Australia,—which grows all the wheat produced outside of Europe, excepting some two to three hundred bushels annually, officially report an aggregate production for 1914 of 1,586,606,000 bushels, or 60,000,000 bushels less than for 1913, though 20,000,000 bushels more than for 1912. This decrease was due to crop shortages in Can-

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INSURANCE

Articles on the Theory, Practice and Experience of Insurance.

NOT for a century has there been such confusion in marine insurance as exists to-day. And regular ocean-borne commerce, which of course is absolutely dependent upon marine insurance, is in consequence almost entirely suspended, except for voyages between the United States and the allied belligerent countries of Europe. The effects of this enforced suspension of international commerce are being severely felt in a large number of the most important countries in the world. The United States, for example, though not engaged in the European War, is suffering from a congestion of commodities produced in large part for export. The plight of American cotton growers on this account is too well known to require comment. The marine underwriters are wholly willing to lend their assistance in this hard situation, but they are totally at a loss to find a calculable method of estimating the risks they must assume. As it becomes more and more apparent that England and her Allies have definitely planned to make the war against Germany and Austria quite as much one of financial and economic exhaustion, as one fought out desperately upon fields of battle, marine insurers perceive more clearly the uncertainties attaching to vessels and cargoes destined to other ports than those of the Allies themselves. The lists of commodities which appear as contraband, conditional contraband and non-contraband in the Declaration of London have ceased to be regarded as reliable guides in the matter of what English and French vessels of war will seize and detain, and of what they will not. Neither England nor France is a signatory of the Declaration of London, and the Government of either country may make up its mind overnight that it is necessary to success in the war, as planned, that articles should be moved from one list into another. In such case neither insurer nor insured can have any certainty that a ship and cargo already at sea will not be treated as subject to seizure, despite the fact that when the voyage was begun the rules seemed to make both safe. Then there is always the possibility that some part of the cargo may be proved to be owned by a German or Austrian subject, or that it has been indirectly sold or consigned to parties domiciled in Germany or Austria. The ever increasing pressure upon the governments and citizens of these countries to procure indispensable commodities from neutral countries, and the complex and ingenious devices resorted to for the purpose of concealing the true ownership and destination of such commodities, introduce here an element of indeterminable hazard. With the Allies watching eagle-eyed all shipments to neutral countries, which might conceivably be intended for reshipment or resale to Germany or Austria, and resolving all doubts in their own favor by seizing the ship first and deciding upon the question of the propriety of the seizure afterwards, the mere fact that the ship is neutral and bound for a neutral port, and the cargo consigned to neutrals, appears a slender reed to rest on.

None the less, up to the present week the almost complete control of the seas by English and French war vessels, by their domination of the Western Seas, had made it not impossible to obtain war-risk insurance at rates not absolutely prohibitive to shippers. Provided they would warrant the property insured not to be shipped, consigned and/or sold to a German or Austrian subject and not intended for consignment to Germany and/or Austria, either directly or indirectly, shippers could obtain policies on shipments to neutral European countries, even those bordering on Germany and Austria, with relative ease,—exception being made, of course, of the confused period immediately following the outbreak of the war. But early this week the British Government informed all English marine underwriters, whether companies or Lloyds, that they must no longer insure property at sea against capture, seizure or detention by the British Government or their Allies. It is to be assumed that similar instructions have been given by the French and Russian Governments to the marine insurers that are their subjects. Inasmuch as the German and Austrian marine companies and underwriters are virtually precluded, in the present posture of the war, from doing any business at all, the practical effect of this governmental action has been to make it impossible for shippers to obtain absolute war-risk protection, except from the relatively few marine companies in the United States and the still fewer companies in non-European countries; and all these companies, according to the best information, have concluded that they will impose the same restrictions upon their policies as do the British and French companies and Lloyds, London. Hence American shippers, for example, can now obtain virtually no war-risk insurance at all from private underwriters except on goods in English, French or Russian bottoms and destined for the ports of those countries or their dependencies. Plunging rates for voyages to other ports are heard of in the market, as offered from obscure sources; but these rates are commercially prohibitive and are probably meant to be so.

It might appear that relief could be obtained from the governmental war-risk bureaus which have been established in this and other countries. According to an announcement just made by the United States Department of Commerce, no less than eleven of these bureaus have now been established,—in Belgium, Denmark, France, Germany, Greece, Great Britain, Italy, Japan, Norway, Sweden and the United States. But, to begin with, these governmental bureaus are far less of a force in assisting commerce than is generally supposed. Leaving aside the fact that the German institution is at present unable to do anything, the scope of the operations of the others is restricted to insurances upon vessels flying the flags of the respective countries that established them. Only the English, the French and perhaps the Norwegian and Italian bureaus really have any field in which to work. The American bureau, for example, had up to the end of last week issued war-risk insurance only upon about $10,000,000 worth of goods and vessels, a mere bagatelle in our foreign commerce for three months, even in war times like the present. Moreover, this is not the whole story. There is every reason to think that the freedom of action of these governmental institutions is severely hampered by the possibilities of political complications. Will the American bureau, for instance, follow the lead of the private underwriters since the pronunciamento of the British Government on the subject, and compel all its insured to warrant their goods free from any claim arising from capture, seizure or detention by the British Government or their Allies? So far as is known, it has been impossible as yet to elicit information on this point from Washington. It would, however, appear a strange thing in the eyes of the American people, if the Government of the United States, undertaking to insure the war-risk on non-contraband goods shipped in American bottoms to neutral ports, should decline to afford protection against capture, seizure or detention by the British Government or their Allies, compelling American shippers to bear this risk themselves. What alarming possibilities, on the other hand, are opened up, if our Government itself, *qua* insurer, is compelled to meet claims arising from such captures, seizures and detentions? It is perhaps the perception of the awkwardness of this situation that keeps our governmental war-risk bureau so indecisive. Meantime, our shippers, many of whom have contracts to fulfil in neutral foreign countries, are well-nigh distraught.

INSURANCE AGAINST LOSS OF PROFITS THROUGH FIRE

By Ernest W. Bell*

GENTLEMEN:—When your president invited me to give this lecture I responded with alacrity, and no doubt a little thoughtlessly, forgetting that the subject is an intricate and most difficult one to handle on account of it being an innovation in our insurance circles. However, having a knowledge of accountancy and some experience in adjusting profit losses, I have endeavored in the lecture to give you my views as clearly as possible, and I trust that any objections made by me will be taken in good spirit by the lecturer, and that the members in the discussion to follow will town more upon these suggestions than upon the general outline of profit policies.

"Profits Policies," or in other words, "Consequential Loss Policies," originated from a policy issued in England many years back, and known as a "Profits" or "Excess Fire" policy. This form of insurance was a simple one and the method of adjustment equally so. The policies now in vogue contain the same principles altered and amended by the underwriters in accordance with existing circumstances and experience learned from losses. This profits policy is still in existence on the Continent of Europe and is known as Chomage Insurance. The wording ran:

"To pay the percentage that the sum hereby insured bears to the total fire insurance over contents on the amount paid by the fire companies."

Example:

Insurance	£400
Total fire insurance over contents	8,000
Percentage of the sum insured to total of fire policies 5 per cent.	
The companies pay under the fire policies	6,000
Insured is enabled to recover under his excess fire policy 5 per cent of £6,000, namely	300

Under this contract the insured is paid the proportion irrespective of the loss of profits, and there is no doubt that the method of adjustment considerably increased the moral hazard.

In the United States a scheme for insuring loss of profits was called "Use and Occupancy." This policy contracted to pay a pro rata amount of the sum insured for each day's stoppage of business and a proportion if only partially interrupted. Given a fixed turnover this would be workable, but under fluctuating turnover, of little use to the commercial world.

A fire policy [illegible] the insured for his loss on buildings, stocks, machinery and such like which is termed "material loss," but it does not cover the merchant's earning profit to which he is entitled. Although he sustains by material loss the business has been [illegible] during a number of years received from [illegible] income called "net profit," there is [illegible] the consequent loss from a commercial and [illegible] to be able to shoulder a company with the payment of a [illegible] premium. This is called the "Earning [illegible] to the "material loss" the assessment of [illegible] easily, the loss is [illegible] and [illegible] can be furnished with reasonable [illegible] Then [illegible] circumstances such as [illegible] the [illegible] to the latter, [illegible] specialties [illegible] by [illegible] commissioner has to [illegible] with [illegible] after the [illegible] has [illegible] the [illegible] to [illegible] ascertain what loss [illegible] the cessation [illegible]

Principal causes of fluctuation of turnover and alteration of earning loss:

Seasons: The late advent of a Summer or early Winter will cause a serious drop in the turnover of clothing, mantle or blouse and skirt manufacturers.

Labor: Labor conditions will be so disastrous to a manufacturer that although for years he had received a good revenue from his business, he finds the additional cost of manufacture changes his profit to a loss. There are also many other causes too numerous to mention.

There is no doubt that the issue to a merchant of a profits policy is all that can be desired from his point of view. He now stands to lose absolutely nothing. The material loss is covered and his earning loss is covered—truly a position of security which the insured can contemplate with satisfaction, but the greater the security to the insured the more danger to the underwriter, if the moral hazard is not as it should be.

Mr. A. B. Wright, in his lecture (1910) to the Liverpool Institute states: "It may be safely taken that profits insurance does not increase the moral hazard." I do not agree with this, as from my knowledge of same attached to the "material loss," I am certain that such risk is considerably increased by the issue of the profits policy; further, it appears to me that the issuing of the profits policy is a material fact which the underwriter of the fire policy should have disclosed to him, whether it be taken out at time of proposal for fire insurance or during the currency of the contract.

The question of the advisability of issuing a policy on loss of profits is a very serious one, and in England, where it originated, commercial life is vastly different to that of our State. The same can be said of the moral tone, and I feel that it is hardly possible for the underwriters of Australia to carry out the issue of these policies on the same basis as in England. It is natural that the moral hazard in England is better security than that of our State. Businesses do not spring up like mushrooms in any of the English towns. Probably 99 per cent of the firms who carry profits policies in England have been in existence for fifty or one hundred years, and their trade is very regular. The underwriter there can go back seven or ten years and ascertain that the net profits for the period average very much the same. Again, credit is not so extensively given there as here, a delicate point to speak upon, but having a detrimental effect to moral hazard. Turning to New South Wales we find every week new industries and trading firms starting, and there is no doubt that this is a large factor in the element of the risk. Policies are issued to firms that have been in existence only a year or so, not long enough to know whether they have a net profit or a net loss. The issue of policies to such firms is suicidal. Our climatic conditions and our labor strikes are also liable to increase the moral hazard. In short, the structural hazard, or mere figures of the business will give the underwriter little worry, but the moral hazard requires the closest scrutiny. The following is, of course, only my opinion:

(1) That only firms of the highest moral standing should be accepted.

(2) That no policy should be issued in the nature of loss of profit to a firm that has not been in existence five years.

(3) That the insurance should be based on the average total earnings or profits for the three years previous to the application.

(4) That as regards retailers it should be confined to capital cities, as the nature of country business is too precarious owing to fluctuating seasons and long credit.

(5) That the policy issued should be reviewed on renewal,

* A paper read before the Insurance Institute of New South Wales, June, 1914.

The policy insures against loss under three headings, viz.: Standing charges, net profits, and increased cost of working. Either Nos. 1 or 2 can be deleted from the policy if required. The standing charges are enumerated in the application form.

The sum insured is calculated upon the amount of net profit for the last financial year plus standing charges, and is termed "total profits," but if the net profit plus standing charges paid or to be paid after the fire is less than the insurance, the percentage is proportionately reduced.

The policy can be taken out for whatever period the insured desires from six to twelve months, but is based upon twelve months total profits. The contract first issued read:

(a) "That the company will pay to the insured monthly for the period insured after a fire, the percentage that the sum hereby insured bears to the turnover for the last financial year, on the shortage between the turnover in each of such months, and the turnover for the corresponding months of the preceding year."

In a later policy it is altered thus:

"Monthly during the period of indemnity the loss of profits sustained in consequence of such interruption or interference but not exceeding the ascertained percentage (as defined below), etc."

Definition of ascertained percentage:

The percentage of the sum insured to the turnover for the twelve months immediately preceding the fire, but not exceeding the percentage of the profits in the last financial year preceding the fire to the turnover for that period.

The accountant in arriving at the loss under these headings finds a surprising difference in the percentage.

The formulas are:

$$\% = \frac{\text{Sum assured—}}{\text{Turnover for the last financial year.}} \quad \text{On shortage.}$$

$$\% = \frac{\text{Sum assured—}}{\text{Turnover for twelve months preceding fire.}} \quad \text{On shortage.}$$

Example worked out on each formula (occurred):

A manufacturing company whose financial year ended December 31, 1912, insured against loss of profits for £5,000.

A fire took place on August 30, 1913.

The accountant certifies that net profit and standing charges for the last financial year are not less than the amount of insurance.

That the standing charges continue to be paid or payable after the fire.

That the turnover for the last financial year was £25,000.

That the percentage of the insurance to the turnover for the last financial year is 20 per cent.

Turnover for the twelve months immediately preceding the fire:

	Before Fire.	After Fire.	Shortage.
	1912.	1913.	
September	£3,000	nil.	£3,000
October	2,000	nil.	2,000
November	2,000	£500	1,500
December	3,500	1,500	2,000
	1913.	1914.	
January	£2,000	£1,800	£200
February	3,000	3,200	
March	2,000	Total shortage	£8,700
April	2,000	....	....
May	2,000	....	....
June	2,500	....	....
July	2,500	....	....
August	3,500	....	....
	£30,000		

20 per cent on £8,700 equals..... £1,740

The same figures adapted to second formula:

The percentage of the sum insured to turnover for the twelve months preceding the fire is:

$$\frac{£5,000}{£30,000} = 16.66 \text{ per cent.}$$

16.66 per cent on ascertained shortage of £8,700 is £1,450.

So that using the last financial year as a base instead of the twelve months immediately preceding the fire, gives the insured an additional sum of £290, which he is not entitled to on an equitable basis, and yet some of the policies still embody the former wording.

The company will pay to the insured the increased cost of working necessitated by continuing the business during the interruption or interference caused by the fire. There is, of course, the usual proviso that the company cannot pay on account of a loss under all headings a sum in excess of that which would have become payable by the company if the business had been completely stopped, nor a sum greater than the whole of the sum insured. A clause is inserted also that any loss under a policy shall be adjusted by a professional accountant mutually appointed by the company and insured, or if unable to agree, such professional accountant shall be nominated by the president of the Public Accountant's Association. Some of the policies issued have a different wording to this, but the principle is the same.

Adjustment.—I give an example of an ordinary adjustment taken on plain lines as a policy states, although there is no doubt it is understood by all.

Sum insured	£7,000
On net profits and the following standing charges, interest on debentures, rent, rates and taxes, salaries to permanent staff, directors' fees, agents' fees and insurance premiums.	
The period for which the company is liable for loss after each fire is limited to six months.	
The fire occurred on November 1.	
The assessor certifies—	
That the net profits, plus standing charges for the financial year, is not less than the sum insured.	
That the turnover for the year preceding the fire is.....	70,000
That the percentage of the sum insured to the turnover is.....	10%

That the standing charges enumerated have not ceased to be paid or payable after the fire.

	Turnover for the Corresponding Month in Year Preceding Fire.	Monthly Turnover After Fire.	Decrease in Turnover.	Ascertained Percentage.	Monthly Loss or Shortage.
November	£10,000	.....	£10,000	10%	£1,000
December	19,000	.....	19,000	10	1,900
January	7,000	£1,000	6,000	10	600
February	5,000	3,000	2,000	10	200
March	7,000	5,000	2,000	10	200
April	8,000	6,000	2,000	10	200
	£56,000	£15,000	£41,000	10%	£4,100
Shortage of turnover					£41,000
10 per cent on £41,000					4,100
Increased cost of working as ascertained by the assessor					400
					£4,500

Duties of the Assessor.

The first duty of the assessor is to observe equity between the parties contracting. At the same time he must not wander from the basic principle adopted in the contract for assessing the extent of the loss, but under the condition, which in some policies is marked "3" and in others "7," reading:

"In adjusting a loss due allowance shall be made in the turnover for all extraordinary or other circumstances of the business," he can to a certain extent, assist in arriving at this equity. Of course, the intention of the policy is that insured must not at any time obtain a larger sum that the amount of net profits he would

have received from his trading for the period indemnified, had there been no interruption in his business. Under the present indemnity clause it seems practically impossible to arrive at an equitable adjustment. As turnover itself is such a fluctuating item in any ordinary business, to use it as a basis of arriving at the percentage of loss on shortage, is as "building a house on sand." Turnover is too shifty in these States, general trade, labor conditions, changeable seasons, all affect the takings or sales of a business. As a matter of fact, any accountant who has gone through various books of traders will agree that the turnover for the year, or even for the month, is added to, or lessened by, very simple causes. In assessing a loss under the heading "output," the variation does not extent so much, but on the other hand, output is more liable to labor conditions. It is plain, therefore, that for the accountant to adhere strictly to the wording of the policy would mean an inequitable settlement. The policy defines clearly whether the assessor shall certify as to the loss being based on turnover or output, the meaning of both headings being given in the policy. This direct instruction is, I fear, likely to cause considerable loss to the company other than should be. Many businesses carry on both manufacturing and trading, such as a costume, shirt, or clothing manufacturer. Such firms buy a considerable quantity of their goods ready-made and manufacture a great part as well. Then it is obvious that the question as to whether the loss should be based on output or turnover, or on both together, should be left to the appointed accountant to decide. I had an assessment under these circumstances and under Condition 3, by working an output and turnover for each department the loss was 17 per cent less than the result of turnover only.

Labor Conditions: I would like now to point out how increased cost of labor proves the instability of the word "turnover." A firm's turnover for 1912 is, say, £10,000. The net profit for the same year is £500. A fire occurred ten months afterwards, and the firm has to be paid a percentage on shortage of the turnover for each month after the fire as from the corresponding month of the previous year. He finds that owing to general increased cost he has had to put up the prices of his goods on the market, with the result his net profit is the same as last year, perhaps less; but the turnover has increased considerably.

We now come to a very important point and one that should be seriously debated. The policy as you are aware, contracts to pay monthly the percentage of shortage for the period of indemnity. We find that after a fire the insured has a shortage of turnover for, say, the first three months, the next three months he has a greater turnover compared with the corresponding month of the twelve months preceding the fire, and the following three months again a shortage. The accountant is not allowed to take the contract as equity would interpret it, and set off the overplus of turnover against the shortage, thus certifying to a shortage for the whole period. We find then that the insured is receiving more than he is entitled to. There is no doubt that the policy should be altered to remedy this serious defect. I am giving an example showing where the insured under the system laid down obtains a far greater sum of money than he should.

We must not forget that the payment of the money monthly assists the insured to carry on his business better, and also though the period may cover some quiet months of the turnover, the standing charges have to be paid without deduction. Let us suppose that a trader wishes to take advantage of this clause, the following example will show how detrimental it is to the insuring companies.

A warehouse insures for £1,000; covering net profit and standing charges; period of indemnity, nine months; a fire occurs August 31, 1914; the turnover for the twelve months immediately preceding the fire was £10,000. The ascertained percentage of insurance to turnover is 10 per cent:

Turnover, 1913.		Turnover After Fire.	Shortage.	Overplus.
September	£800	nil.	800	...
October	750	200	550	...
November	900	600	300	...
December	1,000	700	300	...
1914.				
January	600	900	...	300
February	750	850	...	100
March	900	650	250	...
April	600	500	100	...
May	1,000	900	100	...
June	500	...	...	...
July	700	...	...	...
August	500	...	...	...
			£2,400	

The loss under the present reading of the clause is 10 per cent on £2,400—£240.

If the shortage is taken for the whole period the loss would be 10 per cent on £2,000—£200.

Again, another example (occurred). A clothier had his profits insured under the heading "Turnover," the period of indemnity six months. A fire occurs between seasons. His travelers are out obtaining orders which are booked, as is the usual custom, for three months ahead. His shortage of turnover for the first three months is large, for the reason that he is manufacturing goods which are placed on the shelves for delivery in their due course. The next three months his sales exceed the months for the corresponding year, and insured obtains the benefit of the shortage for the first three months without the company receiving the benefit of the overplus for the second three months.

The insurer must specify on the proposal the various standing charges he wishes to cover, under the above heading. This is necessary in order that the assessor may be able to certify that such specified charges have been paid or are payable after the fire, reducing the percentage accordingly should it not be so. The words "Standing Charges" have a simple meaning—namely, charges that remain before a fire and stand to be paid after a fire. They usually include interest, directors' fees, rent, rates and taxes, salaries to permanent staff, auditors' fees, and wages to skilled employes. The latter, namely, wages to skilled employes, I do not think should be classed among standing charges. The policy is issued to cover the earning loss and is based upon the total profits made up of net profits plus the standing charges. This is what he insures for. We all know that an ordinary trading profit and loss account is in two divisions, one the trading account, in which the stock at commencement and the cost of the goods is on the debit side; and the sales, with the stock on hand on the other side, the balance being the gross profit. From this gross profit the profit and loss account is prepared, and against the gross profit all charges connected with the selling and distribution of the goods are debited, the balance being net profit. I, therefore, consider that the term "standing charges" means "standing profit and loss charges," and only items which an accountant would place to the debit of a profit and loss account should be insurable under this heading.

Wages to skilled employes means a portion of the cost of manufacturing goods to bring them to the market, and surely this cannot be an insurable interest under a profits policy. A costume maker may have a designer and a cutter—these are skilled employes. A fire occurs and the business is totally interrupted. He does not wish to lose these skilled employes, but is it necessary for him to keep his designer and cutter for the continuance of busi-

ness if it is totally interrupted? No doubt on business grounds he does not like to lose their services in case he cannot engage others in their place when required, but that is a sentimental loss that has no connection with profits and an insurance thereon. Wages to skilled employes should be eliminated from "standing charges."

I have had a case where even ordinary manufacturing employes' wages were included in list of standing charges, which was altogether wrong.

Items of the general profit and loss charges, such as interest, directors' and auditors' fees, rates and taxes, and salaries, are for the most part payable after a fire, and can be fairly classed as within the meaning of standing charges.

Partners' Drawings.—These, at times, have been included in standing charges, but the same principal applies here as in the case with wages to skilled employes. Partners' drawings cannot possibly be a standing charge under a profits policy. If either of the partners received a salary for his services this would be a profit and loss item, but the word "drawings" means "an amount drawn on account of his share in the yearly profits," and that is already insured under the heading "Net Profits."

This is automatic in two ways:

1. If the net profit, plus standing charges, is greater than the insurance, the percentage is calculated only upon the lesser sum; therefore:

Insurance, £5,000; total profits, £7,500; turnover, £50,000. The percentage is calculated upon the insurance over turnover, and equals 1-10th. The insured loses the difference (£2,500) between the insurance and the total profits, or, on the same turnover 1-20th.

2. When the interruption to the business is longer than the period insured.

Effect of a Fire Under "Output and Turnover."

The damage and subsequent loss attached to a profits policy cannot be measured by that of a fire policy, although the rating is the same. Presuming:

"Moral Hazard" means origin or cause.

"Structural Hazard" means the damage likely to be caused (once the fire starts) to the building and contents.

Turnover.—A warehouse being burnt out, the loss under the fire policy is practically a total one, but in all probability the profits policy will only pay for three or four months' interruption, as new premises and stock are obtainable.

Output.—A fire destroys the main power of a factory; the fire policy pays only the value of the machine or machines destroyed, perhaps only the cost of repairing same. Under the profits policy the loss would be heavy, as the mainspring of the factory being burnt, a total stoppage of business must occur till the arrival of fresh power from abroad. My experience shows me that the percentage of loss is higher under "Output" than under "Turnover"; also that, although a total loss is not only possible, but probable under the fire policy; under the profits policy it is possible, but not probable.

The clause of the policy reads:

"Such sum as the insured shall necessarily pay for increase in cost of working to continue the business during the period of indemnity in consequence of such interruption or interference.

"Provided that if the sum hereby insured shall be less than the amount of the profits for the whole of the last financial year preceding the fire, then the amount payable for such increase in cost of working shall be proportionately reduced."

You will notice that the accountant has to use discretion in interpreting this clause, but he should keep in view the fact that whatever he certifies to as increased cost of working must be expenditure necessary to continue the business. Further than that, I consider that it is not only to continue the business, but also to make or increase turnover. It is clear that underwriters mean that if the insured can, by spending £100, taking temporary premises, installing machinery, advertising, etc., increase the turnover, these would be legitimate charges against increased cost of working; because the company receives the benefit in not paying the percentage on so much shortage. However, items have crept into assessments which should not have been included, but if the assessor takes the principle that every penny charged to increased cost has increased the turnover, then he cannot go wrong in his certificate.

The proviso is practically attaching average condition to this part of the contract, and which proviso was not embodied in the earlier policies. The average is based upon the assured paying his proportion of the extra cost if the sum insured is less than the profit for the whole of the last financial year preceding the fire. It does not stipulate that increased cost will only be recoverable to normal turnover and shall be proportionately reduced if the turnover for any month after the fire during the period of indemnity exceeds that of the corresponding month for the twelve months immediately preceding the fire.

Appointment of Accountant Whose Certificate Shall Be Final.

Experience of losses that have occurred shows this method is unfavorable to the companies.

The most equitable way would be for the insured and the company each to appoint their accountant, and any difference between the accounts to be referred to arbitration.

Although the accountant has to certify only as to figures, immediate attention on his part will minimize the period of interruption. The insured, after a fire, is not the level-headed man he was when the business was running smoothly. A few will start with renewed energy, but others become dilatory and waste much time.

The accountant should at once visit the scene of the fire, size up the situation and possibilities of an early start, and assist the insured to find suitable premises, install power, or purchase raw material; then probably turnover will become normal a month earlier than if insured did not receive the benefit of the accountant's advice and a fillip to his energy. The accountant should also watch that all expenses incurred under heading "Increased cost of working" is money paid to assist in the increase of turnover; and if he finds insured is charging items not necessary to bring the turnover to normal or maintain it at normal, the expenditure should be stopped. I found the best plan was to request the assured to obtain permission before expending any moneys under this heading, excepting, of course, small amounts. By this means the accountant has a continuous report.

With the exception of two, the conditions are easy to interpret.

The exceptions are:

(1) In adjusting a loss, due allowance shall be made in the turnover for all extraordinary and other circumstances of the business.

This is a very elastic condition and rather hard to understand. It would be a matter of opinion as to whether a circumstance was extraordinary or ordinary, and the following words "any other" means any circumstances other the extraordinary.

Suggest for debate the following revision:

In adjusting a loss, due allowance shall be made for any extraordinary circumstances or varying conditions of the business increasing or decreasing turnover not consequent upon the fire.

(2) All differences arising out of this policy shall be referred to the decision of an arbitrator, to be appointed by the

parties in difference; or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed, in writing, by each of the parties or, in case of disagreement between the arbitrators to the decision of an umpire, to be appointed, in writing, by the arbitrators before entering on the reference; and unless and until the condition as to furnishing and verifying the claim has been complied with, and an award has been made, the company shall not be liable for any loss, and such award shall be a condition precedent to any liability of the company, or any right of action against the company in respect of such claim.

The accountant nominated, and frequently endorsed upon the policy, is agreed to by the company and the assured, and, being so, no difference can arise as to the amount payable; his certificate given on behalf of both contracting parties is final. The only reference that could be arbitrated upon would be: "If the assured had or had not fulfilled his part of the conditions of the contract."

Proposals.

In accepting a proposal, the following information will assist in deciding acceptance and as to holdings:

Number of years the business has been in existence.

Integrity and financial position of the firm.

Has the turnover or output increased or decreased during the past financial year?

In the event of a fire, is the stock, power, or raw material procurable locally?

If any member of the firm has an interest in another business of a similar description.

Is there a cable code used?

In conclusion, I thank the president and committee for the opportunity given me to read this lecture, and also the members present for their attendance, and feel that in the discussion that follows the little knowledge I have of the subject will be augmented by the criticisms on the paper.

THE AMAZING NEW YORK WORKMEN'S COMPENSATION COMMISSION

ON June last, Chairman Dowling, of the New York Workmen's Compensation Commission, which was then on the point of undertaking the serious part of its duties, viz., safeguarding the rights and interests of both injured workers and their employers in the matter of the legal compensation awarded to the former, issued a somewhat grandiose statement in the course of which he made the remark: "After July 1, the Commission will sit as a court, and its decisions will be final in settlements of awards for injuries sustained while at work." This paper commented on the statement at the time and suggested that there might be difficulties in the way of carrying out this, as well as other declarations of Chairman Dowling, at least if the work of the Commission, "sitting as a court," were to be other than the veriest farce. As we then anticipated the past three months have been enough to demonstrate that all is not well with the best of all possible workmen's compensation laws, administered by the best of all possible workmen's compensation commissions. Complaints have begun to be heard from many directions that the Commission is dilatory, careless and indifferent in its administration of the law; that injured workers, or their families, have been compelled to wait an unconscionable time for attention to their claims; that publicity, rather than social service, is foremost in the mind of the Chairman and of some other members of the Commission. As political considerations make the present an inopportune time for such complaints to be given currency among the citizens, and particularly the laboring men, of New York, Chairman Dowling has thought it desirable to give out another statement, which appears in the New York "Evening Post," of October 21. So extraordinary is this statement as an illustration of a workmen's compensation commission "sitting as a court" and making decisions which "will be final in settlements of awards for injuries sustained while at work," that it is given here in full, as follows:

"The Workmen's Compensation Commission, during the current week, will pass upon and dispose of 2,000 claims, the number including 70 death cases. Six hundred of these cases were heard day before yesterday. These cases were prepared and analyzed by the claims department last week, said department constantly working one week in advance. The Commission there is now handling cases more rapidly than they are being filed.

"The actual number of claims received by the Commission since it commenced business is 15,365. The right to make a claim accrued to the first claimant on the 15th day of July, and the first case was heard on the 20th of July. Since that time there has been a constant increase in the number of claims heard each week, until the department has passed over the hilltop, and is now able to take care of the claims with greater rapidity than they are filed.

"This week, for instance, will represent a gain of at least 500 cases on the number filed, and the completed calendar shows 6,818 cases with between 9,500 and 10,000 pending. This, in point of time, shows that the Commission is about a month behind with its work. There will always be a number of claims pending equal to the number of compensatable claims arising within a given month, for two weeks must elapse before the right to claim accrues, and another two weeks is a fair average of the time it requires to prepare and complete a claim.

"This record, the Commission contends, is not surpassed by the record of any State in the Union, although nearly thirty States have adopted compensation laws.

"The public has been led into believing that a vast number of claims have been filed, and the reason for this is that under the law there must be filed with the Commission a notice for all cases of injury. These notices were at first given a number in the department, and the number grew very rapidly on account of the great number of first notices thus received, which have reached the aggregate of 60,000. But now the department gives a number only to a case which on its face is compensatable, and this represents the actual number of real claims. Such notices which on their face indicate claims not compensatable are filed alphabetically, and if subsequent information raises them into a claim they are put upon the docket and are handled as are all other claims. It is probable that in this manner the actual number of claims will be increased about 15 per cent.

"When it is considered that on a given day the Commission received a full onslaught of the business of the entire State, the Commission is proud of its record of being able within ninety days to take care of the cases as fast as they come, and it has no apologies whatever to offer.

"There is no better index of the work of the Commission than the expense ratio, which is already within 7 per cent. This is in starting contrast to the expense ratios under the old plan of 40 per cent to 60 per cent. By expense ratio I mean the cost of operation compared to the total awards granted, and not to total premiums. If comparison were instituted on the latter basis, the expense ratio would be well within 5 per cent."

It is certainly not to be wondered at that Chairman Dowling is astonished at the unsurpassed record of his own Commission. It may be taken as beyond doubt that the record was never surpassed either in any State of the Union or in any country in the world.

A Commission charged with the duty of determining "settlements of awards for injuries sustained while at work," sitting as a court in the performance of this duty, and making 2,000 decision in a week, 600 in a single day, one a minute for ten straight hours out of twenty-four! Surely, the like of this was never seen or heard of!

And these amazing results are obtained at an expense ratio of less than 7 per cent! In Germany, where efficiency in these matters is really and truly unsurpassed, the employers' accident insurance associations, which administer the workmen's compensation, are unable to get an expense ratio below about 12 per cent, in spite of the fact that they have none of the cost of investigating and caring for the minor accident cases, nor any accident cases at all until after thirteen weeks from the time of the occurrence of the accidents. But the New York Commission promises to do better yet in the way of its expense ratio. Mr. W. C. Archer, General Manager of the Commission, in a statement simultaneous with that of Chairman Dowling, asserts that his present staff has matters so well in hand that he has already been able to reduce its number to 206 employes, and expects to drop some thirty of these in the near future. In Germany some 38,000 persons on the staffs of the employers' associations are required for only about ten times the number of insured workers that are covered in New York. That is, the Germans would require 3,800 employes to do what Mr. Archer expects shortly to be doing with 176 employes. Could efficiency be more startlingly illustrated?

Of course, the figures show that the New York Commission is not doing the work which it is its duty to do. Both the workers and the employers of the State are being in reality abused; and the public is being bamboozled by official statements which the merest tyro in workmen's compensation knows to be utterly misleading, to say the least.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Negroes in the United States.—The Bureau of the Census, in a bulletin shortly to be issued, will give the results of the census of 1910 with respect to the negro population of the United States, as found by the census takers. The statistics obtained deal with the negro population not only in the matter of its number and distribution, but also as regards its rate of increase, sex and age distribution, marital condition, illiteracy, occupational distribution, mortality (so far as obtainable in 1910) and other social and economic relations. Although it is now four years since the statistical information was gathered, and consequently great changes in all the figures have since necessarily taken place, none the less this survey of the country's negro population is the latest available and indeed the only approximately complete source of knowledge upon the subject. The substance of the bulletin is therefore here given:

The number of negroes in the United States (exclusive of outlying possessions) in 1910 was 9,827,763 (of whom 4,885,881 were males and 4,941,882 were females); and they formed 10.7 per cent of the total population. In 1900 the number of negroes was 8,833,994, or 11.6 per cent of the total population of that date. The increase among the negroes during the decade was 993,769, or 11.2 per cent, as compared with an increase of 20.8 per cent among the native whites and of 30.7 per cent among the foreign-born whites. The growth of the negro population results from their own natural increase, while the growth of the white population is accelerated by the great influx of immigrants and the high birth-rate in immigrant families.

Of the total number of negroes in 1910 about one-fifth were reported as mulatto; that is, as having some white blood. The proportion that mulattoes formed of the total negro population increased from 12 per cent in 1870 to 15.2 per cent in 1890, and to 20.9 per cent in 1910.

The age distribution of the negroes was as follows:

Age Group.	Number.	Per Cent Distribution.
All ages*	9,827,763	100.0
Under 5 years	1,253,288	12.9
5 to 14 years	2,401,819	24.4
15 to 24 years	2,091,211	21.3
25 to 44 years	2,638,178	26.8
45 to 64 years	1,108,103	11.3
65 years and over	294,124	3.0

*Includes persons of unknown age.

The age distribution of the negroes does not differ materially from that of the native whites. Negro males in the United States of voting age numbered 2,458,873 in 1910, and the negro females of voting age numbered 2,427,742.

Of the negroes six to nine years of age, 488,954, or 49.3 per cent, were reported as having attended school during the school year 1909-10; of those ten to fourteen years of age, 791,995, or 68.6 per cent, were so reported; and of those fifteen to twenty years of age, 338,750, or 26.5 per cent. In each age group the percentage of school attendance was much lower for the negroes than for the whites.

Of the total number of negroes ten years of age and over, 2,227,731, or 30.4 per cent, were reported as illiterate; among the whites the percentage of illiteracy was 15, being 3 among native whites, and 12.7 among foreign-born whites. The percentage of illiteracy among negroes decreased from 57.1 per cent in 1890 to 44.5 in 1900, and to 30.4 in 1910.

Nearly three-fourths of the negroes (7,138,534, or 72.6 per cent) were rural dwellers, while about one-fourth (2,689,229, or 27.4 per cent) lived in towns or cities of at least 2,500 inhabitants. Negroes formed 14.5 per cent of the rural population, as compared with 6.3 per cent of the urban. In the Southern States the great majority of the negroes lived in rural districts, while of the negroes of the North and of the West a large proportion were city dwellers.

Farms operated by negroes in 1910 numbered 893,370; of this number, 218,972 were operated by their owners, 672,964 by tenants, and 1,434 by managers. The number of farms owned by negroes increased by 31,175, or 16.6 per cent, between 1900 and 1910, and the number of negro tenants increased by 115,790, or 20.8 per cent, during the decade. The total value of farm property operated by negroes in 1910 was $1,144,181,000, as compared with $499,941,000 in 1900, an increase more than twofold during the decade. The statistics show that 1,806,727 negro males and 1,050,849 negro females were engaged in agriculture.

An important feature of the statistical material to be issued by the Bureau of the Census will be the first study of the mortality among negroes in the United States upon which reliance can be placed. For the first time, the negroes have been separated in this respect from the other colored races,—i. e. Indians, Chinese, Japanese, etc. Owing to the fact that the greater part of the South was in 1910 not included in the registration area of the United States, the mortality statistics will necessarily be imperfect for the total negro population, inasmuch as only figures from the registration States and certain selected cities were available. The death-rate ascertained for negroes on this basis was 25.5 per 1,000, as compared with the rate of 29.4 obtained from a much more restricted area in 1900. The decrease in the negro death-rate in Southern municipalities, from 1900 to 1910, was especially marked.

* * *

Classified Fire Risks in Illinois in 1913.—The Insurance De-

partment of Illinois has recently issued its figures for the fire insurance business written in that State in 1913, according to the classification of risks which the fire insurance companies doing business in the State are required to make. The figures are instructive as indicating in a rough way the proportionate subdivisions of insurable property in Illinois, although it must not be forgotten that the enormous volume of surplus insurance going to fire insurance companies not admitted to do business in Illinois (all of it supposed to be reported to the Insurance Department, but much of it notoriously not reported) makes the statistics of little value as indicative of the total amount of insurable property within the State in 1913. The figures are as follows:

Classes.	Number of Policies.	Amount at Risk.	Premiums Received.	Losses Paid.	Ratio Loss to Premium. Pct.
Dwellings and contents	$484,846	$704,753,694	$6,664,424	$2,881,229	43.23
Mercantile buildings and contents	359,161	593,151,034	7,512,645	4,047,039	53.87
Special hazards	186,507	524,537,110	6,304,615	4,057,354	64.35
All other risks	164,191	520,575,001	4,323,522	2,399,985	55.49
Totals	$1,194,705	$2,343,016,839	$24,805,205	$13,385,667	53.99

* * *

Victor Talking Machine Company Does Not Discriminate Against Workers with Families.—There appeared among the Items of Insurance News, in the August 30th issue of this paper, an item to the effect that the Victor Talking Machine Company, of Camden, N. J., by reason of workmen's compensation "gives preferenee to men without families." This item was derived from an usually accurate and trustworthy contemporary; but a letter from the company in question informs us that the statement is without foundation in fact. The correction is accordingly gladly made here, and the following interesting paragraph from the company's letter is given in full:

"For your further information, we beg to advise you that we have in operation for the use of our employes a Beneficial Society and Life Insurance Plan in connection therewith, together with a Pension Plan after certain years of service. In order to guard against the employment of individuals who might be a menace to other employes, we insist on a medical examination to determine that the party is free from tuberculosis and other contagious diseases. By far the largest percentage of employes in our plant are married, and when you consider that we have about 6,000 employes, you will see that the report that you bring to our attention is entirely without foundation. Further, the membership of our employes in the Beneficial and Insurance Society above mentioned is entirely voluntary, and at this writing the membership in the Society, composed entirely of our employes, is over 5,100."

* * *

The Cost of the Permanent Fireproofing of Cotton Goods.—At the semi-annual meeting of the National Association of Cotton Manufacturers, held at Lenox, Mass., on September 29, a paper was expected from Mr. J E. Tod, of Manchester, England, on the cost of fireproofing cotton goods. Mr. Tod's address did not arrive, but the following interesting summary of the subject is available.

* * *

[Introductory Note by the Secretary of the National Association of Cotton Manufacturers.

It will be remembered that Professor William H. Perkin, of Manchester, Eng., contributed a paper at the Atlantic City meeting of this Association, September 30, 1913, upon the Method of Permanent Fireproofing of Cotton Goods, by means of two chemicals, each of which were soluble in water, and were applied to the cloth in subsequent processes.

When the second solution came in contact with the first a chemical reaction took place producing throughout the fabric a precipitate which rendered the goods flame proof, but which was unlike either of the constituent solutions in that it was insoluble in water.

The following article by Mr. Eugene Szepesi, of 30 Church Street, New York, in the Textile Manufacturers' Journal of February 28, 1914, was called to Dr. Perkin's attention and by him referred to Mr. Tod, the general manager of his laboratory, for reply, and as the Association has not received the rejoinder other than the letter as follows, it is assumed that the disturbances in foreign mail have interfered with some fuller rejoinder which will be reserved for the transactions.]

"While there is not as urgent demand in this country as in England for a cheap and permanent process for rendering flannelettes and other napped cotton goods non-inflammable, the commercial advantage of such a process is recognized, and for special uses certain cotton fabrics are regularly treated to ensure non-inflammability. Because of these facts the paper on The Permanent Fireproofing of Cotton Goods, by Professor William Henry Perkin, Manchester, England, that was read at the convention of the National Association of Cotton Manufacturers last Fall, attracted unusual attention. This paper not only reviewed practically all known processes of fire-proofing cotton goods, but gave to the world the details of a process developed by Professor Perkin that is not only superior to others in all other features, but is permanent, being affected neither by washing nor wear.

"Although no attempt was made in the paper to estimate the cost of the process, the frequent reference to it as being adapted for cheap goods and as being a commercial success may have led manufacturers to believe that it involved only a slight increase in the cost of fabrics thus finished. That the opposite is the case seems to be proved by an investigation that was recently made. The manufacturer who made these experiments did not go so far as to process the goods in a commercial way, because tentative investigation seemed to prove conclusively that, while the process is undoubtedly a technical success, it is too expensive for common use. The report submitted by this manufacturer is as follows:

"The two substances proposed by Professor Perkin are sodium stannate and ammonium sulphate. The present wholesale price of sodium stannate, 44 per cent pure, is 60 cents per pound; chemically pure $1 per pound. Ammonium sulphate in a moist condition and about 25 per cent pure is 10 cents per pound, chemically pure, 30 cents per pound.

"The value of a pound of print cloth varies from 25½ cents to 27 cents per pound. Under all circumstances the process must increase the weight of such fabric from 10 to 15 per cent in order to make it effective. Therefore, 10 per cent of sodium stannate on one pound of cotton fabric will amount to 10 cents and thus 5 per cent of ammonium sulphate used in this process will amount to 3 cents making a total of 13 cents for chemicals in one pound of cloth.

"The finishing process is also an expensive one. It requires a double immersion and double drying, which will cost at least 2 cents per pound of cloth, bringing the total cost of fireproofing to 15 cents. In ordinary prints there are from 7½ to 8 yards per pound, making the process cost about 2 cents per yard. The selling price of print cloth varies from 3½ to 4 cents, therefore for prints the process is out of the question.

"For gray goods used in flannelettes the value of one pound

of cloth varies from 28½ to 30 cents. The finishing of this material will absorb a considerably greater quantity of the fireproofing material than the print, so it is reasonable to say that it will require at least 25 per cent per pound of finishing material, bringing the cost of finishing one pound of flannelette to 25 cents. As there are about five yards to one pound, the cost of fireproofing per yard will amount to 5 cents which cost again is prohibitive for general use.

"The fireproofing of many cottons is a very desirable feature, particularly of most napped cottons, but its practical solution is only possible if the price of the finished fabric is only slightly above the price of the non-inflammable fabric, otherwise it will not pay the manufacturer to put it on the market."

The letter from Mr. Tod, which has been referred to above, states:

"The cost of fireproofing flannelette by the non-flam process, as regards work done in this country, is greatly exaggerated in the costings given in the article from the Textile Manufacturers' Journal of February 28, 1914.

"The cost of chemicals—sodium stannate and ammonium sulphate—as the goods have been run commercially by us—has varied from one-quarter penny to one-half penny per yard, the lower price being for flannelettes of lower quality, 32 inches wide, and the higher price for good quality, 36 inches wide. The cost of labor has been the same in all cases, one-quarter penny per yard.

"To these prices we ourselves added one-eighth penny per yard for royalties, experimental and research work, etc. The total additional cost for the fireproofing process was thus from five-eighths of a penny to seven-eighths of a penny per yard.

"You will notice we have referred to this process in the above statements somewhat in the past tense. As a matter of fact, we are still fireproofing by this process, but are expecting shortly to change to another and much better one.

"You will be interested to hear that Professor Perkin and his assistants, continuing their researches have discovered a new process for permanently fireproofing cotton materials. In this case the cost of the chemicals is not more than one-half and may be as low as one-quarter of the older process.

"The cost of labor will not be higher. In fact, we are confident it will be considerably lower.

"Machinery is now being erected to work this process on the commercial scale.

"About twelve months ago we threw open the process described in Professor Perkin's lecture at the meeting of your Association at Atlantic City, September, 1913, so the cost is reduced by the amount of the royalties—one-eight penny per yard."

It is needless to make a reminder that recent events have disturbed prices of chemicals so that the relations between the two statements may be relative and not absolute.

INSURANCE NEWS IN THE WEST

THERE are constantly happening events which in themselves are not very important, and yet taken together seem to indicate important changes now taking place in the insurance business or likely to take place in the near future. One of these was the recent recommendation to the joint large cities committee of the Union and Bureau, by the joint conference committee of the two bodies, that it give a hearing to complaints of conditions in Indianapolis which the agents hold ought to be corrected in connection with the reduction in Bureau commissions. Indianapolis was one of the "excepted cities" of the Bureau, which, under the agreement with the Union, it had to get in shape last January, when Chicago was got into line. The agents of Indianapolis entered into an agreement not to accept a reduction in commissions and not to take each other's companies, claiming that this action was taken because they were refused a hearing on certain other matters they wanted dealt with at the same time. Recently the companies gave them notice that unless they withdrew their names from the agreement, their certificates of authority would be suspended on October 15. That brought the required action, but the companies also agreed to the hearing if the agents still desire it. This, together with the changes made in the Chicago and Milwaukee expense reduction programmes, show a tendency to get together and make concessions in the fire business just as was done last December in the liability business.

At Cincinnati there is some talk of passing a rule in the local association limiting companies to their net lines. The purpose of the agents is to restore the practice of exchanging business, which was destroyed by the general introduction of large lines and reinsurance. It is pointed out that the companies would lose nothing in Cincinnati by such a course, as commissions in the city are such that there is very little, if any, profit in reinsuring. This desire to return to the net line system appears to be indicated also by reports of some of those in charge of young companies that the local agents show much greater readiness to take their companies on than was usually shown a few months ago. The sentiment against extensive reinsurance in foreign companies appears to be making a real growth in the West. It is not surprising that it should do so when the agents come to realize that, notwithstnding the retirement of so many companies, competition remains as severe for them as ever, due to the increase in the number of annexes and the pushing out into smaller towns of companies that formerly operated chiefly in the cities.

The fire agents really have been suffering hardships. What with rates going down for nearly ten years, while the activity of mutuals, interinsurers and sprinkler syndicates grew more marked, very many agents have had to fight hard to prevent their premium incomes from being reduced. In addition most of the agents of non-Union companies had to stand some reduction in commissions, either through the organization of the Western Insurance Bureau or the retirement of excess commission companies from the field. It has been a hard struggle to keep up commission income in the face of these changes and harder still to make it grow as rapidly as expenses did. Some relief was found in the growth of the casualty business, but of late workmen's compensation rates are going down also.

While the agents have been facing a hard situation, the companies have also. The fire companies have had the legislation of Kansas, Missouri, Kentucky, and other States to contend with, as well as the same sagging in the rates and losses of business to outside concerns which have affected the agents. Nor can those executives who desire to conduct their business as they please get much comfort out of the Supreme Court decision in the Kansas case, which serves notice on every State that it can regulate rates if it so desires. The liability companies are facing the possibility of having a large part of their business entirely wiped out in a number of States. The agents and the companies are both having their troubles.

Meanwhile, instead of standing together and trying to help each other, they have been doing considerable fighting among themselves. The companies have had to do some things, such as reduce commissions, in order to be fair to the public, and in some cases the agents have resisted. Some of the companies have irritated and injured the agents by doing things they did not have to do, such as making annexes out of whole cloth, without even the excuse

of putting them into the field to save the plant of a reinsured company. The agents have stood back of legislation that was distasteful to the companies, such as the Oliver Law in Missouri, and the companies have refused their support of measures that the agents wanted and which would probably have been good for the business generally. Each class of companies and each class of agents has largely minded its own affairs and taken no interest in legislation adverse to the interests of some other class of the business.

Now the federation movement has taken a strong start. In some of the States officers of local companies of various kinds are taking an active interest with the local and general agents. It looks as if a few months would see a federation in every State in the upper Mississippi Valley. It is noticeable that leaders in this movement are alert to the fact that it cannot succeed as a trades union movement, but must be based on the public good. Utterances at recent federation meetings, taken in connection with those at the Northwest meeting in Chicago, urging co-operation between companies and agents and between both of them and the representatives of the public indicate that sentiment is changing and that a strong effort is to be made to change the "stand-offish" attitude of opposition which largely has characterized the insurance interests, and bring about a situation where that part of the people that is engaged in the insurance business will work with that part which is not in securing through the representatives of all the people legislation and rulings which will make the insurance business serve the people better than it has and remove obstacles which have prevented its being as good a business for those engaged in it as it might have been.

Chicago, October 23, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

Two decisions as to the constitutionality of State workmen's compensation laws were handed down during the past week. The most important of these was that of Judge Robert L. Stout, of the Franklin Circuit Court of Frankfort, Ky., in which he over-ruled the demurrer of the defendant in the case of the Workmen's Compesation Board vs. the State Journal Company and upheld the constitutionality of the Workmen's Compensation Act of Kentucky. Judge Stout delivered only a verbal opinion, which was in substance that, while he personally regarded it as a bad law, yet the Legislature had passed it and that twenty odd States of the Union had similar laws which had been held constitutional under constitutions similar in a more or less degree to Kentucky's Constitution, and he therefore did not feel like taking the responsibility of over-riding the views of the Legislature in the matter and therefore over-ruled the demurrer. The case will now be taken on appeal to the Court of Appeals, which is Kentucky's court of last resort, and be argued there in about two weeks.

The other decision was handed down by the New Jersey Court of Errors and Appeals declaring constitutional the employers' liability act. The decision was rendered in the appeal of the Pennsylvania Railroad Company from a decision of the Supreme Court in a case involving $3,000 damages awarded Mary Nuzett, of Camden, whose husband was crushed to death between two cars in the Pennsylvania Terminal, Camden, on July 17, 1912. The Camden Court of Common Pleas previously had awarded the widow a similar verdict.

Members of the Western Insurance Bureau, comprising managers and other officers of fifty of the principal fire insurance companies doing business west of the Alleghenies, in annual session at Atlantic City, N. J., on October 2 unanimously adopted forms for policies and policy writers, drafted by a special committee, which has been giving serious study to its preparation for the past several months. The new form follows closely what is known as the New York standard policy, now effective in Pennsylvania, New Jersey and some Eastern States, and is designed to avoid future conflict in the Western districts conforming to the requirements of States which have imposed certain restrictions upon the fire insurance business.

Under date of October 21, the New York Insurance Department has issued the following bulletin in regard to the plate glass insurance situation in New York City:

"The attention of the Insurance Department is again directed to the plate glass situation in New York City. The conditions in this line of business have been for a long time in an unsettled condition, and extremely unsatisfactory to companies desiring to conduct the business with fairness to their policyholders and brokers and in compliance with the law. The Department has been repeatedly requested by plate glass underwriters to exert its influence towards improving the conditions, and the Department has, in fact, extended to the plate glass companies and the Plate Glass Underwriters' Association every facility with a view of enabling them to bring order out of chaotic conditions and establishing rates and commissions with due regard to the rights of the insuring public and the economical administration of the business. With, however, the greatest latitude allowed to these companies, they have been unable to agree upon just and non-discriminatory ratings, and the Plate Glass Underwriters' Association has failed to effect the purpose which is its greatest justification for existence, viz., the limitation of expenses, the commissions paid by its members being in some cases as high as 45 per cent. Demands of the Department on companies for the filing of the rates in force have in some cases been met with indifferent and unsatisfactory replies.

"It is the immediate purpose of the Department to make a thorough investigation of the plate glass situation, the investigation being extended to the underwriting practices of the individual companies regardless of their affiliation with the Plate Glass Underwriters' Association. Discovery of violations of the anti-discrimination law or other improper practices will be vigorously followed up by the Department, for the purpose of imposing such penalties as may be provided by law, even to the extent of acting under Section 32, if, in the judgment of the Superintendent of Insurance, it will best promote the interests of the people to revoke the certificate of authority of offending corporations doing business in this State."

There are twenty-one so-called companies licensed in Canada to transact accident, sickness, guarantee, plate glass, burglary and steam boiler insurance, etc., says the "Financial Chronicle." We use the word "so-called," because most of these companies are owned and controlled by British or United States companies. The total assets of the twenty-one companies at December 31, 1913, amounted to $7,540,570.92, while the total liabilities, excluding capital, were $2,111,133.74, showing a surplus to policyholders of $5,429,437.18. The net surplus over the capital stock and all liabilities is $2,746,226.23.

The total assets in Canada of the twenty British and foreign companies licensed for these classes of insurance, were $3,249,544.35, while the liabilities were $1,823,240.61, showing an excess of assets in Canada over liabilities in Canada of $1,426,303.74.

The net premium income of the twenty-one Canadian companies in 1913 was $3,583,849.64, and the total income, excluding amounts received on account of capital stock, was $4,010,276.11. The amounts received on account of capital stock totalled $454,342.65. The total amount paid for losses was $1,343,860.39; for general expenses, $1,833,206.66, and for dividends to stockholders, $166,074.25, making the total cash expenditure, $3,343,141.30. The excess of income over expenditure was accordingly $662,134.81.

President Massey Wilson, of the International Life, of St. Louis, has evolved a plan whereby cotton warehouse receipts will be accepted as collateral in the payment of life premiums. Under this plan the company will accept the notes of its policyholders payable on or before twelve months from date with the warehouse receipt attached to the note for an amount of cotton equal to the premium, on the basis of 6 cents a pound middling. The company will also follow the same method in the payment of interest on loans secured by farm mortgages in the South, of which it has about $2,500,000. The rate of interest charged will be that fixed by the policy contract, and the company will designate a local bank to act as its agent to determine the reliability of the warehouse issuing the receipt.

In his annual report, State Fire Marshal Parkman, of Kansas, shows that during the last nine months of 1913, the State Department being that old, the fire loss amounted to $3,103,330. Forty-four per cent of this was on uninsured property. Taking it that the loss the first three months was in the same proportion, Marshal Parkman figures that the total loss for 1913 was $4,257,800.

During the last nine months of 1913, 963 dwellings were destroyed by fire, involving a loss of $601,050. Five hundred and seven barns, valued at $439,001, were burned; the loss on 188 store buildings was $578,564.

The cause given as responsible for the greatest damage was "sparks," which caused 193 fires with a loss of $353,953. Adjoining fires caused 237 losses, worth $274,813; and was followed by eight fires caused by hot boxes which destroyed $241,680 worth of property. In all there were 2,345 fires, and according to the marshal, fully 1,800 were preventable.

According to data compiled by the "Spectator," New York, seventy-two companies transacting marine and inland insurance in the United States received premiums, in 1913, to the amount of $34,000,031, while suffering losses to a total of $20,482,847, being a loss ratio of 60.24. Total insurance in force on December 31, 1913, amounted to $298,196,293.

Seventy-four fire, marine and casualty companies writing automobile property damage insurance, being all those reporting to the New York Insurance Department, received total premiums on that class of business in 1913 of $6,585,248 and suffered losses of $2,681,989, showing an average loss ratio of 40.7 per cent. It is noticeable, however, that the ratio of losses to premiums shows wide variation as between different companies, running from as low as 5.7 per cent to as high as 204.2 per cent. It should be remembered that about half the companies include claim expenses in their report of losses incurred.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

FINANCIAL AND COMMERCIAL REVIEW

WAR influences continue of course to predominate in the financial and business situation. Apart from the controlling factors created by the war the interest which is absorbed in it as the greatest conflict in human history would naturally tend to lessen influences derived from other considerations. Nor is it likely that unless or until the war enters a definite phase which seems to assure the probable outcome, will it be possible for our ordinary business affairs to be conducted with a greater regard for ordinary factors. Of such a turn in the tide of war there is yet no positive indication.

Apropos the war, evidence seems to be accumulating that Germany and Austria are economically much harder hit even so early in the war than are the Allies. Long before the war Austria was suffering from a severe economic depression bordering on collapse and there was no reason to suppose that Germany could endure war very long without exhibiting increasing symptoms of economic adversity. When the Imperial tax was levied a year ago on German capital it was a manifestation of fundamental extremity which belied the fair exterior of German prosperity. There has been more than a little warrant for the assumption that before the war Germany was headed for trouble in the event of any great strain, for the pace of German economic progress had been made under forced draught.

German resources were quite adequate to the support of German commercial expansion rapid and tremendous as it had been, but these resources were not adequate to supporting at the same time the enormous expansion of German militarism. Had the war been postponed a few years it is not unlikely that the commercial party would have gained the upper hand and Germany would have been content to remain the strong man armed for defense, but not for aggression. The ante-bellum situation was such as to indicate a possibility that if the military party appears to be waging a losing war the popularity of the conflict will vanish in Germany and a sudden end may be put to what must otherwise be a protracted and ruinous contest for all nations engaged and not much less so for neutral countries like ourselves, even though we may reasonably anticipate to get through the coming years with much less suffering than will be experienced in other lands.

At all events German financial systems which have been detected here suggest that economic power is already beginning to count in the scales of war. English and French exchange are still selling at phenomenal premiums, but reichsmarks have been quoted at steady declines to an abnormal discount. The implication is clear that credits on Germany are being traded for balances on this side and the movement of German remittance tends to corroborate other indications such as were set forth in THE MARKET WORLD AND CHRONICLE last week of a far greater economic unfitness for war on Germany's part than the official view has proclaimed.

Meanwhile the decline in marks is also confirmatory of reports that desperate German efforts are being made here to buy supplies which the purchasers will take a chance of receiving through neutral countries. Great Britain seems to be aware of such efforts. British marine underwriters have already begun to curtail insurance on cargoes in the endeavor to prevent contraband or conditional contraband from getting into Germany; and it is not improbable that British naval control of the seas will be exercised in more drastic ways to blockade the enemies of Great Britain. Operations of the kind intimated could interfere to some extent with our recovering export trade.

So far as concerns the foreign financial conditions which affect us most it is gratifying to note that the position of London is steadily improving. The Bank of England has more than doubled the stock of gold which it held at the low level early in August, and the ratio of its reserves to liablities is steadily rising each week. An increasing gold cover is being provided for the legal tender emergency currency which the British Government has emitted and the London money market generally appears to be getting into a condition propitious for the termination of the moratorium next month.

Mention should be made of the predictions of Mr. Frewen and and other critics of the various novel measures which the British Government has adopted to assist the financial situation. According to these predictions trouble will follow not long after the ending of the moratorium unless the Bank Act is suspended, but as yet there are no sufficient reasons for apprehension although some uneasiness seems to be denoted by the tenor of the international conferences at Washington. These conferences so far have not yielded anything definite enough in the way of plans or statements to provide a basis for discussion, but if the Washington despatches are to be trusted British official finance is animated by an anxiety to draw gold from the United States which British private finance does not share.

Perhaps this is because the official view is somewhat doubtful of the workings of the devices which the Treasury has adopted, but the London banking community as a whole seems fairly well satisfied with the way in which matters are going in respect to British-American affairs. Discounts are easy in London and there is a growing willingness to accept American bills, a willingness which has in fact expressed itself in a rather striking fashion through the actual refusal to accept some payments of maturing obligations unless the American debtors preferred a settlement to a contivation of their bills.

How much is going to be accomplished by the negotiation which Sir George Paish and Mr. Blackett are conducting here for British finance has come to be something of a question. First reports after the British visitors reached Washington represented them as formulating rather explicit demands for the settlement of our remaining debit balance, of perhaps $250,000,000, in gold. Subsequently it has seemed that compromises were under discussion, including the substitution of a large export of cotton for storage in lieu of gold, and it is altogether likely that before our British visitors go away some beneficial agreements will have been entered into which will promote a resumption of business in the cotton and securities markets.

Great Britain's interest in the cotton industry can hardly fail to assist pending projects for the relief of the cotton situation, in-

cluding the plans for reopening the cotton exchanges and for creating a large banking pool to make cotton loans. However, it is not manifest as yet that Sir George Paish and Secretary McAdoo have anything but well meaning intentions which may lead to blunders, and Mr. McAdoo's disposition to exaggerate the functions of Government must provoke some disquiet until it is seen what all these governmental interchanges of ideas may end in.

It happens also that although the sterling exchange market is still high, conditions are getting better all the time as a result of the headway which we have made in paying our debts abroad, the improvement which has been effected in the London money market, and especially the swelling volume of export trade orders which are coming in, particularly from Europe. To be sure, this is a feverish kind of trade, but it is reducing our debit balance abroad. Nothing could better illustrate how the foreign exchange situation is working than the fact the gold fund committee has been able to get along without selling much exchange, and it would not be surprising if the actual exports of gold by the committee and on the New York City loan account fell far short of reaching the aggregate provided for.

There are some very competent foreign exchange bankers who believe that it will not be many months before sterling exchange is quoted here at quite as much of an abnormal discount as it is now at an abnormal premium, but it should be admitted that these opinions are subject to revision for any cause and especially because of the international transactions which may take place in securities. The return of American securities held in Europe has to be dealt with in all financial reckonings, but bankers think that a very large return can be accommodated without disastrous dislocation of funds.

In any case the matter of reopening the Stock Exchange is a question which is pressing for an answer. An unorganized outside market has been established in which dealings have gone so far that speculative trading has become possible and this situation calls for a movement to restore the organized market. Wall Street also has a fresh incentive to that end in the revival of the demand for Government regulation of the Stock Exchange as a precedent to its reopening. The banking and brokerage community are likely to go to considerable lengths to demonstrate that governmental intervention can be dispensed with.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Oct. 10, 1914— Banks	Trust Cos	Both.	—Week Oct. 17, 1914— Banks.	Trust Cos.	Both.
Loans	1,558.1	617.8	2,175.9	1,551.3	620.2	2,171.5
Deposits (net)	1,[illegible]	477.7	1,935.2	1,457.8	473.6	1,931.4
Cash reserves	[illegible]	65.0	128.4	369.4	65.1	434.5
Reserve ratio (%)	24.[illegible]	13.6	22.1	25.3	13.7	22.4

Actual Status.

	—Week Aug. 1, 1914— Banks	Trust Cos	Both.	
Loans	1,423.4	635.3	2,058.7	[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]
Deposits (net)	1,422.7	488.7	1,911.5	
Cash reserves	344.2	67.1	411.5	
Reserve ratio (%)	24.2	13.9	21.5	

Actual Status Non-Member Institutions.

	1914— Sept. 26.	Oct. 3.	Oct. 10.	Oct. 17.
Loans	587.6	590.5	592.4	592.5
Deposits (net)	556.7	558.2	557.9	555.5
Cash reserves	51.6	51.9	55.6	51.6
Other reserves	87.4	83.5	81.3	84.4
Reserve ratio (%)	25.3	24.1	23.4	24.7

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914— July 25.	Aug. 2.	
Loans	2,620.5	2,629.5	[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]
Deposits (net)	2,532.0	2,479.1	
Cash reserves	520.3	464.7	

PHILADELPHIA BANKS STATEMENT.

	1914— July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	100.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914— July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.[illegible]	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913. Oct. 21-22.	1914 Jan. 13-14.	June 30.	Sept. 12.
Loans	700.4	667.2	701.2	704.7
Deposits	1,003.2	997.4	1,024.3	964.4
Cash, other reserves	449.5	470.2	335.2	311.9
Reserve ratio (%)	44.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914— Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,155.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week Ending	1913 New York.	Outside.	Total.	1914 New York.	Outside.	Total.
October 17	1,558	1,927	3,485	937	1,520	2,458
October 10	1,486	1,854	2,342	1,020	1,541	2,561
October 3	1,878	1,904	3,783	1,274	1,564	2,838

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week of—	1913 Call money.	60-day loans.	Merc. paper.	1914 Call money.	60-day loans.	Merc. paper.
Oct. 24	3½	4½	5½	7	7	7
Oct. 17	3½	4½	5¾	8	8	8
Oct. 10	5	4½	5½	8	8	8

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.*

BANK OF ENGLAND (In Thousands of £).

	1914— Oct. 1.	Oct. 8.	Oct. 15.	Oct. 22.
Deposits	135,489	165,498	162,561	168,822
Circulation	34,974	34,828	35,767	34,799
Gold	52,926	56,566	59,235	60,062
Securities	141,551	141,865	137,276	132,862
Reserve ratio (%)	22.75	24.53	26.50	27.52
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914— July 9.	July 16.	July 23.	July 30.
Deposits	3,019.2	1,218.9	1,343.5	1,331.0
Circulation	6,039.9	6,067.0	5,911.9	6,683.1
Gold	4,092.6	4,092.6	4,104.3	4,141.3
Silver	637.4	639.7	664.6	625.3
Discounts, etc.	3,079.3	1,606.8	1,611.8	2,444.2
Coin to notes (%)	78.3	77.9	80.6	71.0
Discount rate (%)	3½	3½	3½	4½

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914— July 9.	July 17.	July 25.	Aug. 15.
Gold and silver	1,596.4	1,681.6	1,722.7	1,590.2
Loans and discounts	1,026.0	867.3	801.0	180.9
Circulation	2,192.0	1,994.5	1,890.8	3,881.9
Discount rate (%)	4	4	4	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914— May.	June.	July.	August.
Loans on call	197.1	204.5	193.9	166.7
Loans, other	927.5	925.5	927.0	928.2
Deposits, demand	340.7	355.0	346.8	338.9
Deposits, other	759.3	767.7	766.9	755.1
Circulation	97.7	99.1	94.8	93.3
Cash reserves	113.3	113.3	113.3	113.3

*See comment upon condition of foreign banks on page 521.

THE COUNTRY'S COMMERCE

Merchandise.	August 1913.	1914.	September 1913.	1914.
Imports	$[illegible]	$137,651,000	$171,684,843	$139,204,267
Exports	187,909,000	110,237,000	218,240,001	156,188,790
Specie.				
Gold—Imports	5,803,753	3,034,824	4,626,748	2,761,590
Exports	1,194,657	18,125,617	496,037	21,887,202
Silver—Imports	3,401,235	2,162,095	3,098,348	1,864,213
Exports	4,907,806	3,627,337	5,856,197	5,389,981

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	50⅞	50⅛	50⅜	50	50	49⅝
London	23⅛	23	22 15-16	22 13-16	22 13-16	22 11-16

COTTON

October 24, 1914.

AN account of what has happened this week in respect of cotton in the United States would read not dissimilarly from one of the official bulletins of events along the battle line in Belgium and France, as given out by the French and British war intelligence offices. For the most part the applicable phrase would be: "No change has occurred"; and yet certain evidence of the steady work of attrition might be discernible here and there. Little by little ever since the 6½-cent level was reached in the interior local markets of the South, the price of cotton has yielded under the weight of the offerings, diminished though these have been by the resolution of the more thrifty farmers in not selling their cotton for the present. The very heaviest portion of the ginning season is now here; and, were external conditions normal, the South would be selling from 100,000 to 150,000 bales of cotton a day. The purchasers of this cotton would be merchants of every degree of skill and financial resources, each one of whom would be taking his daily quota of cotton, and either selling it at once to some spinner at home or abroad, or protecting himself against loss by hedging on a cotton exchange. The banks would be gladly loaning the money required to finance the cotton, even though the price were twice as high as it now is; and they would be doing this without Government aid and without requiring access to a credit fund of $150,000,000 or of any other amount. But today, unhappily, the banks are hesitant about lending the money of their depositors on cotton, however low the price, because they know that merchants have no insurance against a still further decline in price and because they have never had any real experience with lending money on cotton to anybody but merchants. The daily output of the cotton gins meantime is added to an already unwieldy load, while the means are lacking for distributing this load, either over the world at large through exports, or over the future through the use of contracts for future delivery bought and sold on the exchanges. Hence all efforts, all projects and all oratory cannot prevent the price of cotton from slowly declining in the South. This week the lowest prices since 1897 and 1898 were again seen, numerous quotations of sales at 5½ cents per pound and some even at 5 cents per pound in the interior being reported. The panacea of the eloquent friends of cotton has not yet been found. Those despised bodies, the cotton exchanges, however, have made real progress during the past week towards consummating their work of repair and of preparation for the resumption of their economic function. The New York Cotton Exchange, particularly, has visibly begun to near the goal of readiness to resume operations. Long since, the task had been completed of concentrating into the single month of December the tangled mass of future contracts bought and sold for all the months from August, 1914, to May, 1915; of reducing thereby to the lowest possible proportions the commitments of members one to the other; of liquidating, in this way or that, a multitude of "distress" contracts; and of bringing the entire internal problem of the Exchange into compact and intelligible shape. During the past week the intricate and vexatious adjustment of the form of contract to the terms of the so-called Lever Act,—a law which nobody in Washington understands and rulings under which are still postponed by the Secretary of Agriculture,—was completed, by the adoption of revised by-laws and rules, under which the new trading can be conducted as soon as it begins. The demonstrated insufficiency of the commission charges, which the experience of the past three months had harshly shown to be inadequate to the risk, has been remedied by an increase of the commission rate for members from $7.50 to $10 per 100 bales (round turn), and from $15 to $20 for non-members. Floor brokerage has also been increased from 75 cents to $1 per 100 bales. Finally, a co-operative plan for relieving the pressure upon many members and member firms occasioned by contracts on their books bought before the outbreak of war for the account of now inaccesible foreign customers or for reluctant and in some cases defiant American customers, has been brought within plain sight of consummation. Here the generosity and self-sacrifice of the more fortunate members of the Exchange and the readiness of important New York banks to assist in a work meaning a renewal of sound business activities, have merited the warmest gratitude and the sincerest praise on the part of all the members of the American cotton trade, within and without the New York Cotton Exchange. Great skill and great resolution have been required to accomplish what has been done in this matter. Finally, there are reasonable prospects that no inconsiderable part of the damage done and of the loss occasioned by an important failure in the New York market, on the very day of the closing of the Exchange, may shortly be brought into process of repair, and many members placed thereby in a position better by so much than they had had reason to expect. Without undue optimism, it is hoped, it may be expected that another fortnight will find these many restorative efforts and plans brought so nearly into a rounded whole that without apprehension the New York Cotton Exchange may take up again its great office of bringing together the buyers and sellers of cotton, so that producers may find again a calculable market, while manufacturers and merchants may gradually enlarge their commitments, and in the process both relieve the pressure of surplus cotton and restore the credit of cotton with those whose business it is to employ the funds entrusted to their care in a helpful, yet prudent way,—the bankers of the North and of the South.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	8.00	8.00	8.00	8.00	8.00	8.00
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		
May—						
High	.....	.....	.....	.....	.....	..
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
September—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
Opening	} 25 points over J-F					
12:30 p. m.						
Close						
Aug.-Sept.—						
Opening	} 15 points over J-F					
12:30 p. m.						
Close						
Sept.-Oct.—						
Opening	} 6 points over J-F					
12:30 p. m.						
Close						
Oct.-Nov.—						
Opening	} 4 points over J-F					
12:30 p. m.						
Close						
Nov.-Dec.—						
Opening	} 1 point under J-F					
12:30 p. m.						
Close						
Dec.-Jan.						
Opening	} 1 point under J-F					
12:30 p. m.						
Close						
Jan.-Feb.—						
Opening	} 4.75	4.75	4.75	4.75	4.75	4.75
12:30 p. m.						
Close						
Feb.-Mar.—						
Opening	} 1 point over J-F					
12:30 p. m.						
Close						
Mar.-Apr.—						
Opening	} 3 points over J-F					
12:30 p. m.						
Close						
Apr.-May—						
Opening	} 3½ points over J-F					
12:30 p. m.						
Close						
May-June—						
Opening	} 4 points over J-F					
12:30 p. m.						
Close						
June-July—						
Opening	} 2½ points over J-F					
12:30 p. m.						
Close						

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 29, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York						
New Orleans						6½
Galveston				6 11/16	6⅝	6⅝
Mobile				6½	6⅝	6⅝
Savannah				6¾	6¾	6⅝
Charleston				6¾	6¾	6⅝
Wilmington				6¾	6¾	6⅝
Norfolk						
Baltimore						
Philadelphia			6½	6¾	6⅝	6⅝
Augusta				6¾	6¾	6⅝
Memphis						
St. Louis				6⅝	6⅝	6⅝
Houston				6⅝	6⅝	6⅝
Little Rock				6⅝	6⅝	6⅝
Dallas				6⅝	6⅝	6⅝
Montgomery	6⅝	6⅝	6⅝	6⅝	6⅝	6½
Atlanta	6¾	6¾	6¾	6¾	6¾	6¾

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	....	6.09	....	6.05
Good middling	....	....	....	5.40	....	5.30
Middling	5.05	5.05	5.05	5.05	5.05	5.05
Low middling	....	....	....	4.29	....	4.29
Good ordinary	....	....	....	3.45	....	3.45
Estimated spot sales..	3,700	2,800	4,800	3,000	3,700	4,700

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Fully good middling...	....	....	....	.....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	491,655	520,047	499,905	245,914
Overland to mills and Canada	26,854	28,406	43,783	30,123
So. mill takings, est., exclusive of takings from Southern ports.	85,000	85,000	85,000	60,000
Gain of stocks at interior towns	72,052	49,304	66,468	107,606
Brought into sight for week	675,561	682,757	695,156	443,643
Total Movement—				
Port receipts	3,329,790	3,094,960	3,147,285	1,063,554
Overland to mills and Canada	94,381	79,194	137,172	64,513
Southern mill takings..	567,032	540,873	579,796	288,000
Stocks at interior towns in excess of Sept. 1..	421,351	324,015	317,690	510,463
Brought into sight thus far this season	4,412,554	4,039,042	4,181,943	1,926,530

The total crop movement is respectively for 88 days, 86 days, 85 days and 84 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	113,671	1,192,101	199,418	122,879	524,858	213,901
New Orleans	59,152	224,936	104,253	26,582	98,194	84,531
Mobile	24,762	118,530	45,142	4,837	27,416	23,056
Savannah	133,263	755,820	215,292	42,080	193,398	95,759
Charleston	32,870	208,490	90,857	7,665	51,508	41,793
Wilmington	34,529	157,137	30,803	5,961	24,947	20,466
Norfolk	30,239	104,107	27,779	9,745	44,657	24,336
Baltimore	4,249	23,460	4,841	2,100	4,864	7,120
New York	50	124	15,655	.....	394	66,097
Boston	224	2,015	2,337	364	1,901	2,732
Philadelphia	38	74	3,852	.....	101	4,619
Newport News	.....	3,884	.....	1,436	9,578	.....
Brunswick	13,500	120,650	23,840	3,050	6,300	2,913
Pensacola	12,552	26,955	.....	.....	.....	.....
Port Arthur	.....	.....	.....	.....	400	.....
Pacific ports	19,888	53,908	.....	3,847	26,470	.....
Texas City, etc.	19,888	147,496	19,172	13,928	40,726	12,788
Jacksonville, etc.	930	7,543	1,277	1,440	9,833	.....
Georgetown	.....	.....	.....	.....	.....	.....
Totals	499,905	3,147,285	785,266	516,282	1,065,554	600,887

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	890	21,553	710	1,359	434	7,496	196	5,672
Dallas	4,327	22,275	2,151	8,136	5,468	26,120	4,844	5,290
Shreveport	10,199	50,507	9,059	20,141	9,652	43,780	1,727	41,742
Little Rock,	9,499	38,297	3,558	27,551	9,474	31,283	4,347	22,235
Helena	4,749	15,797	1,873	11,896	3,667	14,787	779	12,613
Vicksburg	1,065	5,339	856	3,625	1,853	6,444	440	5,444
Columbus, Miss.	2,288	12,825	2,012	5,880	1,260	4,855	515	3,413
Natchez	846	5,636	799	2,576	1,659	8,099	300	7,782
Memphis	52,869	183,237	32,229	93,186	54,771	176,396	21,214	128,688
Nashville	907	3,852	.....	1,630	.....	532	.....	482
Selma	8,881	67,592	7,248	11,772	7,109	50,411	3,411	35,952
Montgomery	11,821	83,708	9,494	24,322	10,750	73,208	3,481	58,737
Eufaula	1,772	13,087	1,632	2,519	1,267	10,279	247	7,380
Columbus, Ga.	2,370	20,030	2,135	8,426	4,445	25,506	1,295	18,546
Macon	3,812	21,427	3,510	2,104	3,638	17,581	470	15,579
Albany	1,890	20,295	1,607	2,421	1,492	14,510	298	16,006
Atlanta	22,488	83,965	17,558	21,077	7,274	22,774	6,913	7,934
Rome	5,375	24,003	4,975	5,459	2,857	11,449	1,949	3,771
Augusta	25,893	148,981	17,699	41,408	27,674	134,618	7,486	94,508
Columbia	3,007	23,673	3,007	.....	8,051	25,233	8,051	.....
Newberry	1,221	9,702	1,221	.....	442	4,126	442	.....
Charlotte	830	4,067	830	.....	295	1,615	290	.....
Raleigh	740	5,438	825	220	232	717	175	152
St. Louis	16,487	50,675	13,838	8,341	16,862	37,117	14,155	17,194
Houston	112,606	1,040,162	97,989	129,706	112,258	541,099	100,775	94,791
Meridian	1,511	6,890	856	4,921	865	4,717	572	4,746
Cincinnati	2,040	16,714	4,856	12,312	8,206	18,630	8,789	3,207
Yazoo City	2,079	8,695	885	8,643	2,469	11,593	442	11,206
Totals	312,522	2,110,376	243,412	459,541	304,419	1,323,904	193,594	623,070

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	157,288	63,704	51,142
France	51,695	77,857	454
Continent	180,625	156,071	23,750
Mexico	.....	2,488	2,753
Japan	6,437	20,238	3,847
Totals	396,043	320,358	81,946
Since August 1.			
Great Britain	913,169	764,431	192,601
France	318,463	338,836	4,264
Continent	746,650	949,482	131,454
Mexico	253	10,493	9,421
Japan	23,688	55,798	55,642
Totals	2,002,223	2,119,040	393,382

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	470,000	490,000	.....
Since September 1	1,603,692	2,065,992	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	5,750	21,919	6,500	32,860	.....	.....
To Manchester	7,750	26,241	11,250	30,863	.....	.....
To Continent	7,500	33,095	9,000	45,477	.....	.....
To America	600	4,514	900	1,778	.....	.....
Total exports	21,600	85,769	27,650	110,978	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	30,000	153,000	.....	.....
Exports to Great Britain	.....	3,000	.....	.....
Exports to Continent	17,000	135,000	.....	.....
Exports to Japan and China	23,000	69,000	.....	.....
Afloat in harbor	5,000	.....	.....	.....

Exchange, 1s. 4 13-32.

Receipts exclusive of ——— American this week, ——— this season; ——— this week last year, 1,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	506,000	327,000	.....	.....
London	7,000	.....	.....	.....
Manchester, in wareh'ses	45,000	21,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	17,000	3,000	.....	.....
Bremen	119,000	115,000	.....	.....
Havre	92,000	86,000	.....	.....
Other ports—Continent	27,000	17,000	.....	.....
Alexandria	221,000	.....	.....	.....
Bombay	237,000	.....	.....	.....
U. S. interior towns	459,541	459,541	.....	.....
U. S. ports	785,266	785,266	.....	.....
Afloat for—				
Liverpool	389,000	329,000	.....	.....
London	.....	.....	.....	.....
Continent	813,000	697,000	.....	.....
Afloat in Bombay harbor	5,000	.....	.....	.....
Coastwise to New York	17,000	17,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	3,739,807	2,856,807	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 355,404. Increase in American visible supply for the week, ———, against 319,404 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	4,181,943	.....
Total supply	5,514,083	.....
Less visible supply, American, to-day	2,856,807	.....
World's takings, American, to date	2,657,276	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	790
Receipts at United States ports to date	3,147,285	1,063,554
Total supply at ports	3,308,574	1,317,545
Deduct.		
Stocks at ports to-day	785,266	600,887
*Exports to date	2,136,040	410,402
Southern mill takings from ports	12,743	31,792
Burnt at ports	.....	.....
Totals	2,934,049	1,043,081
To Northern mills from ports	374,525	274,464
Overland to Northern mills	137,171	64,513
Total Northern mill takings	511,696	338,977
Southern mill takings	592,539	319,792
Total American mill takings, including Canada	1,104,235	658,769

*Includes ——— in transit between Southern ports and New York, against 17,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	175,394	1,104,236	.....	.....
Great Britain	80,704	661,431	.....	.....
Continent	96,928	825,318	.....	.....
Mexico	2,488	10,493	.....	.....
Japan and China	20,238	55,798	.....	.....
Totals	375,752	2,657,276	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	52,000	54,000	20,000	20,000
Sales, American	41,000	38,000	15,000	14,000
Sales, speculation	1,000	2,000	.....	1,000
Sales, exports	2,000	1,000	1,000	2,000
Forwarded	94,000	98,000	34,000	40,000
Imports, all kinds	186,000	125,000	20,000	24,000
Imports, American	177,000	101,000	16,000	28,000
Actual exports, all kinds	3,000	3,000	5,000	3,000
Stock, all kinds	608,000	506,000	769,000	760,000
Stock, American	468,000	327,000	471,000	464,000
Afloat for Great Britain, all kinds	180,000	389,000	113,000	.....
Afloat for Great Britain, American	416,000	329,000	112,000	.....

NEW YORK STOCK OF INSPECTED COTTON

The following table, posted by the New York Cotton Exchange, gives the quantities and grades of cotton in warehouses in the Port of New York on September 9, 1914, inspected, classed, certified and grade guaranteed by the New York Cotton Exchange; also the differences "on" or "off" the basis middling price at which these grades are delivered on contracts:

No. of Bales.	Grade.	Cents.
..	Fair	.70 on
5	Strict middling fair	.63 "
16	Middling fair	.56 "
5	Strict good middling	.42 "
4	Fully good middling	.35 "
2	Good middling	.28 "
4	Barely good middling	.21 "
96	Strict middling	.14 "
159	Fully middling	.07 "
807	Middling	Basis
753	Barely middling	.25 off
5,013	Strict low middling	.50 "
7,148	Fully low middling	.85 "
11,711	Low middling	1.25 "
9,604	Strict good ordinary	2.00 "
662	Good ordinary	3.00 "
12	Strict good middling tinged	.14 "
220	Good middling tinged	Value of Mid.
1,189	Strict middling tinged	.20 off
3,001	Middling tinged	.40 "
2,828	Strict low middling tinged	1.25 "
283	Low middling tinged	3.00 "
213	Middling stained	1.25 "
43,735	Inspected, but not classed, 198 bales.	

* * *

The Extension of Cotton Growing in Portuguese West Africa.—From reports of Harry A. McBride, United States Consul at Boma, Belgian Kongo, it is possible to give the following details of the work of the Portuguese Government in developing the growing of cotton in its African possessions. Angola is the largest Portuguese colony in Africa, the area being 484,700 square miles, or more than three times that of the State of California. It lies wholly within the Tropical Zone, the range of latitude being 5° to 17° S., and is bounded on the north and northeast by the Belgian Kongo, on the

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southeast by Rhodesia, and on the south by German Southwest Africa. The east line on the Atlantic, from the mouth of the Kongo River to the mouth of the Cunena River, is 1,027 miles in length, roughly approximate to the coast line from Portland, Me., to Charleston, S. C.

Although cotton grows in many parts of Angola, where some species are indigenous, it has never been cultivated extensively. The Government is anxious that cotton growing should be taken up and, in 1906, the Governor General was authorized to grant concessions up to 2,500 acres, upon payment of 1 cent per acre for the land. After one-fifth of the concession was under cultivation the payment was to be refunded to the planters. For a period of fifteen years from 1906 all machinery and materials for the plantations were to be imported free of duty and no taxes of any kind were to be levied on the property. Moreover, a premium that would equal the freight charges and export duties was to be paid on all cotton exported to Portugal. Exports to foreign countries were to receive only a reduction of 15 per cent of the export duty. Notstanding these inducements no important concessions were taken up. The entire territory from Benguella to Porto Alexandre has been pronounced suitable for cotton cultivation as to both climate and soil, and the district of Mossamedes is also favorable.

Now that the rubber trade is rapidly decreasing, even greater efforts are being made to create interest in cotton growing. Natives near the coast have been compelled to plant cotton, each hut to have at least one acre, and native police visit and control the cultivation. The native population is small, however, and the villages scattered, the tilling is done in most primitive fashion, so the results are not likely to be of importance. The Government imports seeds from America and Egypt, which are distributed gratis to the natives and at cost price to others, and has also introduced gins and baling presses. A premium of $15 per acre is now being paid to all who cultivate more than two acres of cotton.

With this assistance a few small plantations have been started along the Benguella Railway, one of them covering 375 acres. Duarte, Almeida & Companhia own small plantations at San Nicolau and Mossamedes. In the latter location the production reaches 220 pounds of cotton per acre. The company has been in operation about four years, has exported fifty tons of its product, and now has about 2,000 acres under cultivation.

The seeds furnished by the Government are chiefly of the upland and sea island varieties, these giving the best results. A German engineer endeavored to introduce the Caravonica species (Australian tree cotton) but the experiments appear to have been a failure.

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3	3
Gray goods, 38 in., standard	3⅞	3⅞
Brown sheetings, Southern standard	7¼-7½	7¼-7½
Denims, 9-ounce	13½-17	13½-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	19½-20	18-18½
Southern 2-ply skeins, 60s	43-44	42
Southern single skeins, 20s	17-17½	16-16½
Southern single chain warps, 20s	17½-18	16
Southern 2-ply chain warps, 20s	17	16
Southern frame cones, 20s	18-18½	16½
Southern frame cones, 30s	20¾-21¼	19-19½
Eastern carded cops, 20s	19¼	19¾
Eastern carded cops, 30s	22¼	23¼
Eastern carded peeler warps, 30s	25½	25½
Eastern carded peeler warps, 50s	41	41

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 17..	1.14½	1.13⅜	1.14¼	1.20¼	1.19	1.20⅛	.....	.....	.....
Oct. 19..	1.16¾	1.14¾	1.16½	1.22⅜	1.20½	1.22⅛	.....	.....	.....
Oct. 2 ..	1.16⅝	1.14¾	1.14¾	1.22⅝	1.20¼	1.20¼	.....	.....	.....
Oct. 21..	1.16½	1.14½	1.16⅛	1.22⅜	1.20¼	1.22	.....	.....	.....
Oct. 22..	1.16¾	1.15	1.15⅜	1.22½	1.20¾	1.21⅛	.....	.....	.....
Oct. 23..	1.17½	1.14¾	1.17⅛	1.22⅝	1.20⅜	1.22⅜	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 17..	68¼	67	67⅞	70½	69½	70¼	....	....	....
Oct. 19..	68⅜	67⅝	68⅜	70⅞	70	70¾	....	....	....
Oct. 20..	68⅝	67½	67⅝	71⅛	70¼	70⅜	....	....	....
Oct. 21..	69⅛	67⅞	69	71⅞	70⅜	71¾	....	....	....
Oct. 22..	69⅜	68⅜	69⅛	72¼	71⅜	71½	....	....	....
Oct. 23..	70½	69⅛	70	72¾	71½	72¼	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 17..	49⅛	48¼	49⅛	52¼	51⅜	52¼	....	....	....
Oct. 19..	50	49⅛	50	53⅛	52⅛	53⅛	....	....	....
Oct. 20..	50¼	49⅜	49¾	53⅜	52¾	52¾	....	....	....
Oct. 21..	5[illegible]	49¾	50¾	54	52¾	53⅞	....	....	....
Oct. 22..	51	50⅜	50⅜	54⅛	53⅜	53½	....	....	....
Oct. 23..	51	50¼	50⅞	54¼	53⅜	53⅞	....	....	....

LARD.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 17..	....	....	10.40	10.32	10.25	10.30	10.02	9.92	9.97
Oct. 19..	10.50	10.50	10.50	10.30	10.17	10.30	9.95	9.82	9.95
Oct. 20..	10.40	10.40	10.40	10.30	10.25	10.27	9.95	9.90	9.92
Oct. 21..	10.35	10.32	10.35	10.22	10.17	10.22	9.87	9.80	9.87
Oct. 22..	10.57	10.40	10.57	10.45	10.27	10.45	10.00	9.90	9.92
Oct. 23..	10.65	10.57	10.65	10.57	10.45	10.52	10.02	9.90	10.00

RIBS.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 17..	....	....	11.00	....	....	....	9.75	9.67	9.72
Oct. 19..	....	....	11.00	....	....	....	9.75	9.65	9.75
Oct. 20..	....	....	....	....	....	....	9.80	9.67	9.80
Oct. 21..	....	....	10.75	....	....	....	9.77	9.70	9.77
Oct. 22..	10.80	10.77	10.80	....	....	....	9.87	9.77	9.85
Oct. 23..	10.90	10.90	10.90	....	....	....	9.90	9.82	9.87

PORK.

	October			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 17..	....	....	....	18.67	18.60	18.67	....	....	....
Oct. 19..	....	....	....	18.67	18.45	18.65	....	....	....
Oct. 20..	....	....	....	18.77	18.55	18.77	....	....	....
Oct. 21..	....	....	....	18.75	18.57	18.75	19.05	19.00	19.05
Oct. 22..	....	....	....	18.97	18.77	18.95	19.32	19.27	19.30
Oct. 23..	....	....	....	19.07	18.90	19.05	19.37	19.25	19.35

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.15	5.15	5.10	5.00	4.95	4.80
October	5.15	5.15	5.10	5.00	4.90	4.80
November	5.14	5.20	5.15	5.02	4.90	4.86
December	5.19	5.21	5.18	5.04	4.97	4.93
January	5.28	5.32	5.27	5.16	5.08	5.04
February	5.40	5.43	5.38	5.25	5.13	5.10
March	5.56	5.58	5.56	5.45	5.30	5.27
April	5.67	5.68	5.66	5.53	5.38	5.36
May	5.81	5.85	5.83	5.71	5.54	5.53

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
Spot	6¼	6⅜	6⅜	6⅜	6⅜	6⅜

THE NEED OF STANDARD COTTON WAREHOUSES FOR THE CARRYING OF OUR SURPLUS COTTON

By Ira G. Hoagland
Formerly Editor of "Safety Engineering"

COTTON, because of the strictures imposed on international commerce by the European War, menaces the stability of domestic affairs quite the same way as mighty rivers threaten the security of border territory in flood times. One certain method of controlling swollen rivers is to impound the flood waters and then drain the impounding reservoirs gradually. The most certain methods of controlling the possible flood of cotton and the disaster that would surely follow the flood is to "impound" the cotton. At the conference in Washington, August 24-25, called by the Secretary of the Treasury to discuss cotton relief plans, Mr. H. R. Eldridge, vice-president of the National City Bank of New York, said:

> "We have reason to expect, in view of the present favorable outlook of production in the Cotton Belt, that a crop of from fourteen to fifteen million bales of cotton is before us; and we know that approximately two million bales of the past year's American crop remain in the visible supply of American cotton, not yet taken, much less consumed by the world's spinners. The belief of well-posted men in the cotton trade is that the world's consumption of the American crop this season, under prevailing conditions, will be a minimum of 11,000,000 bales and a maximum of 13,000,000 bales. Averaging these figures, an actual surplus of 4,500,000 bales is in prospect; and so long as no provision is made for eliminating it from the supply and demand situation, for the time being at least, that surplus will be a menace to the market and must prove a serious handicap to the hope that even a living price can be realized by the producer for his cotton.
>
> "It therefore seems evident that, if the almost unprecedented situation in which American cotton is now found, by reason of causes beyond our control, is to be saved from great demoralization and heavy losses to the country and the cotton producers, some 30 per cent of this season's production must be removed from the present market and carried over to the next season; and that it must be accomplished in such a convincing way as to cause spinners to realize that the undoubtedly heavy surplus will not longer be a menace to the market, while the abnormal conditions in the cotton manufacturing industry of the world continue. Under the old order of things, paper secured by cotton and many other commodities was rarely presented on the market in such form as to command the respect of investors; and it cannot be so presented this season, unless conditions are changed in certain respects. One essential to this end is a uniform warehouse receipt of undoubted integrity. As things are now, such warehouse receipts are few. Where it is deemed necessary to improve the standing of warehouse receipts, warehouses making application to the proper authorities should be governmentally licensed under regulations to be established, and each warehouse so licensed should be supplied with a Government inspector who should issue a uniform receipt for each bale of cotton, or other form of package representing a commodity stored, certifying thereon the mark, the weight and the grade. This system would create a form of security good beyond peradventure, and one that would command the respect of all bankers and investors everywhere. Each obligation issued should be accompanied with a certificate of insurance, issued by a reputable insurance company, indemnifying the holder against loss by fire of the collateral pledged."

Mr. Eldridge described comprehensively both the cotton problem and a practical relief plan. A bill providing for the licensing of cotton warehouses by the Secretary of Agriculture and the issuing of government warehouse receipts to facilitate the granting of bank credits on stored cotton was introduced in the Senate by Senator Smith, of Georgia, and passed after being loaded with amendments to include naval stores, tobacco, grain and canned salmon. A substitute measure, the Lever United States warehouse bill, was introduced in the House of Representatives. This provides for the licensing of agricultural warehouses containing nonperishable agricultural products. The licensed warehouse certificates would be negotiable and would warrant the issue of emergency currency. Action on this bill has been defeated for the present session of Congress.

The only immediate relief actually in sight is in the emergency currency plan proposed by the Secretary of the Treasury. As of August 27, 1914, Secretary McAdoo said:

> "Among the eligible securities to be used as a basis for the issue of currency I have decided to accept from National Banks through their respective National Currency Associations, notes secured by warehouse receipts for cotton or tobacco, and having not more than four months to run, at 75 per cent of their face value.
>
> "It is not my purpose to prescribe the character of warehouses in which cotton and tobacco may be stored. The banks will be relied upon to see that warehouse receipts issued by responsible warehouse men or warehouse companies alone are accepted, and that the cotton and tobacco stored in such warehouses is covered by adequate fire insurance and is protected against injury by the elements."

A special committee appointed by Secretary McAdoo, pursuant to resolutions adopted at the conference of cotton and tobacco growers, manufacturers and exporters, held at Washington, August 24-25, 1914, reported among other things, the following:

> "That it is the sense of the committee that cotton, tobacco, and naval stores should be marketed as deliberately as possible until they can again be exported in normal quantity and that, when properly conditioned, should be warehoused with responsible concerns; that they should be protected against weather damage and be properly insured against loss or damage by fire.
>
> "That warehouse receipts for these commodities are proper collateral for loans by banks, and should be so accepted, with such limitations as to margin, inspection, and valuation as conservative bankers may each in their discretion see fit to impose.
>
> "That cotton does not deteriorate when properly warehoused, and is as good twenty years after it is picked as when it is first gathered; that it can therefore be carried over until the restoration of normal business conditions enables the world's consumption to absorb it.
>
> "Your committee recommends that notes having not longer than four months to run, when secured by proper warehouse receipts for the aforesaid commodities, properly insured, be accepted for rediscount by the Federal Reserve Banks, when organized, and that they also be approved by the National Currency Associations as security for additional circulation to the National Banks under the provisions of the

Aldrich-Vreeland Act as amended by the Federal Reserve Act."

But the banks of the South are not giving the aid fondly expected by the promoters of the warehouse-receipt-emergency currency plan. Several explanations for this caution have been advanced. None of them consider that it might have been too much to ask of bankers that they assume the responsibility of issuing currency without definite knowledge of actual cash values and at the same time guarantee the integrity of warehouse receipts. Recently a bill was introduced in the House of Representatives which is designed to force National and State banks to make loans to owners and producers of cotton, the loan notes to be secured by warehouse and insurance receipts.

Delegates from eight Southern States at the Southeastern Cotton and Food Products Conference, held recently in Atlanta, agreed that the cotton problem should be solved by the States and that it would be unwise for the National Government to interfere. In the debate in the Senate on the licensed cotton warehouse bill, introduced by Senator Hoke Smith, this point was remarked by Senator Lippitt, of Rhode Island. The Senator said:

> "Why is it not feasible for the respective States in the South to issue their own certificates for this purpose, instead of having the National Government undertake to comply with a purely local need?"

Senator Smith did not see it that way. Even then the Texas Legislature, having convened in a special session, was considering just such a plan. A bill providing for the State supervision of cotton warehouses and the endorsement of warehouse receipts was put through and signed by the Governor. This is an emergency measure and terminates August 31, 1915. A permanent warehouse bill is under consideration.

The Commissioner of Insurance and Banking is the State official in charge of the administration of the Texas emergency warehouse law. He issues warehouse licenses, makes rules for operation of warehouses and appoints managers for them, has regular inspectors to inspect warehouses. The Commissioner may lease buildings and establish warehouses where local enterprise is lacking. The law emphasizes provisions for both insurance against loss by fire and for actual physical protection against fire.

Surety companies operating in Texas propose to bond cotton warehouses and guarantee storage receipts. An individual surety company is doing it in other States. A warehouse receipt, guaranteed by the company, becomes available collateral and facilitates financing the cotton. The company will protect itself by requiring warehousemen to store in separate compartments all cotton represented by guaranteed receipts, and to keep these compartments locked.

Relief plans are legion. Cotton farmers suggest that the Government buy cotton outright and "warehouse" it until the market is better. Cotton Congressmen proposed a plan for a direct loan of $500,000,000 to planters on warehouse receipts for cotton. A plan to issue $250,000,000 in State bonds by nine cotton States was submitted recently to a conference of the Governors of these States. The proceeds from the bond issue would be used to purchase and store 5,000,000 bales of cotton. Arthur R. Marsh, ex-president of the New York Cotton Exchange, urges loans on cotton or immediate purchases by consumers on the basis of deferred deliveries.

A plan for raising a cotton loan fund of $150,000,000 was ratified recently in St. Louis by a delegation of cotton States bankers. Newspapers contain reports of assistance given to cotton growers by some local banks in financing the picking and ginning of cotton and taking the cotton in the warehouse as collateral security. A surety insurance company announced that it would purchase and store cotton if the Government would accept that as an asset. Secretary McAdoo said that he would approve cotton as an asset. Commercial paper secured by State warehouse receipts as an investment has been approved in Texas. National banks are allowed to count a certain amount of cotton among assets.

St. Louis banks have accepted cotton "properly warehoused" as collateral security to the extent of $35 per bale. "Cotton properly shedded and insured, is our best asset, and is good collateral for credit," said the president of the Dallas Credit Men's Association. The Galveston Commercial Association urges retail merchants to advance cash to farmers for cotton picking and hold cotton in "secure warehouses" as collateral against existing indebtedness. And cotton is accepted as currency in some places. Notes secured by warehouse receipts will be accepted in payment of premiums by one New Orleans life insurance company. The heart of the public is reached in the "Buy-a-bale-of-cotton" movement. In commenting on a systematic manner of handing this proposition Governor Colquitt, of Texas, said:

> "Some friends of mine in St. Louis have sent me their checks with which to buy a number of bales of cotton at 10 cents per pound and hold them for their account. I shall purchase them as instructed, place them in a State guaranteed warehouse and send them the receipts with the State's guarantee that the cotton, which will be under bond and insurance, will be forthcoming when the holders of the receipts demand it."

"Hold cotton; sell sparingly when demand is forced," says a prominent cotton man. That is the essence of the relief plans; that is "impounding" the cotton deluge, just as the engineer would impound the flood waters of a mighty river. The warehouse is the cotton "impounding reservoir"; it is the all-important factor in the plans for financing the holding operation. "Without being able to properly house and safeguard the cotton to be held," says the Memphis "News Scimitar," "there will be no success in the efforts to get money from the Government or anybody else." And there has not been. Banks have been cautious with emergency currency, and for good reasons. It would be folly to issue emergency currency on physically unsafe cotton; yet there are legislators who would force banks to do what reason forbids.

The cotton warehouse is the basis of all relief plans. But the lack of warehouse facilities is in about the same proportion as the need for them. At the cotton conference in Washington, H. Q. Alexander, of North Carolina, said that there were not sufficient warehouses in the country to store one-third of the crop. Texas, the premier cotton producer, "has such limited warehouse facilities that they are almost negligible," observed "Cotton and Cotton Oil News." "But they can be provided in large degree within sixty days." So they can, of a sort. "It has not been a practice to store cotton in warehouses in this State," says a prominent Oklahoma fire insurance official. "We only have one large cotton warehouse in the State." The following comment was made by the "Atlanta Constitution":

> "If to-day there existed throughout the Cotton Belt a chain of duly accredited warehouses bonded and under adequate supervision as to grade, etc., the problem that now faces the farmer would be half solved. Certificates representing cotton thus stored would be negotiable instruments, or could be made so, throughout the world. There would be no excuse for the dalliance of Congress in emergencies like

that now confronting us. There would in all likelihood be no such troublesome specter as distress cotton.

"Texas has recognized this salient truth. According to reports, that big cotton-growing Commonwealth is preparing to erect a system of warehouses capable of holding all the distress cotton that may be offered."

Evidently, the "Constitution" is unaware of the fact that Georgia has the most and best cotton storage facilities of any of the cotton States. Georgia has nothing to learn from Texas as far as cotton warehouses are concerned. Georgia is one State in the Cotton Belt which has sufficient storage capacity for distress cotton. A census of the warehouses in the State revealed a storage capacity of 1,000,000 bales, about 40 per cent of the State's crop. A considerable proportion of this capacity is in really standard warehouses, equipped with automatic sprinklers. South Carolina is another State well endowed with warehouses, in which the aggregate storage capacity is about half a million bales. And many of the warehouses are equipped to control cotton fires with automatic sprinklers. In fact, these two States have fully 75 per cent of all of the sprinklered public cotton warehouses in the cotton States, yet their combined proportion of crop yield is much less than that. Moreover, it is not extreme to say that the cotton States have been benefited more than once by the Georgia and South Carolina warehouses. When Texas, Alabama and Mississippi have been rushing cotton to market, Georgia and South Carolina have been quietly filling their "impounding reservoirs" and "stemming the flood." Alabama comes next in the number of standard sprinklered public warehouses; Tennessee and Mississippi follow, and Texas, the chief producer of all, has only a few.

"We in New England would gladly welcome—the users of cotton all over the world would gladly welcome—some new method of storing cotton in the South," said Senator Lippitt, of Rhode Island, in the debate with Senator Smith, of Georgia, on the cotton warehouse bill. And here is an echo from "Old England." Sir Charles Marcara, president of the International Federation of Master Cotton Spinners' and Manufacturers' Association, in a letter to A. S. Terrill, chairman, United States Lumber and Cotton Company, Chicago, remarked:

"On the occasion of the tour of 120 cotton spinners and manufacturers of all nationalities, which I led in 1907 through the cotton-growing States of America, it became evident to me that in years of exceptionally large cotton crops it would be in the interests of the millions of cotton producers and cotton-mill operatives that a scheme for properly packing and warehousing the surplus cotton crop should be initiated, and in view of the certainty that there will be an enormous surplus in this year's American cotton crop, such a scheme undertaken by the Government of the United States of America would be a safeguard against dire calamity."

"Anyhow, the war will have procured a needed supply of cotton warehouses for the South," observes a commercial journal. A supply will be procured, but it will be far removed from a "needed supply." Those who know the needs of the South know that quality as well as quantity is needed in cotton storage facilities. There will be quantity enough, no doubt. In a month's time Texas multiplied its storage capacity five times, built enough new warehouses to care for 1,700,000 bales of cotton, according to news reports. State departments worked overtime granting charters for warehouse companies. Oklahoma was similarly enterprising; it had to be; it had only one warehouse to begin with—Texas had seventeen. "The Southern towns and cities are pushing the work of providing warehouses for cotton under what may be termed the McAdoo plan," says a newspaper report. "Suggestions are being made, however, that these warehouses should be as inexpensive as possible consistent with due preservation of the cotton from injury by the elements."

"It is not my purpose to prescribe the character of warehouses in which cotton and tobacco may be stored," said Secretary McAdoo at the cotton conference in Washington. "The banks will be relied upon to see that the cotton and tobacco stored is covered by adequate fire insurance and is protected against injury by the elements," and the lack of emergency currency shows that the banks can be relied upon. A $50,000,000 corporation organized to construct cotton warehouses will build structures "composed of an eight-foot wire fence with a floor and a covering to keep off the weather." An insurance man in Oklahoma says that "a number of skeleton iron-clad warehouses" will be built and that both brick and wooden vacant mercantile buildings will be used. "In nearly every town we may find some building that will do for storing cotton, even if no regular warehouse exists, and if not too near the centre of trade, the rent should not be too high," observes a Texas trade paper. But the Texas emergency warehouse law will stay such foolishness as that. The law makes provisions for fire insurance and actual physical protection against fire which will control to a degree indiscriminate and unsafe storage.

Senator Lippitt, in discussing Senator Smith's warehouse bill, said: "It does not seem to me that the Secretary of Agriculture would be likely to approve or to certify such a storehouse as the Senator described. Of course if he is going to give his approval to a storehouse it must be a building that is efficient from all of the aspects of the case. I do not suppose this bill * * * means any flimsy or temporary structure." Mr. Smith interposed with the information that the bill provided for all sorts of warehouses. The nature of the warehouse enterprises, remarked in the preceding paragraph, showed that all sorts of warehouses, principally the flimsy variety, are being provided in the South. And it is clear that little or no consideration has been (nor is being) given to "a building that is efficient from all the aspects of the case."

Proponents of certain relief measures have calmly ignored the economics of the holding proposition. Insurance and weather protections have been offered as sufficient specifications for security. Weather protection is a simple matter and can be secured with a flimsy structure. "Insurance protection" in a flimsy structure is expensive. But insurance will not extinguish fires; it is a tax, not a protection; the cost of the tax is always in proportion to the hazard, and the fire insurance companies understand the hazard better than anyone. Therefore the advocates of relief plans involving flimsy warehouses took rather too much for granted in giving assurances of insurance "protection." An insurance newspaper in commenting on conditions in warehouses in a large cotton city said: "Some companies do not look with favor upon cotton insurance under the present conditions, and are asking their agents not to interest them in any of the class." Insurance companies, that is the sound institutions, are not taking chances on the doubtful cotton risks. Moreover, they are adopting the sound precaution of insuring cotton by individual bales according to marks and numbers, and at the market price per bale; also reserving the right to replace burned cotton with other cotton of similar character. In communicating these requirements to the executive committee of the National Currency Association of Dallas, a committee of local insurance men said: "These requirements are made necessary by reason of the effect of the European War upon insurance and the absence of a regular market, and further the re-

duction in facilities for writing cotton which have been obtainable in the past."

Then there is the brand new fire hazard caused by the popular "Buy-a-bale-of-cotton" movement, which the originators of that movement did not reckon with. It is reported that this is worrying the Texas fire insurance commission because of the increased fire hazard caused by the storing of bales in front of large buildings and many places of business. The bales are taken care of in the rates, but the adjacent property is not. Some few merchants roll their bales into their stores at night, and this is absolutely forbidden by their policies. Such act really voids the policy, but the question has not arisen as yet. No fires in stores have occurred up to this time, though several bales have burned on the sidewalks. They were pushed into the streets and no danger resulted. The bales are splendid targets for the street urchins and cigarettes. The "Buy-a-bale" proposition is all right if the cotton is properly stored. Otherwise it may result unhappily in property, and perhaps lives, destroyed by fire.

Estimates of the amount of cotton it will be necessary to "impound" in order to maintain a good market price for the staple range from 3,000,000 to 9,000,000 bales. An estimate of 4,000,000 bales was made by a competent cotton specialist. Government reports forecast a 1914-1915 cotton crop of over 15,000,000 bales. In a normal season possibly 40 per cent of the crop is stored for a period of four months. This would mean that 6,000,000 bales of the 1914-1915 crop would be in storage four months, if conditions were normal, and as they are not it will be considered that one-third of that amount will be stored three times as long, or 2,000,000 bales for twelve months. This amount plus the "impounding" estimate yields a total of 6,000,000 bales to be stored twelve months; 6,000,000 bales of the trickiest and most susceptible merchandise of commerce, as far as fire is concerned.

The importance of warehouses in the holding operation has been emphasized. The lack of suitable warehouses will mean an enormous economic waste in the holding operation. Consider what this will mean in one respect,—cost of fire insurance. There are 6,000,000 bales of cotton to be stored, which will be done in two kinds of warehouses, those equipped with automatic sprinklers and those not. It will be assumed that sprinklered warehouses will accommodate 1,000,000 bales. Thus, 5,000,000 bales will have to be stored in all sorts and sizes of warehouses, secure and otherwise, mainly otherwise.

The insurance rates on unsprinklered warehouses and sheds in Texas range from 1.38 to 5.63 per cent. The standard warehouse takes a basis rate of 1 per cent, but deficiencies may run individual rates up to 6 per cent. The iron-clad structures going up in Oklahoma will be rated low at 3 per cent. Several weeks ago the "Manufacturers' Record" published an article, "Cheap and Safe Storage of Cotton," in which was described a cotton storage scheme devised by W. G. Turner, vice-president of the Memphis Terminal Company. The scheme comprises groups or clusters of wooden-frame roofing-paper-clad warehouses. Cheap, to be sure, but safe, assuredly not. The article quotes an "announced insurance rate" of 1.50 per cent on cotton in these "warehouses." According to the description, these "warehouses" would rate about 2.70 per cent in States adjoining Tennessee, and they wouldn't "go" in Texas without adequate fire protection, under the emergency warehouse law. Moreover, these "warehouses" would cover nearly six times the real estate necessary for standard warehouses.

Average rates in unsprinklered cotton storage obtained from conservative fire insurance companies who are underwriting, very cautiously, on cotton risks, range from 1.75 to 2.25. In view of the high and low figures quoted in the preceding paragraph and the averages in this it is reasonable to consider that 2 per cent is a conservative average rate on unsprinklered cotton storage. At 10 cents a pound, the "Buy-a-bale" price, 5,000,000 bales of cotton would be worth $250,000,000. If this amount were insured at 2 per cent the premium would be $5,000,000.

On sprinklered cotton storage rates are as low as 0.15 per cent, and 0.2 per cent is conceded to be a fair average. Thus, the insurance on the 1,000,000 bales in sprinklered storage will cost $100,000—only one-fiftieth the cost on one-fifth the number of bales in unsprinklered storage.

The difference between the unsprinklered average rate and the sprinklered average rate is 1.8 per cent. On $250,000,000 this would mean $4,500,000, a considerable sum, and a sum which represents the interest at 6 per cent on $75,000,000, an amount sufficient to buy 1,500,000 bales of 10-cent cotton!

The neglect of the owner of cotton to select a sprinklered warehouse may cost as much as $3 per bale more in insurance and certainly an average of 90 cents per bale more than in a sprinklered warehouse.

Now, the sort of warehouse in which cotton can be insured as low as 15 cents per $100 is a simple structure of brick and wood, separated into several fire divisions, each of limited size. The brick is used in the fire walls separating the sections and the wood in the roof and end walls. The specifications for such a warehouse are, in brief, as follows:

Capacity.—Not over 1,000 bales in any compartment, stored one high on ends.

Division and Side Walls.—Brick, at least 16 inches thick, parapetted above roof, also extended beyond end wall lines at least three feet. Side wall may be 12 inches thick.

End Walls.—May be of wood, clapboards nailed to posts, spark and weather tight. When exposed these walls to be brick.

Floors and Platforms.—Preferably concrete.

Roof.—Two or three-inch planks on heavy timbers eight to ten feet apart; cover, gravel or tin.

Doors.—As many as possible in end walls, hung securely in pairs and made draft and spark tight. Doors to be standard tin clad when in brick walls.

Ventilation.—One or more spark-proof ventilators in each section.

Lighting.—If any, to be incandescent electric, wired according to the National Electrical Code.

Sprinklers.—Each section to be equipped with automatic sprinklers installed in compliance with the National Standard Sprinkler Requirements.

Hydrants, Etc.—A standard outside system of hydrants and hose.

Considerable comment is current about "fireproof" cotton warehouses of corrugated iron or wooden studding, floored with concrete. The character of the construction of a cotton warehouse has little or nothing to do with safeguarding cotton against fire other than limiting the quantity subject to one fire, and, of course, protecting against exposure. A fireproof warehouse will not "fireproof" the cotton, whereas automatic sprinklers will, in any kind of a warehouse.

The cost of insuring against fire for one month, one bale of 10-cent cotton in the sort of warehouse described would be .0062 cents—nearly half a cent. The cost per bale per month in the average sprinklered warehouse would be .0083 cents, still under 1 cent. In the average unsprinklered warehouse the cost per bale per month would be .083 cents—nearly 10 cents.

Warehouse charges, including insurance, vary considerably. The executive committee of the New Orleans "Buy-a-Bale" Club figured

warehouse charges for twelve months as follows: Storage and handling, first month, 25 cents per bale; for 11 months, at 8 cents, 88 cents per bale; weighing and labor charges for removal, 8 cents per bale; insurance for twelve months, approximately 50 cents per bale; total charges, $1.71 per bale. A Galveston warehouseman charges $1 a bale for the first month, which includes commission, storage and insurance charges, and afterwards 30 cents per bale per month for storage and insurance; total charges per bale per year, $4.30. "Ours will be a bonded warehouse," advertises another warehouseman. "The cost of insuring and storing cotton will be 15 cents per bale per month." Another announcement reads: "We have standard warehouses. The carrying charges for each bale of cotton is 25 cents per month for storage and insurance." A rate of 15 cents per bale per month for storage in standard warehouses would yield a saving of at least $3,000,000 on 5,000,000 bales of cotton.

But the standard warehouse not only lowers the fire insurance and storage rates; it also lowers the money-lender's rates. Careful lenders prefer to loan money at a low rate, say 6 per cent, on good risks. Lenders, not so particular, who hazard loans on cotton in substandard warehouses may ask 8 per cent. Therefore, standard warehouses would yield a further saving of possibly $5,000,000.

Economists estimate that there is an annual waste in handling the cotton crop of approximately $100,000,000. It would not be extreme to say 5 per cent of this is due to physical damage resulting from improper storage. Thus $5,000,000 more is added to the economic waste of the holding operation without proper storage facilities.

The total cost of holding 5,000,000 bales of cotton without adequate and proper storage facilities will be at least $17,500,000, which would almost pay 6 per cent interest on $300,000,000, a sum sufficient to quite effectively stabilize the cotton situation, and almost, if not quite, build enough sprinklered cotton warehouses to house 5,000,000 bales of cotton.

Assuming that $17,500,000 would give sprinklered cover to 5,000,000 bales of cotton, and that the combined warehouse and insurance charges were 15 cents per bale per month, that investment would yield 8 per cent after deducting the fixed charges for storage, insurance and interest.

Is it not clear that all of the cotton States should have a well-organized system of standard sprinklered cotton warehouses?

INDUSTRY, COMMERCE AND FINANCE

(Continued from Page 522.)

ada, Argentina and British India which aggregated 200,000,000 bushels; the United States and Australia produced together 140,000,000 bushels more this year than last. In view of the general shortage in the world's production of wheat in 1914, it is exceedingly fortunate that the United States will have, according to the Department of Agriculture's estimate, no less than 290,000,000 bushels for export, as compared with 141,000,000 bushels actually exported in 1913. Of the total crop harvested in the United States,—892,000,000 bushels,—the Department estimates that 525,000,000 bushels will be required for food and 77,000,000 bushels the seed for the coming crop, leaving, as just said, 290,000,000 bushels for export. The largest quantity of wheat ever exported from the United States in one season heretofore was 235,000,000 bushels, in 1901.

* * *

Street and Electric Railways in 1912.—The Bureau of the Census has issued bulletin No. 124, including statistics for street and electric railways for the year 1912, covering all railways other than steam roads in operation in the United States during any portion of the year. Comparative statistics are also shown for the censuses of 1907, 1902 and 1890. The statistics for electrically-operated divisions of steam roads are included only in cases where full reports could be made therefor separate from those for steam road operation. In the case of electric railway companies selling electricity for lighting and industrial purposes, when it was impossible to obtain complete, separate reports for the railways and for the electric light and power operations, data for both branches are included in the report for the railway. Comparisons for different censuses are to some extent affected by the inclusion of incomplete or estimated reports. The principal statistics are shown in the following comparative summary:

COMPARATIVE SUMMARY, INCLUDING TRAFFIC, INCOME AND CAPITALIZATION, 1912, 1907 AND 1902.

	1912.	1907.	1902.	Pct. of Increase, 1902-1912.
Number of companies...	1,260	1,236	987	27.7
Miles of line	30,437.86	25,547.19	16,645.34	82.9
Miles of single track....	41,064.82	34,381.51	22,572.52	81.9
Rolling stock:				
Cars, number	94,016	83,641	66,784	40.8
Passengers	76,162	70,016	60,290	26.3
All other	17,854	13,625	6,494	174.9
Electric locomotives ..	277	117	3	....
Persons employed by operating companies:				
Number	282,461	221,429	140,769	100.7
Salaries and wages....	$200,890,939	$150,991,099	$88,210,165	127.7
Salaried employes:				
Number	23,271	11,700	7,128	226.5
Salaries	$26,128,786	$12,909,466	$7,439,716	251.2
Wage-earners:				
Average number ..	259,190	209,729	133,641	93.9
Wages	$174,762,153	$138,081,633	$80,770,449	116.4
Traffic:				
Passengers carried ...	12,135,341,716	9,533,080,766	5,836,615,296	107.9
Revenue	9,545,554,667	7,441,114,508	4,774,211,904	99.9
Transfer	2,423,918,024	1,995,658,101	1,062,403,392	128.2
Free	165,869,025	96,308,157	.....	....
Revenue car mileage..	1,921,620,074	1,617,731,300	1,144,430,466	67.9
Passenger	1,885,870,157	1,583,831,199	1,120,101,944	68.4
Express, mail, fr't...	35,749,917	33,900,101	24,328,522	46.9
Average number of revenue passengers:				
Per mile of track operated	232,556	216,522	212,217	9.6
Per revenue passenger car mile	5.06	4.70	4.26	....
Condensed income accounts:				
Operating companies:				
Gross income	$585,930,517	$429,744,254	$250,504,627	133.9
Operating revenues	567,511,704	418,187,858	247,553,999	129.2
Transportation revenues	520,184,773	390,276,347	235,997,005	120.4
Non-transportation revenues..	47,326,931	27,911,511	11,556,994	309.5
Income from other sources	18,418,813	11,556,396	2,950,628	524.2
Operating expenses..	332,836,356	251,309,252	142,312,597	133.9
Net earnings (operating revenues less operating expenses)	234,615,348	166,878,606	105,241,402	122.9
Gross income, less operating expenses...	253,034,161	178,435,002	108,192,030	133.9
Deductions from income	191,123,408	138,034,716	77,595,053	146.3
Taxes	35,027,965	19,755,602	13,078,899	167.8
Interest on funded and floating debt and mortgages..	98,025,338	63,740,744	38,085,911	157.4
Rent of leased lines and terminals ...	44,784,521	48,022,596	25,518,225	75.5
Miscellaneous	13,285,584	6,575,774	912,018	....
Net income	61,910,753	40,340,286	30,596,977	102.3
Dividends	51,650,117	26,454,732	15,882,110	225.2
Surplus	10,260,636	13,885,554	14,714,867	—30.3
Lesser companies:				
Gross income	35,605,367	47,913,249	26,138,899	36.2

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

	Saturday	Monday.	Tuesday	Wednesday	Thursday	Friday
Sterling—						
Cables	4.98	4.87⅝	4.96¾	4.95½	4.95½	4.95½
Demand	4.97¼	4.86¾	4.95¼	4.94¾	4.94⅞	4.95
Sixty days sight	4.93¾	4.93¼	4.92½	4.91¾	4.91¼	4.91½
Ninety days sight	4.92	4.91½	4.90¾	4.90	4.90	4.90¼
Francs—						
Cables	5.05	5.06	5.07	5.08½	5.08	5.07½
Demand	5.06½	5.07	5.08	5.09	5.08½	5.08
Reichsmarks—						
Cables	92	91¾	91⅛	91¼	90¾	90¾
Demand	91⅞	91½	91¼	91¼	90¾	90½

On account of unsettled conditions all quotations are nominal.

	1912.	1907.	1902.	Pct. of Increase, 1902-1912.
Rentals from operating companies	35,144,521	47,500,933	26,116,884	34.6
Miscellan's income	460,846	412,316	22,015	...
Deductions from income	16,090,372	19,465,084	8,779,294	83.3
Interest on funded and other debt	15,234,132	18,030,522	8,376,559	81.9
Miscellaneous deductions	856,240	1,435,462	402,735	112.6
Net income	19,514,935	28,447,265	17,359,605	12.4
Dividends	19,342,101	28,030,542	17,157,061	12.7
Surplus	172,894	416,723	202,544	—14.6
Capitalization:				
Total	4,708,568,141	3,774,772,096	2,308,282,099	104.0
Operat'g companies	3,956,718,023	2,811,876,374	1,775,468,781	122.9
Lessor companies	751,850,118	962,895,722	532,813,318	41.1
Capital stock	2,384,344,513	2,097,708,856	1,315,572,960	81.2
Funded debt	2,324,223,628	1,677,063,240	992,709,139	134.1
Cost of construction and equipment	4,596,563,292	3,637,668,708	2,167,634,077	112.1
	*	*	*	

Business Failures in Great Britain in 1913.—The annual report by the British Board of Trade under Section 131 of the Bankruptcy Act, 1883, states that the receipts on account of bankruptcy proceedings during the year ended March 31, 1914 (stamps, fees and dividends on funds invested), were £113,029, while the expenditure (salaries, remunerations to county court registrars, etc.) was £149,743. During the year 1913 the number of receiving orders under the Bankruptcy Acts, 1883 and 1890, was 3,358, a decrease of 223. The liabilities, as estimated by the debtors, were £5,091,265, an increase of £177,315. The assets, as estimated by the debtors, were £1,790,463, a decrease of £36,647, and the estimated loss to creditors was £4,494,444, an increase of £189,531. Under the Deeds of Arrangements Act, 1887, the number of deeds in 1913 was 2,411, a decrease of 359, the liabilities, as estimated by the debtors, were £1,512,919, a decrease of £141,634, and the estimated loss to creditors was £1,858,178, a decrease of £289,080. On comparison of the 1913 figures with those for 1912, out of 88 trades or occupations 38 show an increase of liabilities amounting to £1,307,995, while 50 show a decrease amounting to £1,509,131. The largest aggregate liabilities are shown in the case of builders, with a total of £404,279; but this amount is less than the corresponding figures under the same trade heading for 1912 (£467,000) and considerably less than in 1911, when the amount was £864,000. The liabilities of stock brokers amounted in 1913 to £397,800, as against £123,400 in 1912, an increase of £274,400.

CONDITION OF UNITED STATES NATIONAL BANKS ON SEPTEMBER 12, 1914.

Following is an abstract of the reports of National banks of the United States as made to the Comptroller of the Currency in response to his call for condition as of September 12, 1914, as compared with his previous call, June 30, 1914, and the corresponding call of a year ago, August 9, 1913:

RESOURCES.

	Sept. 12, 1914.	June 30, 1914.	Aug. 9, 1913.
Loans and discounts	$6,400,767,386	$6,430,069,214	$6,163,555,525
Overdrafts	17,142,637	15,485,641	13,337,993
U. S. bonds to secure circulation	736,685,849	734,897,425	735,809,330
Miscellaneous securities	392,663,116	...	...
U. S. bonds to secure U. S. deposits	48,311,495	48,405,573	47,684,115
Other bonds to secure U. S. deposits	72,372,019	56,781,241	55,484,073
U. S. bonds on hand	6,423,780	11,955,298	6,519,838
Premiums on U. S. bonds	3,921,759	4,058,150	6,605,248
Clearing house loan certificates	52,818,000	...	...
Bonds, securities, etc.	941,723,232	1,015,981,897	1,040,422,273
Stocks, including premiums on same	42,032,851	...	...
Banking house furniture and fixtures	261,661,511	268,042,022	252,339,399
Other real estate owned	40,787,222	39,042,865	31,229,535
Due from national banks (not reserve agents)	410,376,429	421,754,572	408,921,998
Due from State banks and bankers, etc.	191,968,078	191,921,682	192,214,416
Due from approved reserve agents	773,958,301	777,448,700	769,213,605
Checks and other cash items	34,204,681	48,559,951	29,860,355
Exchanges for clearing house	118,588,403	399,321,303	123,507,291
Notes of other national banks	73,546,639	40,659,728	42,637,771
Fractional paper currency, nickels, etc.	3,501,786	3,828,925	3,650,042
Specie	746,118,917	791,584,566	728,267,457
Legal tender notes	157,503,431	177,490,396	170,901,917
Five per cent redemption fund with Treasury	34,323,990	35,500,539	35,596,823
Due from U. S. Treasurer	3,952,276	7,533,063	9,043,334
Totals	$11,483,529,494	$11,482,190,770	$10,876,852,243

LIABILITIES.

	Sept. 12, 1914.	June 30, 1914.	Aug. 9, 1913.
Capital stock paid in	$1,060,332,072	$1,058,192,335	$1,056,345,786
Surplus fund	724,138,519	723,338,266	725,333,629
Undivided profits, less expenses and taxes paid	287,343,679	268,184,165	259,549,156
Reserved for taxes	8,284,933	7,926,918	7,434,272
Outstanding bank notes	918,270,315	722,554,719	724,459,849
State bank notes outstanding	23,153	...	27,701
Due other national banks	904,331,571	1,017,820,892	1,008,252,803
Due State and private banks and bankers	521,901,865	515,742,709	545,395,503
Due to trust companies and savings banks	483,794,109	609,678,412	515,379,163
Due to approved reserve agents	38,871,080	42,660,616	39,522,941
Dividends unpaid	1,250,322	18,660,220	1,596,856
Individual deposits	6,139,081,279	6,268,692,429	5,761,338,731
U. S. deposits	69,712,446	66,654,582	51,486,660
Postal savings deposits	27,626,325	23,841,062	19,790,320
U. S. bonds borrowed	34,407,245	43,487,030	43,831,830
Other bonds borrowed	53,862,878	...	...
Notes and bills rediscounted	25,981,950	13,436,527	17,710,480
Bills payable	124,089,118	77,775,401	91,396,030
Clearing house loan certificates	52,779,000	...	...
Liabilities other than above stated	6,442,627	3,516,788	2,182,929
Totals	$11,483,529,494	$11,482,190,770	$10,876,852,243
Reserve per cent	23.2	...	...
Number of banks	7,538	7,525	7,489

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NOT unnatural curiosity may be said to have been the predominant attitude of mind of the cotton trade with respect to the great Cotton Loan Fund (to use its new official designation) with $135,000,000 at its command for loans upon cotton, of which Mr. Festus J. Wade, of St. Louis, was the father, but which has now been taken up by the Federal Reserve Board, acting not exactly under the law of its being, but in a kind of collateral capacity. As has been the case with virtually all of the plans for the relief of the hard-pressed cotton producers, the cotton trade has not been consulted about this, except casually. But it has had problems of its own and the best energies of its ablest problems enough of its own and the best energies of its ablest members have been required for the solution of these problems, without striving to intrude where assistance was not asked. With the great cotton exchanges closed because of the tangle of ante-bellum commitments impossible to be left to individuals to untangle, if general ruin in the trade were to be avoided, all the considerable cotton merchants of the country have been compelled to limit their own actual business to the merest day-to-day transactions, while they endeavored to set straight the affairs of the trade. Hence it has perhaps been as well that they were not called upon to give the benefit of their experience to the formulators of cotton relief plans, like this of the $135,000,000 Cotton Loan Fund. As they have had no responsibility in the matter, no blame can be imputed to them if it should in the end prove that Mr. Festus J. Wade, or the Federal Reserve Board, having the dazzling sum of $135,000,000 at their disposition, really accomplished no more with it than the King of France of story, with his twice ten thousand men, who succeeded only in marching up the hill and then marching down again.

The interest, then, of the cotton trade in the Cotton Loan Fund is as yet purely that of curiosity; and the main point of this curiosity is as to the character of the persons to whom it is expected that the $135,000,000 will be lent. There has not been a whisper to the effect that cotton merchants are supposed to borrow any of it. On the contrary, there has been a rather general understanding that there is no intention of placing this huge sum of money at the disposal of this class of persons, who are distinctly suspected of being inter-related in many ways with the detested speculators, or gamblers, on the cotton exchanges. In all governmental circles in Washington, whether congressional or administrative, the *mot d'ordre* now is that cotton speculators are taboo; that they must be kept afar off; and that any and every plan for the benefit of the producers of cotton, with which a governmental agency has anything to do, must be so devised that no opportunity is afforded for the speculators to have any use of it. This means that the cotton merchants also must be left out of account in the formulation of any plan of relief. For, strangely enough, the speculators have discovered that what best suits them is that which most closely conforms to the normal processes of trade. In the commerce in cotton, the speculators desire cotton exchanges just as much as do the merchants. Moreover, they perceive the advantage to themselves of all the devices for quick action, for the decisive meeting of new conditions that may come about, which the merchants have discovered and are accustomed to employ. So the speculators associate themselves as closely as they can with the merchants, and to the inexperienced eye they are indistinguishable from them. Certainly there are no eyes in Washington that can tell them apart. Hence, if there is money to be lent and the control of the lending is to be in governmental hands, it may be counted upon that the methods selected will be both without the advice of cotton merchants and lacking in consonance with the ordinary conduct of the cotton trade. So in the present case it has been evident that neither the original promoters of the scheme for providing a great loan fund for cotton nor the National Reserve Board, in its semi-public, semi-private capacity in connection with the matter, has paid any heed to the class of cotton merchants as possible borrowers from or through the fund. It follows that some other class of persons is expected to resort to the fund.

The detailed programme for the administration of the Cotton Loan Fund was given out in Washington on Tuesday of the present week. The really important part of it, of course, is that which deals with the actual loaning of the money upon the security of cotton. In the statement, however, the provisions that have to do with the general administration of the Fund and with the relations of contributing bankers to it are so much more elaborately set forth than are the requirements in respect of the loans to be made that the casual reader might easily get the impression that it has been deemed unnecessary to go into the latter question. There are appearances of an assumption on the part of the framers of the programme that all that is needed is $135,000,000 to be loaned on cotton and that the mere existence of this fund will draw borrowers in abundance.

It is hardly necessary here to go in detail into the terms of the subscriptions of the banks of the country to the Cotton Loan Fund, with the division of the subscribing banks into two classes,—Class A being banks from other States than the Cotton States and Class B being banks from the Cotton States; nor to describe particularly the certificates to be issued to the banks in these classes or the sev-

eral rights of repayment which attach to the certificates. In a sense it is a governmental curiosity, however, to have the Federal Reserve Board resolve itself into a private committee for the general administration of the Fund; to have this "Central Committee" appoint another private committee, the "Cotton Loan Committee," to which are delegated the powers necessary for the actual conduct of the business as a whole; and, finally, to have the "Cotton Loan Committee" appoint a whole series of private State committees in the cotton-producing States, with the power in their turn to appoint local committees, wherever they are needed. The consequence of this somewhat complicated arrangement must be that, directly or indirectly, the "Central Committee," which in composition is the Federal Reserve Board, will be dealing more or less extensively with itself in its capacity as the Federal Reserve Board. It is true, to be sure, that the Secretary of the Treasury has announced that the taking out of any currency in connection with the cotton loans is to be provided for under the Aldrich-Vreeland Act, over the administration of which the Federal Reserve Board has no direct control. Yet it is evident that all kinds of Federal Reserve Board questions must arise in connection with the matter, at least as regards the Southern banks which are expected to make the initial loans. In real truth, these questions will arise, probably on a very large scale in New York City, whither it is certain that a very large quantity of the surplus cotton will drift before the season is over, for warehousing and financing.

But, after all, this is aside from the main matter of which we have intended to speak. This matter is that of the probable or even possible borrowers who are to take advantage of the magnificent opportunity afforded them of obtaining a portion of the $135,000,000 contributed by the banks to the Cotton Loan Fund. Borrowing money on cotton is by no means the simple thing that borrowing money on stocks or other forms of property is. It is, for instance, a *sine qua non* of borrowing on cotton that the cotton should not be tied up in such a way by the conditions of the loan that the borrower cannot instantly take advantage of favorable markets when they come along. And this must be true not only of the entire amount of cotton pledged, but of any part of it. The owner of a lot of cotton may at any moment find that while he cannot advantageously sell the entire lot, yet there are in the lot one or more bales of a particular grade or quality for which the demand is strong and the price relatively very high. Freedom of access to the lot, so that these marketable bales may be renewed and either a corresponding part of the loan paid off or other bales substituted, is an indispensable condition of borrowing upon it, from the borrowers' point of view. And what is true of particular lots of cotton, owned by particular would-be borrowers, is true of the entire stock of cotton in the country, upon a great part of which the $135,000,000 of the Cotton Loan Fund is expected to be lent. This stock, even if it represents a great surplus of cotton which must be carried along for months or perhaps years longer than is customary, can never be a fixed and immutable body of collateral. Streams of cotton must be pouring into it and streams of cotton must be pouring out of it all the time. The owners of it must be continually busy with it, selecting it out into its various grades and qualities, withdrawing what can advantageously be sold and adding their fresh purchases or their more recent ginnings, one day paying off a part of their loans, with their accompanying warehouse and insurance charges and interest, the next day putting in new collateral and increasing their loans. Nothing could be more alien from all the requirements of the commerce in cotton than an arrangement under which 5,000,000 particular bales of cotton (the assumed surplus stock of this season) must be segregated from all the other cotton and permanently held without change of a bale until such time as the world's consumption shall have absorbed the free and unpledged supply and calls for this reserve at a satisfactory price.

Yet the machinery for obtaining loans from the Cotton Loan Fund, as described in the statement given out this week, appears to have been designed wholly from the point of view of keeping the cotton loaned upon stored away for a long period of time, immobilized in so far as the commerce in cotton is concerned, in order that it may be safe collateral for advances made upon terms convenient to the lenders, but supremely inconvenient to the borrowers. This can best be brought out by following an assumed specific transaction, of the kind most likely to occur, through from the procuring of the money by the borrower to the final repayment of the loan and release of the cotton that has served as collateral.

A farmer in Texas has 57 bales of cotton. He lives not far from Dallas, Texas, and is accustomed to do business with one of the banks there. He applies to this bank for a loan of 6 cents a pound, basis middling, on the 57 bales of cotton. He finds that he must put the cotton in an approved warehouse, taking out a warehouse receipt; he must also have the cotton insured against fire, obtaining a fire insurance policy; finally, he must in some way inform the bank of the grades represented in his 57 bales, presumably by having the cotton classed by an independent cotton classer and furnishing the bank with this classer's certificate of class. He must then make a note to the bank for the amount of money he desires or is entitled to borrow, and this note must run for a specific length of time. To the note he must attach his warehouse receipt, his insurance policy and, presumably, his grade certificate. The bank then forwards all these documents to the "Central Loan Committee," at Washington, which may approve or disapprove the loan. If it approves the loan, the committee makes the necessary arrangements in respect of Class A and Class B certificates with the banks subscribing to the Cotton Loan Fund, and holds the borrowers' time note, with the warehouse receipt and insurance policy attached, until the note falls due. One or more of the subscribing banks may use Class A certificates, on which this loan forms part of the collateral, as a basis of taking out Aldrich-Vreeland currency. And then, a month or two later, the borrowing farmer finds that he desires to sell 7 bales of cotton out of the lot of 57 bales. What is he going to do about it? He cannot get at his warehouse receipt, for that is in Washington. He cannot pay off part of his loan or cancel part of his insurance, for the loan in its totality runs for a fixed period of time. In truth, he can do nothing but sit still and watch his market pass, with his cotton immobilized until the expiration of his loan.

What is true in this specific case will be found to be true in virtually all the other cases in which cotton producers and, still more, cotton merchants desire to borrow money on cotton, in order that they may carry it comfortably until a favorable market comes. This being so, we cannot conceive that the practical results obtained through the Cotton

Loan Fund will be of other than the most trivial character. The sum of $135,000,000 available for loans upon cotton is splendid to look upon and to talk about; but when the arrangements for loaning the money are devised in such fashion that it is impracticable for owners of cotton, whether producers or merchants, to avail themselves of the offered money, all that can be said of the plan is that it is magnificent, but it is not war. *Arthur Richmond Marsh*

A BREMEN MERCHANT CONTESTS THE PROPRIETY OF PREVALENT AMERICAN OPINION ABOUT HE WAR

To the Editor of The Market World and Chronicle:

SIR:—With great interest I have read your article in THE MARKET WORLD AND CHRONICLE of September 12,—with special interest because you have touched a subject which has been on my mind ever since the war started, i. e. that almost universally the sympathy of the world is against us.

I will just try to go into your arguments and then give you my ideas about this special point. I think I have a right to do so and am able to undertake this, because I have lived in America a great many years; and during that time I did not live like a foreigner among your people, but as one of them,—in that way trying to study the life and the character of the Nation. In many ways I became a great admirer of the United States; in others I did not.

May I ask you: Upon what are your own ideas upon Germany based? How long have you lived in our country? And have you lived over here differently from most of the English and American people who come over here? I am sure you will say: "No; but I have read a great deal about Germany and have made this my special study." Then I shall have to ask you: Do you speak and read the German language fluently, and have you studied Germany through German literature, through German writers; or only through articles and books written by English or American writers? Your answer, I believe, will be: "I do not understand German, but so much is written about Germany in English that I ought to have a thorough knowledge of the country and the people."

From your article of September 12 I am able to perceive that you have only a one-sided knowledge of Germany, being like 99 per cent of the world. And why? Because 99 per cent of all foreigners who come to Germany, especially the English and the Americans, even if they have to live here for years, will not take the trouble of learning the German language thoroughly, which is absolutely essential in studying the Germans. If they are able to make themselves understood after several years, they think they are doing splendidly; and the ambition to go deeper into the beauties of the literature of the country is lacking in the 99 per cent I am speaking about. I have been back in Bremen now for fourteen years and have seen many cotton people come to Bremen, start in business and live here for years. Of all these I know of only one single case in which an American has learned the language fluently; and even he did not take the trouble to use this knowledge to read German literature and the deeper German writing.

Not only is the language a great wall around Germany and the Germans, but the disinclination of other nationalities to change their mode of living stands in the way of their mixing with the Germans, as they ought to do when they make this country their home and make their living here.

Your article centres in the one idea that the organization of Government in Germany is absolutely wrong; that Germany is divided up into different classes and that one class is suppressing the other,—beginning with the Emperor and the military party, ending with the director of a small cotton mill suppressing his workmen. Such a system is objectionable to other nations and against such a system the world has a right to fight, either with arms or with their wishes. You even go so far as to compare the freedom of our people with the people of Russia, and your conclusions are in favor of Russia. I must admit,—and I must ask you to excuse my expressing openly my opinion,—I am surprised that such a well educated gentlemen as you are should show such absolute ignorance of European and especially of German affairs; and that you, knowing how little familiar you are with the matter you write about, should publish this article in your paper, and in that way take upon yourself the responsibility of influencing the opinion of the people who read your paper.

The so-called terrible despot and dictator of Germany, called "The Kaiser,"—a name which at once arouses all sorts of imaginations in the heads of the readers of foreign newspapers,—is nothing else than a man in this world who has the highest possible ideas of life and especially of his duties in the position in which he has happened to be placed. Newspaper men, and not by any means only American ones, have woven a legend around him which is surprising but not always flattering for the Emperor, as well as for Germany. Sensational the newspaper reports must be; otherwise the readers are not satisfied. The best I can express for the United States is: May American Presidents always be such able and high-thinking men as is the German Emperor.

The German military party! I did not know that such a party existed in our country till foreign newspapers told me so; therefore I am sure there must be one. This powerful party, with the Emperor at its head, dominates everything in Germany,—so you say. I know a very powerful German Army and a very powerful German Navy; a dominating military party I have not known. Call it military party if you like; I should call it a very wise Government, which did its duty and hence foresaw that one day French ideas of revenge, coupled with the ambitions and corrupt zeal of Russian Grand Dukes, and, last but not least, whipped up by the low political and commercial jealousy of England, would force us into a war for our existence.

Were I to go further into the so-called stratification of German society into classes which are subordinate one to the other, I must admit that I know nothing about it. But what I do know is, that the different classes have through intelligent working with the Government practically eliminated poverty from Germany.

I advise you to study our laws about Government insurance, our municipal laws regarding poverty taxes. I am sure that if you should go through these and then could see them working in practice, you would admit that you have known very little about Germany before. Some years ago, a friend of mine from Liverpool,—an unusually broad-minded and well-read Englishman, who at home took a great deal of interest in municipal affairs,—visited me for some time. He asked me to show him the institutions and to explain to him the working of our system of providing for the poor, which I did with pleasure. He was perfectly astonished about what he saw and heard, and particularly because he could not find any real poverty in Bremen and other parts of Germany. He told me many times afterwards what a difference there was in this respect between England and Germany,—in the one country, poverty and drunkenness among the lower classes; in the other, happiness and order even in the smallest hut, and the poor, if any, looked after not only by the Government, but also by individuals of all classes.

This is the way the country really looks, which you imagine

divided up in classes and its people down-trodden by their superiors worse than are the people of Russia:

It is the country in which, on the memorable Fourth of August, 1914, the Kaiser addressed the members of the Reichstag in words as frank, as beautiful and as true as ever a ruler has spoken to his people; and where the leaders of all parties without exception promised the Emperor to follow him through thick and thin.

It is the country where, in the first five days, two million men of all classes volunteered to join the army,—men who were free of military service altogether; when the college professor of sixty and the millionaire volunteer to fight as privates shoulder to shoulder the one with his students and the other with his workmen.

It is the country where within a few days a thousand and a half million dollars of the German war loan were taken by the people of all classes; and where the same amount could be had again and again at any time, if necessary.

It is the country which looks to-day as if it was enjoying full peace; where the farmer has prepared his fields for the next crop; where spindles and looms are running; where business is almost going on as usual.

I ask you whether this would be possible in such a country as you picture?

I have spoken already about the wall, which is not one that the Germans have put around their country, but one that other nations have erected between themselves and Germany. Is this the fault of Germany and the Germans?

There is, however, another reason for the loneliness we enjoy at present in the world and which is entirely our fault. I am sending you enclosed all the reports about the progress of the war given out since the beginning by the German military headquarters. You will admit that all of them together would not fill a single page of an American newspaper; but you will also admit that every word in these reports is true.

I have read American and English newspapers since the beginning of the war, and it is marvelous what the Allies are accomplishing every day according to these newspapers. Poor Germany, where would she be, if all this were true? The German accounts take a very small space and are dull reading; they certainly would not occupy the time while going down town in the morning. The English, French and Russian accounts are certainly much more interesting. The English commander runs with the whole English Army as fast as he can for days before the German troops. The most wonderful military success ever accomplished! The Russians are beaten and driven into the swamps. How many are killed nobody will ever know, but 92,000 unwounded prisoners are taken by the Germany Army. Still, the Russians have done wonderful work to hold a German Army in the East occupied so long! Here are a few head-lines of American newspapers: "Brussels Reported Recaptured by Anglo-Belgian Army"; "Joffre Reports Five-Day Battle a Decisive Victory"; "Russians Hold 180,000 Austrians Trapped in the Marshes."

You will ask: "What do you mean by all this?" I can give you a very clear answer. The German Government has made a terrible mistake in these last years, since Germany accomplished the development of her country at home and came to wish to be listened to outside. The German Government has underestimated the power and influence of the press. It is of no use to say that the truth wins in the end; it does not now-a-days. The countries of the world and their peoples have to be brought to your way of thinking,—no matter by what means, so long as you accomplish it. That is the theory of the diplomats; and the thing can be done only by a worldwide organization and by means of the press. We I wonder if we can change our character to such an extent as to become diplomatically modernized. I doubt it!

Hobson did a brave act in the Spanish war,—to our way of thinking, only his duty. Admiral Dewey sank a few old Spanish ships. The world knows these men as great heroes. Why? The press!

Russia assists her allies in a most wonderful way by occupying Germans have been too honest, too modest to use such means; and part of the Germany Army. Why? The press! General French runs as fast as his legs can carry him from the Germans. He is a great general, because he managed to save part of his troops through this unprecedented race. Why? The press! And the Germans did absolutely nothing! Hindenburg is no General in spite of the 92,000 unwounded prisoners! The commander of the small island steamer, the "Königin Luise," who practically stopped the trade on the East coast of England did nothing! The German troops marched, fighting against three armies, through Belgium and France to Paris in almost less time than a tourist could walk that distance in his Summer holidays,—but that is natural! Why must all this be as it is? The press!

If, following the examples set by our neighbors, our reports of the war had spoken of the wonderful heroism of our officers and men, with descriptions covering the smallest details, thus making the reports interesting to the reader and filling a newspaper, we Germans should to-day be the most wonderful nation on earth. By means of working over long years through the press all over the world, I am sure we should have won the sympathy of the world in our favor. That chance we have missed. As it is, arms must decide the battles and at the same time the future of the different countries engaged in the war. After Germany has dictated its own peace terms in London, Paris and St. Petersburg, we can consider whether it is still necessary for us to court the press of the world. We were not believed to be the peace-loving nation we claimed to be; the word of our Emperor was not taken seriously; because our enemies for their own purposes wanted to make the world believe differently. And in this they succeeded only too well.

One word on a different subject before I close. What position are the United States taking in this war? England is in the most remarkable way keeping the exports from America back. The South has to hold its cotton or sell it at ruinous prices, because England wishes it. A Yellow Race is turned loose on the whites, because England needs help. At the moment, America and the rest of the world do not care for the danger to their own interests.

Can it be fear of England? Or are all these interests small in comparison with the hope of civilized mankind that Germany may be defeated? Yours very truly,

C. ALBRECHT.

Bremen, Germany, October 6, 1914.

[The writer of the above letter is one of the most respected cotton merchants in Bremen, widely known in the cotton trade, not only in Germany, but also in England and in the United States. The extent and thoroughness of his training in his business and the very nature of the business itself have given him a cosmopolitan, rather than a narrowly German outlook. He has observed widely and thought deeply. Moreover, he is a representative of the great class of independent German merchants, unallied with the powerful groups of industrialists and bankers whose impressive influence upon German polity has appeared to us, here at a distance, so striking a feature of the modern German Empire, as it has developed during the reign of the present Deutscher Kaiser. He can therefore speak for the solid business class of Germans, which dur-

ing the past generation has been steadily at work upbuilding the extraorinary economic fabric of the Empire and which in an economic, if not in a political, sense has been making for the Germans that "place in the sun" which has excited the admiration, much more than the jealousy, of the world. All his deliberate opinions are entitled to weight; and his opinion about the justice or injustice of the editorial in this paper, to which he refers, is in our eyes entitled to very great weight. And this is the more the case inasmuch as, we believe, his voice, in the matter of Germany's way of looking at the dreadful war in which she is now involved, is to all intents and purposes the voice of the substantial and truly creative part of Germany.

Our correspondent is wrong, however, in assuming that we wrote about the world's and America's judgment of the German cause, ignorant of Germany and of the German tongue, and hence dependent upon second-hand information derived from English accounts of the German nation and its achievements or defects. At the risk of intruding a personal concern, we must tell him that it is now over forty years since we took our first lessons in the German tongue, and that in no year since the beginning have we failed to be occupied with what Germans have written. Perhaps we may venture to say that few business men in Germany itself have had occasion to study so much the beauties of German literature. We have, for instance, spent many days and nights in the study of the German poets of the Middle Ages; and we have allowed ourselves some pride in the extent of our *collectanea* about Walther von der Vogelweide, to say nothing of Wolfram von Eschenbach, Gottfried von Strasburg and the rest. We have followed, too, the evolution f the German speech,—so pellucid, so hospitable, so fitted to be a world language, as Walther von der Vogelweide used it; then becoming Ciceronian, periodic and lumbering in the mouths of the German humanists of the 14th and 15th centuries; and finally under the Pan-Germanic influences of our own day turning averse to accommodation with all other languages, priding itself upon its Teutonic exclusiveness and growing to be "a great wall around Germany and the Germans." But apart from the German language, we have spent some years with the German philosophers, Kant and Hegel, Schopenhauer and Fichte. In this field we have been unable to bring ourselves to the serious study of Nietzsche alone,—no calm thinker, but a shallow romanticist in the guise of a philosopher. Nor is Goethe alien from us, nor the German poets of his time. And we have lived long also with the German men of science, —in our earlier years with the classical philologists and of late with the political economists and political historians. We need not speak of Otfried Müller and Niebuhr and Mommsen, but may mention instead Wagner and Treitschke. In the field of social or workers' insurance, too, we have some first-hand knowledge of what Germany has done. In this very paper we have published translations of articles upon German Arbeiterversicherung by Professor Dr. Alfred Manes, General Secretary of the German Association for Insurance Science, and by Ministerialrat Dr. Friedrich Zahn, Director of the Bavarian State Statistical Office, and others. We subscribe to and read regularly the "Amtliche Nachrichten des Reichs-Versicherungsamts"; and we receive every week a half dozen or more of German economic and insurance journals.

We do not think, therefore, that our correspondent can justly charge us with having written about Germany with only second-hand information to guide us. But it were impertinent and vainglorious to say what we have of our own familiarity with things German except for the purpose of bringing out the fact that all through the United States there are many who have an even superior first-hand knowledge. Our universities are full of them; and, strange as it may appear to our correspondent, great numbers of them are to be found on the staffs of our newspapers and of all our serious journals. It is not true that what is said of Germany and the Germans in our press is uncontrolled by real knowledge. Many very foolish things may be found there, no doubt; and the writers of head-lines are not hired for their knowledge, but for their command of the startling and attention-catching phrase. But this chaff is quickly blown away, leaving nothing behind. What remains, the real and permanent body of information about Germany that circulates through the columns of our press, has been tested and approved by men who know the sources of what they say. More than this, if fault is to be found with this information, it is that it is in general too sympathetically and enthusiastically given out. Thus, what has been published in the American press about German social insurance treatment of poverty, workmen's house building, and similar social provisions, has contained hardly a word about the social disadvantages of these great German institutions, as these disadvantages have been brought out by German writers themselves,—e. g., Dr. Friedensburg, formerly president of a Senate in the German Imperial Insurance Office; Professor Ludwig Bernhard, of the University of Berlin; and more than one considerable figure in German industry and trade.

Our correspondent must not think, then, that it is either a prejudiced or a fundamentally misinformed America whose general opinion about the larger issues of the great war in which Germany finds herself engaged, was reflected in the article in this paper which he criticises. It is, however, an America deeply democratic by conviction; which believes profoundly in a Government "of the people, by the people, for the people," as the wisest of all our statesmen, Abraham Lincoln, put it; whose abhorrence is great for any forward movement in the world of the principle of autocracy or of oligarchy or of any form of government except one of laws, not of men. And this America, though it feels the deepest gratitude for what it has gained from German literature and philosophy and science, on the one hand, and the greatest admiration for German achievements in industry and commerce in recent years, on the other, has for some time past been catching glimpses of a different and, in its opinion, far from beneficent order of thinking and doing in Germany. It has not seen what good could come to the world at large from the propaganda of Pan-Germanism in all its various forms. It has found something selfish and aggressive and barbaric in the fundamental conceptions of what German polity should strive for, as these conceptions are elaborated in the works of an economist like Wagner, an historian like Treitschke, or, more recently, a military writer like General von Bernhardi. The extraordinary outpouring of German books on war and all that concerns war has amazed and chilled the sympathy of this America, as has also the general acquiescence of Germans in the arrogance of their soldiery. And beyond all this, the more and more frequent utterances which reach us, of Germans high in authority who assert for Germany a kind of monopoly in the modern world of efficiency and race soundness and "Kultur," giving an implied divine right of imposing the hegemony of Germany upon the other decadent nations, cause the America that owes so much to Germany and gladly acknowledges the debt, to find something dangerous and menacing in Germany's political assumptions and to feel that its own welfare requires the defeat of these assumptions. When Prince von Bulow says to the Norwegian Bjorn Bjornson, as he recently did, that: "If the German nation should succumb to the powers fighting her now, that would mean the doom of the morale of the world," America is not merely astonished at the amazing distortion of the truth, but also instinctively roused to defense of the whole order of things for which she stands. For, whatever may be argued in favor of the German social and political system, it is obviously

antipodal in conception to that which America has inherited from the past and hopes to maintain for the future.

This rejoinder to our correspondent's letter is already too long to permit us to take up in detail other matters he mentions, such as the tendency to class stratification in Germany. Of this we can say here only that we find our justification for the assertion in more than one recent writer of Germany itself. The existence of the thing known as "Hoffähigkeit" (right to frequent the Court) at the top of German society may serve as one illustration. Another, at the lower end of the social order, is the position taken not so long ago in a public address by one of the masters of the German steel industry that, inasmuch as the migration of workers from establishment to establishment is an impediment to the efficiency of industry, legislation should be enacted to compel those of the working class, once placed, to remain where they are, so long as their services are needed by their employers.

In conclusion, we would say that we do not believe that any use of the press such as our correspondent seems to have in mind would have made or would make in the future the difference with regard to sympathy or the lack of it towards Germany which he imagines. At least, it would not in a country imbued with the notion of the freedom of the press, as is the United States. We are willing to admit almost any criticism of our newspapers that one may choose to make of them; but they are free, they cannot all or many of them be controlled, and their often over-hasty graspings at and approximations to the real truth do as a rule gradually allow that truth to emerge. We do not think any thinking American at this moment fails to understand in the main the magnificent courage, efficiency and self-devotion of the German army, or to know of the German victories and the results they have brought for the German arms, or to apprehend the existing military situation. In spite of the often sensational and misleading headlines, we have no doubt of the accuracy of what we have just said. But American sympathy will be won by Germany not by a display of unheard-of preparedness for war, but rather by the abandonment of those pretensions to a divine right of world hegemony which we now feel she is endeavoring to impose upon Europe by force of arms. Germany, whatever she may have achieved, is not the divinely appointed depositary of the "Kultur," of the "morale," of the modern world. She is great in a thousand ways,—noble in her achievements and splendid in her energy,—but there are other "cultures," other systems, quite as important to the world as hers.—Editor.]

THE WORK OF THE AMERICAN RED CROSS

THE Red Cross needs no apologist. Its position in our community is assured, and the principle of non-partisan service which underlies it is recognized in every corner of the world. Since the outbreak of the war in Europe, however, the Red Cross has been constantly in the public eye. Subscriptions to aid its work have been made and announced daily in the newspapers. A ship under the Red Cross flag has recently returned from a voyage to European ports to carry doctors and nurses and relief materials to the wounded. Stretchers and hospital clothing were sent last week to Russia. It is now announced that appeals for assistance from Mexico have been forwarded to the Washington headquarters of the society through Rear Admiral Howard, and that reports are at hand which indicate considerable suffering in China and in Turkey.

It must be apparent that the opportunities for service which come to the Red Cross are almost without limit. And it is certain that, if the European War continues through weary months and perhaps even years to render its toll of sufferers, the financial needs will always lag far behind the requirements. It has appeared to us, in consequence, that anything which can be done in the way of placing intelligent information regarding the activities of the Red Cross before the public, whose agent it is, and upon whose bounty it must rely for the realization of its full usefulness, must be of far-reaching value. It is a pleasure to be able to present the facts here set forth from information very kindly supplied by Mr. Charles L. Magee, Secretary of the American Red Cross, in Washington, D. C.

The original idea underlying the Red Cross is contained in a recommendation of the International Conference of Geneva, held in 1863, as follows: "That there exist in every country a committee whose mission consists in co-operating in times of war with the hospital service of the armies by all means in its power." Definite status was given to organizations of the sort suggested, at the Geneva convention of 1864. And the Geneva convention of 1906, which was held for the purpose of revising the treaty of Geneva, commonly called the Red Cross Treaty, further confirmed their establishment.

The enlargement of the scope of service from the alleviation of human suffering in war times to include similar service in time of peace was brought about through a natural process of evolution. There was obvious need of a trained organization to render assistance after great disasters. And it was soon recognized that the societies which gained efficiency through conducting relief and preventive measures in peace times were best prepared to cope with the unusually heavy needs in time of war. This fact was recognized by Congress in the Act, approved January 5, 1905, incorporating the American National Red Cross, in which its purposes, in addition to duties in time of war are declared to be: "To continue and carry on a system of national and international relief in time of peace and apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other great national calamities, and to devise and carry on measures for preventing the same." It is of passing interest that the Act forbids the use of the "Greek Red Cross on a white ground" by any private commercial or charitable institution, unless such institution had used the emblem prior to the passage of the Act.

The organization of the society consists of a Central Committee of eighteen, the chairman and five members of which are appointed annually by the President of the United States, to represent the Departments of State, War, Treasury, Justice and Navy. Six members are elected by the Board of Incorporators, and the remaining six by the delegates to the annual meeting. A sub-committee of seven acts for the Central Committee, through three sub-divisions, the War Relief Board, the National Relief Board, and the International Relief Board. The Red Cross is required by law to render an annual report, through the Secretary of War, to Congress, which has it printed as a public document; and an annual auditing of its accounts by the War Department is also prescribed. The usual officers are elected annually; and, in addition, a National Director, or general manager, is chosen to supervise and direct every phase of the society's work for the Central Committee.

It is assumed that the public will always be willing to contribute for the relief of suffering. But Congress wisely provided a fund, the income of which is available for the permanent support of the organization, to maintain its efficiency as a going concern, and to meet the numerous minor relief appeals which are constantly being received.

One of the most interesting special departments of the Red Cross is that of First Aid, which was established in 1910. It is operated under the direction of an officer of the Medical Corps of the United States Army, who is assisted by a staff of physicians

available for detail as instructors in mines, lumber camps, railroads, and all organizations employing industrial workers, and the police and fire departments of cities. This department now includes a life saving corps for "Water First Aid." Persons who have been instructed by the First Aid Department are expected to assist the Red Cross in time of war. Under this department, also, has been developed a splendid organization of nurses, in co-operation with the American Nurses Association, the largest organization of trained nurses in the world. State Red Cross committees have been appointed, and a high standard of ability is required for nurses enrolled in the service, which now consists in thirty-six State committees and ninety-four local committees. Approximately 600 nurses are serving without pay on these committees, and through their efforts over 4,500 nurses have been enrolled for service under the Red Cross. Through the nursing service the society has undertaken the broad purpose of carrying into the homes of the people a better knowledge of the principles of health, especially those involving the prevention of illness. It is planned to carry this work, by means of the organization of classes of instruction for women, into the most remote regions of the country. The nursing service is typical of the whole Red Cross system in that it emphasizes the purpose of co-operation which underlies it. It must be obvious to any one that the needs of the entire country could not possibly be met by the physical or financial resources available to any single organization. Thus, a constant endeavor is made, through a thoroughly trained organization to teach the people how best to meet, through their own endeavors, the constant dangers which threaten their health in ordinary times.

Obviously, in time of disaster an organization highly efficient and immediately available is of far greater necessity. Each great calamity presents its own problems; and system and training are almost essential to their best solution. As an instance of this may be cited the circumstances surrounding the great storm at Key West in 1909. We quote the following from an official Red Cross pamphlet:

"Many of the sufferers were fishermen, whose loss consisted in the destruction of their boats. This loss entirely deprived them of a means of livelihood. The Red Cross solved the problem by employing them to rebuild their own boats. They were paid daily wages and were thus enabled to provide for themselves and families. As soon as the boats were completed, the daily wages ceased and the fishermen resumed their usual occupation. The principle involved in this instance is capable of a wider application in emergency relief operations."

"While great advances have been made," the pamphlet continues, "in methods of charitable assistance among the permanent agencies of charity in the larger cities, the equally important work of disaster relief, because of its incidental and transient character and the widely separated fields of its occurrence, has been left too often to the administration of hastily formed committees of inexperienced persons. The Red Cross stands ready to place its experience and organization at the service of any community so crippled by disaster that it is unable to cope with the problems of relief and rehabilitation with which it is confronted."

In conclusion it may be of interest to glance back at some of the recent work of the Red Cross in emergency relief. It appears that there have been since 1905 over seventy-five disasters caused by earthquakes, volcanic eruptions, fires, floods, famines, mine explosions, and wars, in this country and abroad, for the relief of which the society has expended or directed the expenditure of approximately $12,000,000. A tabulation of the principal disasters of the past ten years and the amount expended by the American Red Cross in connection with each is given below:

RELIEF WORK OF AMERICAN RED CROSS, 1905-1914.

Year.		Amount Expended. Cents Omitted.
1905	Philippine typhoon	$1,150
1906	Japanese famine	245,855
	Vesuvian earthquake and eruption	12,759
	San Francisco earthquake and fire	3,087,469
	Valparaiso earthquake	12,353
	Gulf States storm	671
1907	Chinese famine	325,725
	Kingston earthquake	5,699
	Russian famine	9,000
1908	South Carolina and Georgia floods	642
	Mississippi cyclone	960
	Monongah mine disaster	3,782
	Chinese flood (Canton)	2,000
	Canadian forest fires	1,000
	Michigan and Minnesota forest fires	300
	Italian earthquake	985,300
	Cyclone, Clinton, Mich	6,245
1909	Monterey flood	8,707
	Portugal earthquake	1,300
	Cherry mine disaster	97,247
	Turkish Armenian relief	30,500
	Key West hurricane	1,140
	Tokio flood	5,000
	Nicaraguan sick and wounded soldiers	3,776
1910	Mulga mine disaster	12,531
	Servian flood	490
	Costa Rica earthquake	9,050
	Paris flood	44,942
	Idaho forest fires	1,046
	Chinese famine	251,677
	Minnesota forest fires	95,114
1911	Manchurian plague	2,711
	Michigan forest fires	2,500
	Austin flood	1,891
	Taal volcano (Philippines)	16,050
	Mexican soldiers	7,307
	Albanian refugees	1,000
	Stamboul fire (Turkey)	500
	Hankow flood	1,000
	Persian destitute	1,500
	Colon fire	5,901
	Washington Place factory fire (New York)	70,000
1912	Ted mine disaster (West Virginia)	500
	Balkan War	75,631
	Titanic wreck	125,993
	Washington Place factory fire (second payment)	37,048
	Mississippi flood	27,486
1913	Relief incident to Mexican insurrection	20,451
	For fire sufferers, Hot Springs, Ark	1,042
	Texas flood sufferers	5,000
	Kentucky flood sufferers	500
	"Cincinnati" mine disaster, Finleyville, Pa	659
	Care of sick and wounded at Gettysburg Veterans' Reunion	4,403
	Nome, Alaska, storm and flood relief	500
	"Volturno" steamship disaster	5,000
	Mississippi River flood relief	20,000
	Grecian Balkan War relief	4,957
	Servian Balkan War relief	1,618
	Turkish Balkan War relief	3,002
	Bulgarian Balkan War relief	469
	Ohio and interior storm and flood relief	2,472,287
1914	Texas flood relief	10,585
	Relief of destitute Turks	1,009
	Japanese famine and volcanic disaster relief	10,500
	Relief incident to Mexican revolution	8,412
	Newfoundland sealing disaster	5,000
	For study of flood and famine prevention in China	2,578
	Mississippi River flood relief	5,000
	Second Balkan War relief, Bulgaria	18,000
	Ohio and Interior flood relief	23,465
	Chinese River conservancy work	75,000
	European War relief (expended and obligated for)	288,000
	Salem fire	625,000

During this period $1,800,000 additional was raised through

sale of Red Cross Christmas seals and applied to the relief and prevention of tuberculosis.

It is apparent that the society has assumed an important place in this country. Its work is of a sort which is never finished, and which must be skilfully and promptly done. That it has been so well done up to this time must be a source of satisfaction to students of American institutions.

INDUSTRY, COMMERCE AND FINANCE

The Bank of the Argentine Nation.—In the first number (October 1, 1914), of the new publication, "The Americas," issued by the National City Bank of New York, appears an account of the Banco de la Nación Argentina, at present the most important national central bank, or bank of issue, in the world except for those of the greater European countries. Inasmuch as the National City Bank of New York has arranged recently an exchange of credit with this South American institution, the article is authoritative. It is as follows:

The Banco de la Nación Argentina is of special interest to the student of banking systems in North America, because its organization is based in theory upon what we know as the central bank plan. It is composed of a single institution at the centre with numerous branches, maintaining a large metallic reserve, each member supporting the others by rediscount. It was founded upon this plan in the year 1871, and has proved so satisfactory and efficient that to-day it is an institution with a capital of $128,000,000 national currency, which is equivalent to about $53,760,000 in terms of United States money. It has approximately 150 branches or succursales which are distributed in Buenos Aires and in every part of the republic from the Province of Jujuy in the north to the Province of Tierra del Fuego in the south. During the year 1913 it established ten new branches, and had at the time of its last annual report in February, 1914, under consideration the establishment of new banks at about ten additional points.

The business of the bank is varied. It discounts commercial paper, makes advances upon securities and other non-commercial assets, issues paper money, and accepts savings. It does not lend money upon real estate, as that function is exercised by the great mortgage banks of Argentina. It is the official government institution, with directors who are nominated by the government and is authorized to make loans to the national government and to no other. These loans may be made to the extent of 20 per cent of its capital. In accordance with what is known as the Conversion Law the bank is required to deposit a conversion fund in gold to which the National Government contributes out of its revenues. This gold [illegible] the paper currency in circulation previous to the passage of the Conversion Law. On December 31, 1913, it amounted to $876,464,495 national currency.

The total resources of these banks were in 1911 [illegible] in 1913, $876,464,495, which by the year 1911 [illegible] as follows: To head office, [illegible]; total $876,464,495.

As regards the annual balance of the bank, the following will be considered of interest. [illegible] $85,573,- 501 drafts issued and [illegible] deposits; while in 1913 they [illegible] $215,259,969. The [illegible] $82,711,139 and in 1913, $215,259,969. The [illegible] of December 31, 1913, showed its cash to be [illegible] and $180,647,047 in papa per. Deposits at the [illegible] $71,181 in gold and $139,123,321 in paper. [illegible] $1,881,623 in gold and $115,129,677 in paper. The reserve was $11,063,107 in gold. It will be seen that the cash in hand maintained by the bank has been considerably larger than the law prescribes, and has averaged 39.35 per cent of its deposits throughout the year 1913.

* * *

The Preliminary Figures on Income Tax Returns.—The Treasury Department has issued a statement covering the number of persons who paid income taxes under the provisions of the Underwood Act of 1913. The amounts collected from each class have not been made public. The number of taxpayers in each class, however, is stated, and in each case it is lower than the Treasury estimate submitted by Mr. Underwood to Congress with the completed draft of the tariff and income tax bill in 1912. This fact will appear from the following table:

ACTUAL AND ESTIMATED NUMBER OF INCOME TAXPAYERS IN THE UNITED STATES, 1914.

Income.	Estimated No.	Actual No.
$2,500 to $3,333	.....	79,426
4,000 to 5,000	126,000	114,484
5,000 to 10,000	178,000	101,718
10,000 to 15,000	53,000	26,188
15,000 to 20,000	24,500	11,977
20,000 to 25,000	10,500	6,187
25,000 to 50,000	21,000	11,144
50,000 to 100,000	8,500	3,166
100,000 to 250,000	2,500	1,241
250,000 to 500,000	550	226
500,000 to 1,000,000	350	91
1,000,000 and over	100	44
Totals	425,000	357,598
Subtracting $2,500 class, not estimated for		79,426
Actual taxpayers in classes estimated for		278,172
Excess of estimated number over actual		146,828

It will be observed that the total actual number of taxpayers is only 65.4 per cent of the estimated total. In the Treasury estimate above referred to the probable Government income under the Underwood tariff was set out, and a deficit was shown, as compared with the net Government income for 1912, of $68,790,000, to be cared for by the income tax. If the percentage of the total revenue collected from the tax has fallen below the estimate in the same ratio as the number of taxpayers has declined from the number expected, the total must be approximately $44,988,660. To this must be added the amount collected from incomes between $2,500 and $3,333, which was not included in the estimate. This class, at 1 per cent, may have yielded $2,250,000, which would bring the total to approximately $47,240,000. These figures, of course, are upon an annual basis. The actual tax collected was for the ten months beginning March 1, 1913. The percentage of income taxpayers to total population in the United States is approximately .36.

Figures covering the number of income taxpayers abroad are not generally available. In the United Kingdom in 1912, there were 1,177,872 such taxpayers, or 3.9 per cent of the total population, all incomes under $800 being exempt. In Austria, where all incomes are taxed, 1,538,652 persons paid an income tax in 1912, or 16.33 per cent of the total population. It is of interest that out of this number, 1,497,746 were taxed on incomes below the amount at which our tax begins. This leaves only 45,906 persons within the taxable classes specified in our own law, as will be seen more clearly in the following table:

AUSTRIAN INCOME TAXPAYERS BY INCOME GROUPS, 1912.
(In round figures on the basis of krone = 20 cents.)

Income.	No. Taxpayers.	Income.	No. Taxpayers.
Below $260	702,803	$2,400 to $8,000	38,977
$260 to $720	548,669	8,000 to 40,000	6,302
$720 to 1,440	194,039	Over $40,000	627
$1,440 to 2,400	52,175	Total	45,906
Total	1,497,746	Grand total	1,538,652

The total amount collected in Austria under the scheme out-

(Continued on Page 576.)

INSURANCE

THE action of the National Board of Fire Underwriters, at its meeting on Thursday of this week, in adopting and making effective resolutions looking to a country-wide accumulation and compilation of experience in the great field of fire losses, must be regarded as of the first importance in more than one respect. As everybody in the fire insurance business knows, the in itself entirely reasonable and indeed in the highest sense obligatory movement of those entrusted by the public with the supervision of insurance, to obtain adequate data with regard to the actual fire loss experience of the country, excited much opposition and not a few real animosities, because the first impulse of the Insurance Commissioners who broached the matter was to turn to the most obvious sources of information, i. e. the private records of the fire insurance companies. Demands were made upon these companies, purely private enterprises though they were, to expose to the Commissioners and through them to their competitors and to the public all the interior methods and practices of their business. Of course, such disclosure of the results of private initiative, ability and knowledge was resisted, and for a time it appeared as if a far-reaching and possibly very harmful controversy might result from the clash of opinion and utterance of insistant Insurance Commissioners, on the one side, and fire insurance managers convinced that their dearest rights were being invaded, on the other.

Through it all, however, it remained true that it was not well for the country with its enormous annual fire loss, to have no general collection of ascertained facts about fires and no gradually enlarging fire loss experience, to serve as a basis for all the public activities which are more and more concerning themselves with fires and with insurance against fires. It was not even well for fire insurance itself that the largest and soundest knowledge about it and its subject matter, fires, should be confined to the heads of more or less isolated individual fire underwriters, instead of being a transmissible body of tested experience, capable of being used by generation after generation of fire underwriters, without the necessity that each of these underwriters should virtually have to learn the entire subject for himself. It is, of course, true that in the heat of the controversy with the urgent Insurance Commissioners, many fire insurance men took the ground that there is no such thing possible as a fire loss experience which can be trusted as a guide in practice. According to these extreme arguers, fire insurance is totally devoid of experience in the scientific sense (though fire insurance companies carefully record their own), but rests upon a kind of trained intuition. This theory makes the successful fire underwriter in essence an artist, following no rule derived from gathered facts, but rather some sixth sense of his own.

It is improbable that anybody took this contention very seriously, even in the fire insurance circles most determined in their opposition to the demands of the Insurance Commissioners. Reasonable men on all sides saw clearly enough that a combined fire experience of the United States (and Canada) was highly desirable, if there was any way of obtaining it, without passing beyond the bounds of public right in respect of disclosing the really private concerns of business enterprises like the fire insurance companies. There is a place for individual ability and for success obtained through individual ability in the conduct of fire insurance; and the public is no more entitled to a knowledge of the secrets of the results obtained by this ability in fire insurance than in any other business. But, on the other hand, there is a certain body of knowledge necessarily accumulated in the conduct of a fire insurance company which cannot be said to have any quality of privacy about it. This the public may fairly ask to have contributed to the common store of knowledge, in order that all may have the benefit of it.

The plan just adopted by the National Board of Fire Underwriters for the creation of a new department, to be known as the Actuarial Bureau, to which all the member fire insurance companies and as many non-member companies as are willing so to do, may report their fire experience in a systematic and uniform way, so that it can be compiled in truly scientific form, promises to yield all the results aimed at by the earlier efforts of Insurance Commissioners to compel the insurance companies to disclose the details of their business, without violating any private rights whatever. The endorsement of the plan by the Fire Marshals Association of North America and by the National Convention of Insurance Commissioners indicates that co-operation in a work of the highest utility is henceforth to be the order of the day, instead of mutual antagonism between bodies whose real interest is the same. This outcome is one from which everybody concerned, and particularly in the long run the public at large, must greatly gain.

The Washington correspondent of this paper reports that an error of considerable importance was made in engrossing the new Internal Revenue Act, and that the Act as signed by the President did not conform, in a provision regarding insurance, with the text of the Act as actually adopted by Congress. The error noted is in connection with the paragraph of the Act dealing with fidelity, employers' liability, plate glass and other related kinds of insurance (other than life, personal accident and health, etc.) and with the writing of guaranty and surety bonds [pages 19-20 of the law as separately printed, with designation Public—No. 217—63d Congress]. At the end of this paragraph in the law, as published, is the following proviso: "Provided, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph." But as the Bill followed its legislative course in Congress, this proviso was inserted (with other matter) by the Senate, as Amendment 84 to the Bill as it came from the House. When the Bill, as amended by the Senate, was referred to the Conference Committee of the House and Senate the whole of Amendment 84 (including this proviso) was stricken out of the Bill through the Senate Conferees receding from the amendment on behalf of the Senate. This appears from the Conference Report on the Bill to the House (Page 17), where it is stated: "Amendment No. 84. This amendment refunds the tax paid upon policies which were canceled or upon premiums which were returned and the Senate recedes." In this wise the Conference Report shows the matter, as it is printed in the Congressional Record of October 21, page 18620. In other words, the records of the legislative proceedings shows clearly that the whole of Senate Amendment No. 84, including the proviso in question, was stricken out by the Conference Committee of the two Houses, and that the Bill when reported back to the Senate and the House by the Conference Committee did not contain this proviso. Perhaps it was intended that it should be there, but it certainly was not there. And the Bill was enacted into law by both the Senate and the House without the proviso. When, however, the Act was engrossed, to be sent to the President for his signature, the proviso was somehow inserted, though without warrant. This is not the place or time for discussing the legal bearing of this unfortunate mistake; but it is certain that insurance companies writing ordinary fidelity, personal accident and health, plate glass, boiler and other subsidiary forms of insurance, as well as the surety companies, should have the matter well looked into.

THE MOVEMENT FOR THE UNIFORM TABULATION OF INDUSTRIAL ACCIDENT EXPERIENCE

THERE are grounds for congratulation that the American liability insurance companies, through the medium of the Workmen's Compensation Service Bureau, have made an accomplished fact the scheme, first suggested some two years and a half ago, for the uniform tabulation of statistics in regard to industrial accidents coming within the scope of the various State workmen's compensation laws. No move that could have been made could be more auspicious for the placing of the business and theory of workmen's compensation insurance on a sound foundation. Not only from the point of view of the underwriter is this consummation of paramount importance, but also from the point of view of directing the course of future compensation legislation in this country along fundamentally sound and workable lines.

The subject of the tabulation of workmen's compensation statistics was first considered in the Spring of 1912, when a plan was formulated for reports to the Workmen's Compensation Service Bureau on blanks very similar to those on which the companies at one time reported their employers' liability experience. This plan, however, met with strong opposition from those who perhaps appreciated more fully what was involved in the change from the old to the new system of employers' liability for injuries to their workmen arising in the course of the employment. To them it was patent that the opportunity had come to get away from the uncertainties of the old régime under the employers' liability laws and to put the writing of workmen's compensation insurance on a basis almost, if not quite, as solid and calculable as that upon which the immense structure of life insurance rests.

This side of the question was brought out clearly in a brief prepared by Mr. C. E. Scattergood, assistant secretary of the Fidelity and Casualty Company, who, as chairman of the Statistical Committee of the Workmen's Compensation Service Bureau, has since been one of those most influential in the formulation and promulgation of the present plan. This brief was brought out early in 1913, but is extremely pertinent in tracing the development of the now accomplished results. We quote, in part:

"Is it not time now to make a change, if possible, in the matter of basic tables for rates, seeing that we have just entered into the new field of workmen's compensation? Can we come into possession of basic tables of experience similar to the mortality and sickness experience tables? We can if we adopt the system of reporting accidents to the Bureau according to the card system proposed by the Committee on Statistics. We cannot do it if we adopt the blank for reporting experience which the Committee on Statistics drew up at the direction of the Bureau, for this blank is simply a paraphrase of the old blank upon which the companies at one time reported their liability experience. From this blank you can tell what you paid out, but not why you paid the money out, except in a very general way—too general to be of even small value. The card system tells not only what you paid out, but also why you paid it out. The cards show the two most important phases of workmen's compensation: the blanks but one. * * *

"The adoption of the blank would result in a very inflexible system; the use of cards gives rise to a condition of great flexibility. The blank relates the money amounts to classifications and wages as the basis of exposure. If at any time any other exposure is desired, the companies will be obliged to do all of their tabulating over again and the Bureau all of its combining over again. In the card system the same cards would be run through the sorting machine and sorted out according to the new basis of exposure, and then added on the tabulators an operation similar to that of one of these small electric fountains which use the same water over and over again. You cannot get this condition from the fixed form blank. In case a company desires to keep its own experience for itself, two cards can be punched by the punching machines at the same time. One may be sent to the Bureau and the other retained for use by the company.

"Another objection to the fixed form blank is that the effect of an amendment to a compensation law is attainable only with great difficulty. The blanks are designed for a year as the time basis. If an amendment takes effect at any other time than the first of a year, you can appreciate the difficulty of finding the effect of that amendment. The cards are all dated according to the dates of the accident, and can readily be sorted into periods corresponding to those of old law coverage and new law coverage. * * *

"Lack of uniformity in having various companies do the same work under the fixed form blank is objectionable. In 1908 when the companies reported liability statistics to the Liability Bureau, although the plan of reporting was much simpler than any plan of reporting under workmen's compensation could be, there was considerable lack of uniformity in the way the reports were rendered. No matter how carefully the Statistical Committee or the Bureau may draft blanks for the reporting of experience or in furnishing directions for such reporting, there will be variations in the manner of doing this work. Not only will the supervisors of statistical work in the various companies have naturally differing ideas with regard to the interpretation of the directions and the blanks, but the clerical force who do the work will certainly cause variation in the manner of sending this information to the Bureau. * * *

"If we do not obtain information as to causes of accident, periods of disability, occupations, age, sex, etc., we shall not be up to the standard in this respect of our own and foreign government tabulations, as well as those of individual corporations; and if we look askance at these tabulations of others, how shall we regard our own? The cards will give all the information and the fixed forms of blanks will not.

"The use of the fixed forms of blank gives an experience which is a combination, or mixture, of amounts paid out for various periods of disability. In one State the period of disability for the same kind of accident may be different from the disability period for the same kind of accident in another States, and the percentage of wage to be paid as indemnity may also differ. The card system will show all of these disability periods and the percentages of wages returned as indemnity may also be used. The card system will furnish us with a method of calculating rates under a proposed new or amended law from the accident and disability experience of other States, and this work can be done in a scientific manner.

"It is hoped and believed that the compilation of statistical experience tables, which the Bureau can accomplish by using the card system, will result in placing the companies writing compensation insurance upon a foundation approximating that of life insurance companies, which through strict scientific calculation upon two simple tables of mortality and interest has made the methods of life insurance companies recognized as unquestionably correct."

The point of view thus expressed has been recognized as the most logical and most far-sighted one. The committee of statisticians from various liability companies in the Workmen's Compensation Service Bureau devoted over a year and a half to formulating a plan which would be comprehensive and at the same time workable. The result was a tentative system which was submitted to the liability companies on June 8, 1914, and which has since been

adopted *in toto* with but one or two minor changes. The system may be reviewed briefly by quoting a few paragraphs from the memorandum submitted by the Bureau to the companies. They are as follows:

"We call to your attention that it is proposed to use the Hollerith punched card system wherein the analysis and tabulation will be done by machinery. The holes punched in the cards will cause electric contracts to be made according to the position in the cards of the punched holes. These contacts operate the sorting and adding devices of the machines through which the cards are run.

"We are therefore limited to a card containing forty-five columns of digits, samples of which are sent you herewith. In studying the proposed system, please remember the limiting conditions of the cards. We have tried to get out of the cards all we possibly can.

"The system is divided into three parts: (a) Experience on accidents up to the time of their compilation; (b) the outstanding experience on accidents not completed at the time of compilation; (c) the exposure.

"As far as exposure to payroll or premiums is concerned it is proposed to keep the experience according to the calendar years in which the policies were issued, to be reported as of a date four months after the end of the next succeeding calendar year. As an illustration the experience on policies issued during 1913 would be reported as of April 30, 1915. Under this plan every policy would have completed its policy term, and almost all of the payrolls would have been audited, and every accident would have been reported. On accidents happening in January, 1913, we would have the experience for twenty-seven and a half months succeeding the accident and on acicdents occurring during December, 1914, we should have four and a half months erperience. Every succeeding year after the experience was first reported the records would be revised as to developments on accidents occurring after the experience had been compiled, but this would concern not over 3 per cent of the total number of accidents reported as it would be concerned with long term disabilities and fatal cases of which though the payments on them are heavy the number is few. * * *

"In punching these cards the digits punched will represent information that would otherwise be that of a written description. A number of codes have therefore been constructed from which to punch the cards. * * *

"Each company would have to use the same codes, and these would be:

A code for State.
A code for Classification.
A code for Per Cent of Impairment.
A code for Age Group.
A code for Developments.
A code for Cause of Injury.
A code for Nature of Injury.
A code for Kind of Specific Benefit.

"The Bureau will supply these codes to the companies. * * * It becomes necessary therefore to have a definition for an accident which all of the companies will follow. An accident will be an injury which occasions the workman to be away for at least a full day following the day of the injury. In all cases, however, where medical payments are made, whether counted as accidents or not, the amount of the medical payments will be punched in the field headed 'Medical.'

"In all 'payment' or portions of the cards relating to money, dollars only will be punched, and fifty cents or more will be considered as an extra dollar."

It may be added that industrial diseases, where such are compensatable under certain State compensation laws, are likewise to be reported and the experience tabulated.

Significant as is this work, as indicating the desire on the part of the liability insurance companies to establish their business on a basis of fact and to protect insurer and insured alike from the inevitable losses of a hit-or-miss system of underwriting, it is even more significant that the work should be taken up not alone by the insurance companies themselves, but by the United States Government and by several large employers of labor. On October 12, a conference was held in Chicago in response to a call sent out to the members of the National Conference on Standardization of Accident Reports and Tabulations and of the Committee on Standard Forms for Accident Reporting of the National Council for Industrial Safety, by Mr. Royal Meeker, Commissioner of Labor Statistics of the United States Department of Labor, who is chairman of those two organizations. The Committee on Standard Schedules and Tabulations of the American Association for Labor Legislation and representatives of the Workmen's Compensation Service Bureau, insurance companies and employers were also invited to be present. Thus the meeting took on a character truly National in scope, including representatives of practically every group in the country interested in the field of the discussion. Three previous meetings had been held (at New York City on February 28 and April 10, and at Harrisburg, Pa., on September 2), but these were to some degree formulative and less comprehensive than the Washington conference. Below are the resolutions adopted by the Washington conference as reported in the minutes of the meeting. It is interesting and significant that there is an evident agreement, between these resolutions and the plan of the Workmen's Compensation Service Bureau, as to the bases on which accident reports are to be made.

"1. Definition of reportable accidents. (a) All accidents causing death, permanent disability, or loss of time other than the balance of the day, turn, or shift on which the accident occurred shall be classified as reportable accidents, and a report of all such accidents to some State or National authority shall be required. (b) Where a compensation act provides for any expense on account of medical attendance or hospital treatment, thus necessarily involving a report of such cases, even though resulting in no loss of time or in a loss less than that specified above, such minor accidents should be classified separately in all tabulations and compiled reports. (c) The employer shall be required to enter upon his record all reportable accidents as above defined, and also all accidents causing a loss of time less than that above specified or requiring any medical attention.

"2. Classification of accidents according to their consequences. (a) Accidents should be classified according to their consequences as resulting in death, total permanent disability, partial permanent disability, and temporary disability. (b) Accidents resulting in temporary disability should be classified according to length of temporary disability so as to show the number terminating in the second and third days, number terminating in the fourth to seventh days, inclusive, number terminating in the second week, in the third week, in the fourth week, in the fifth to thirteenth weeks, inclusive, in the fourteenth week and later. (Clear definitions of the classes are yet to be adopted.)

"3. Time of reporting accidents. (a) In the case of accidents terminating fatally within seven days of the accident occurrence, notice shall be given within twenty-four hours of death. All reportable accidents shall be reported, upon standard accident blanks,

in full, within seven days of the occurrence of the accident. (b) A committee shall be appointed to formulate a resolution covering the subject of the final report.

"4. Accident report forms. The form adopted to be recommended for first reports of accidents has already been given in full. (Pages 13 and 14, Minutes of Conference.)

"6. Computation of rate of accidents. Accident rates should be age number of men should be the actual number of man hours for the year; that is, the total working time for all employes of the establishment or the department for the year reduced to the number of hours required for one man to do the same work. This should be taken from exact records if such records are in existence. (b) If this exact information is not available in this form in the records, then an approximation should be computed by taking the number of men at work (or enrolled) on a certain day of each month in the year, and the average of these numbers multiplied by the number of hours worked by the establishment for the year would be the number of man hours measuring the exposure to risk for the year.

"6. Computation of rate of accidents. Accident rates should be expressed in terms of number of accidents per 1,000 full time workers; that is, workers employed 300 days of ten hours each. (This is in accordance with the practice of Germany, Austria, and a number of other European countries and also in accordance with the recommendations of a joint committee of the Permanent International Committee on Social Insurance and the International Institute of Statistics.)

"7. Classification of causes of accidents. The chair shall appoint a committee on the classification of causes of accidents, the committee to meet not later than early in December and to submit its report to a latter meeting of the conference.

"8. Classification of nature and extent of injury. The chair shall appoint a committee on the classification of the nature and extent of injury, the committee to meet not later than early in December and to submit its report to a later meeting of the conference."

Thus it at once becomes evident that uniform accident reports, on a country-wide scale, are soon to be in full force. Thus a starting point is at last established from which to begin an effective campaign against our annual National economic loss in time, energy, and money, due to wholly preventable and unnecessary accidents,—a field of endeavor so long characterized by loose talk and sporadic effort. Thus, too, a way is made clear for the placing of the great whole of social insurance, beginning with workmen's compensation proper, which we now have, and including such other forms as sickness insurance and unemployment insurance, which all signs point to our adopting sooner or later, upon a scientific instead of a sentimental basis.

COMPARATIVE MORTALITY OF THE PRINCIPAL CITIES OF THE WORLD

By Shirley W. Wynne, M. D.*
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IN studying the course of the death rate of any community during a period of years in order to estimate the effect of improved sanitary conditions, it is permissible to employ the crude death rate on the assumption that the sex and age distribution has remained nearly the same, and that this is true also of climate, seasonal changes and other conditions beyond the control of the health authorities. It is an entirely different matter, however, when one attempts to compare the salubrity of one community with that of another; here the employment of the crude death rate leads to serious error because of the number of factors by which it is influenced. It is evident, for example, that if the females, among whom the death rate is relatively low, largely outnumber the males, the death rate will be lowered; likewise, if the number of persons at the beginning and end of life, when mortality is at its maximum, is disproportionately large or small, that alone will markedly influence the death rate irrespective of the healthfulness or unhealthfulness of the community. These two factors, namely, sex and age constitution of the population are largely responsible for the extremely low death rates "enjoyed" by some of the newer communities. As an illustration of this we may consider the low death rate of the Panama Canal Zone, which is due to the fact that the population is made up of selected adults between the ages of twenty and forty-five. A continuously high birth rate usually makes for a low death rate. At first sight this appears to contradict what has already been said, but a little consideration will show that this indicates a large proportion of persons in young and middle adult life, when procreation is vigorous. A high birth rate for several years followed by a low birth rate makes for a still lower death rate, followed, however, by a very high rate; a continuously low birth rate makes for a high death rate.

The presence of numerous factories in a community tends to lower the death rate by causing an influx of young adults, whose mortality rates are low; the closing of these factories because of labor troubles, business depression or other similar conditions usually causes an emigration of these adults, and leads to an increase in the death rate in proportion to the decrease of this most healthy element of the population.

The nature of the industries of a city or town, whether healthful or unhealthful, dangerous or safe, the climate, the seasonal changes, the density of population are all reflected in the crude death rate and raise or lower it independent of the sanitary conditions.

It becomes desirable, therefore, to secure some means of comparing with a fair degree of accuracy the healthfulness of one community with that of another; to adopt some method that can be fairly applied to communities in different parts of the world, regardless of the sex, age, occupation or other social conditions of the inhabitants. The ideal method of making such comparisons is by means of a life table, but it is only little available because of the immense amount of labor that it requires, and the consequent unwillingness or inability of most health officers to undertake the task. The next best test is the use of standard death rates, i. e., rates based on standard populations. This method too is seldom available, though it is to be hoped, now that the important governments of the world have adopted uniform methods of gathering and compiling statistics, that a universal standard of population for comparing birth, marriage and death rates will soon be generally adopted.

In the meantime, if we are to make just comparisons, we must seek for more available means by which to make our comparisons. The death rate under one year has been offered as a tolerably reliable criterion. Before accepting this as a guide let us examine some of the factors, aside from health conditions that cause a low death rate of children under one year. It is clear that when the rate is stated per 1,000 births the number of births will exert no influence on the rate from a mathematical standpoint. If, however, the infant death rate is calculated on the total population the birth rate will, if high, increase this death rate, and if low, lower the death rate. On the other hand, if the rate is based upon the reported births and the number of reported births does not approxi-

* An article published in the monthly bulletin of New York Department of Health.

mate the total number of actual births, a death rate based upon the reported births will be raised in proportion as the reported births fall short of the actual number. Industrial conditions causing women to seek employment during the periods of pregnancy and nursing, the number of foreigners in whom, perhaps, it is difficult to instill the principles of hygiene and infant care, are all conditions whose influence is reflected in the infant death rate. It is obvious, however, that the outside conditions that effect this rate are fewer and less important than those that affect the crude general rate, and that a comparison based upon this rate is, therefore, the more reliable index of the healthfulness of a city. At least in so far as that healthfulness is determined by the activities of the health authorities.

The combined rate from the so-called contagious diseases has also been advanced as a measure of health conditions but here too there are numerous factors tending to disturb the death rates of these diseases aside from the actual health conditions, for example, the failure on the part of physicians to report deaths as due to contagious diseases. Thus it is common to find death from measles reported under the complicating cause, pneumonia. Again, the proportion of children in the population markedly affects the death rate from contagious diseases, because these diseases claim the greatest number of their victims from the ranks of childhood. Moreover, other things being equal the density of the population would have a material influence upon the contagious disease rate. An epidemic of one or more of the contagious diseases would raise the death rate for the year in which the epidemic occurred, so the comparison should be based upon the study of these death rates for a number of years, particularly when a stated rate differs widely from the average.

As an index of sanitary conditions the death rate from typhoid fever probably affords one of the best guides as it is the least affected by the extraneous conditions, and the disease is possible of almost complete eradication.

The death rate from tuberculosis is also a fairly reliable index of sanitary conditions, provided, of course, that the returns are honest and the percentage of negroes in the population is known and allowed for. It is safe to say that a comparison based upon a careful examination of the crude death rate in conjunction with the birth rate, the infant death rate, the death rate from typhoid fever, tuberculosis and the contagious diseases will reflect the true conditions with a very fair degree of accuracy; such an examination will, at least, aid us in detecting disturbing elements that tend to vitiate the figures under examination.

Bearing in mind all that has been said, let us now institute a few comparisons of the death rates of certain large cities of the world. We shall consider first American cities.

American Cities.

Seattle.—Examining the rates of Seattle in the different columns of the table one is immediately struck by the low rates throughout; the crude rate of 8.37, especially attracts attention; the continuance of such a rate would mean that every person in the City of Seattle would live to be 119 years 6 months, a most absurd proposition. Naturally one thinks immediately of the composition of the population as the probable cause of this low rate. Reference to the census populations for Seattle confirms our suspicion, for it is found that more than 54 per cent of the population is between the ages of twenty and forty-five as compared with 42 per cent for the City of New York. This large percentage of persons between twenty and forty-five years not only reduces the crude rate but to even a greater degree lowers the death rates of the contagious diseases. The rate from pulmonary tuberculosis is suspiciously low, and one questions whether it is due solely to the healthfulness of the community, or whether it is not due in part at least to other causes, such as the death of residents of Seattle in sanatoria outside the city limits, or the return home to die of immigrants employed in Seattle. It cannot in any great measure be due to incorrect returns of the causes of deaths, for were such the case the crude general rate would be higher than 8.37.

Likewise, the low death rate among infants under one year, based, as it is claimed, upon the number of births is strongly suggestive of statistical error, particularly in view of the birth rate of 15.15, the lowest reported for any of the cities given in the table. It may be said, with all fairness, that a study of the rates for Seattle throws absolutely no light on the salubrity of the city; it serves only to rouse our skepticism so that we refuse to accept the figures as a basis of comparison with other cities until they are fortified with data necessary for a more complete analysis.

Chicago.—The City of Chicago shows the highest combined contagious disease death rate in the list, but its tuberculosis rate is moderate and its general death rate compares favorably with those of the other cities so that either the salubrity of Chicago is on a par with that of the other cities, or the sex and age distribution of the population affects favorably its death rate.

Detroit, Cleveland.—Two cities, Detroit and Cleveland, show a high combined contagious disease death rate, but low rate from tuberculosis, which gives rise to the conviction that their tuberculosis returns from some reason or other are not complete, and that the low general rate of Cleveland, at least, is not to be attributed to its great healthfulness, and this conviction becomes stronger in view of its high infant mortality.

Los Angeles.—Los Angeles enjoys the lowest combined death rate from contagious diseases due, no doubt, to its ideal climate. This permits its inhabitants to enjoy outdoor life to the fullest extent, but indirectly, and unfairly increases the tuberculosis death rate of the city by attracting a large number of sufferers from this disease.

New Orleans.—The combined contagious disease death rate of New Orleans is about the average for the other cities. The death rate from tuberculosis, however, is extremely high and is attributable to the large percentage of negroes in its population.

Cincinnati.—Cincinnati, while its combined contagious disease rate compares favorably with those of the other cities, shows a high death rate from tuberculosis, in fact, a rate second only to that of New Orleans. The cause of this is evidently to be found in its climate, the nature of its industries and in the other social conditions of its inhabitants.

New York.—The rates for the City of New York compare favorably with those of the other cities, particularly when the crowded conditions under which a very large part of its population lives are taken into consideration. In certain parts of New York the number of persons to the acre is higher than in any other city in the world. Despite this New York's contagious disease rate is not abnormally high; in fact it is lower than that of many of the small cities wherein the living conditions of the inhabitants are more favorable. Likewise, the death rate from tuberculosis, while higher than in several other American cities, is lower than the majority of those whose rates appear in the table.

The death rate of infants under one year, based on the number of reported births which, by the way, to-day are about 99 per cent of the actual births, is surpassed only by seven other cities and the correctness of the figures of one of these, at least, is very doubtful.

It is noticeable that in those cities in which the climatic conditions favor outdoor life throughout the year, the death rates from the contagious diseases are below the average, while in those

cities in which the Winters are severe and protracted, thus curtailing outdoor life, the corresponding rates rise above the average; the same is true of the tuberculosis rates unless the number of negroes in the population or the number of tuberculosis persons attracted to the city because of its climate are sufficient to raise what otherwise would be a low rate.

The possibilities of the contagious rates of any city being raised because of the prevalence of an epidemic of one or another of these diseases must not be lost sight of, though it is safe to assume that if all are uniformly high, that those rates reflect the usual or average health conditions of the city in question.

European Cities.

Comparing the crude death rate of New York with that of the principal foreign cities we find it is lower than twenty-two of those mentioned in the table, being almost 50 per cent lower than seven. It is noticeable that those cities in which the general death rate is high, the death rates of the communicable diseases, particularly typhoid fever, is proportionately high.

Charlottenburg.—The death rate of Charlottenburg (a suburb of Berlin) is the lowest in the list, 10.74, followed closely by Stockholm, 10.98; Amsterdam, 11.11; Zürich, 11.14, and Düsseldorf, 11.36. All these are cities of about one-half million population or less. These rates are so extremely low as to cause one to question whether they are due entirely to the healthfulness of these cities or whether some other cause is not responsible, at least in part.

The combined contagious disease rate for Charlottenburg is moderately low; its death rates from typhoid fever decidedly so. The death rate from pulmonary tuberculosis of 87.9 is the lowest in the list and causes one to wonder whether many of the sufferers from this disease do not seek treatment in the sanatoria outside of the city, to which district their deaths, when they occur, are charged instead of to the city proper.

The death rate of infants under one year, namely 122.7, is rather high when compared with the rate in many of the other cities, particularly the larger cities such as London, Paris and New York.

Zürich, Düsseldorf.—There is nothing in the figures of Zürich or Düsseldorf to warrant any suspicion that their low rates may be due to other than their salubrity.

Amsterdam.—The death rate of 11.11 credited to Amsterdam is immediately questioned when it is noted that the combined contagious disease rate, as well as the death rate from typhoid fever and tuberculosis is about the average reported for the other cities, while its death rate of infants under one year is absurdly low, 66.8. The explanation of this seeming paradox is that the deaths of infants dying shortly after birth are not included in the deaths. Were these deaths included, as they should be, the death rate of Amsterdam would certainly not be lower than the average.

Stockholm.—The combined death rate from contagious diseases in Stockholm, namely 14.1, and the rate for typhoid fever, namely 0.9, are the lowest of any in the table. The death rate from tuberculosis, however, is comparatively high and the infant death rate is absurdly low, 66.5. The latter gives one a clue as to the reason for the low general rate, which as in the case of Amsterdam is most probably to be found in the exclusion from the general death rate of the deaths of infants dying immediately after birth.

Barcelona.—The highest death rate recorded in the table is 24.43 for Barcelona. The death rate from combined contagious diseases, typhoid fever, pulmonary tuberculosis and pneumonia are likewise the highest reported for any city, thus indicating marked unhealthfulness.

Berlin, London, Paris.—Of the cities having a population of over 2,000,000 Berlin shows the lowest general rate, 13.48, New York follows closely with 13.76; London, 14.39. The death rate of Paris, 15.40, is the highest.

The death rate for pulmonary tuberculosis is remarkably high in Paris, 3.178, as compared with 1.601 in New York; 1.324 in London, and 1.548 in Berlin.

The death rate from typhoid fever is lowest in Berlin, 1.6, and highest in Paris, 9.7, per 100,000.

The heaviest death rate of infants under one year is recorded against Berlin, 139.3, as against 102.4 in New York; 99.3 in Paris and 105.4 in London.

The birth rate of Paris closely approached its death rate being less than a point and one-half higher. Vienna shows the next lowest birth rate, 17.68, approximately two points and one-half above the death rate. The birth rate of New York is the highest, 25.15, as against 24.93 for London. On the whole the statistics for the

VITAL STATISTICS OF PRINCIPAL CITIES OF UNITED STATES FOR THE YEAR 1913.

(Rates based upon data gathered by Dr. C. F. Gram, Registrar of Vital Statistics, Buffalo, N. Y.)

City.	Estimated Population, 1913.	Total Deaths from All Causes.	Death Rate Per 1,000.	Death Rate Per 100,000 — Measles.	Scarlet Fever.	Whooping Cough.	Diphtheria.	Pulmonary Tuberculosis.	Total Births.	Birth Rate Per 1,000.	T'l Deaths Under One Year Rate Per 1,000 Births.
Seattle, Wash	295,226	2,472	8.37	8.8	2.6	9.5	4.1	67.1	4,475	15.15	66.1
Boston	722,465	11,837	16.38	10.6	10.6	13.4	21.6	147.2	19,700	27.26	107.1
Buffalo	446,889	7,043	15.76	17.0	3.3	6.7	9.2	126.6	11,867	26.55	137.4
Chicago	2,344,018	35,298	15.06	12.4	38.7	4.3	40.7	140.7	.....	....	....
Cincinnati	398,452	6,733	16.89	16.8	5.0	12.5	13.3	222.8	8,000	20.07	99.9
Cleveland	622,699	8,842	14.19	16.5	18.9	11.1	36.9	109.8	13,687	21.98	145.8
Detroit	520,586	8,897	17.09	11.6	20.7	14.2	52.4	96.6	17,524	33.66	132.7
Indianapolis	253,668	4,002	15.77	5.1	4.7	13.8	19.3	186.5	5,378	21.20	97.9
Kansas City, Mo.	273,943	4,089	14.92	20.8	2.2	11.3	12.0	129.2	5,046	18.41	130.2
Los Angeles	442,466	6,194	15.01	9.4	2.6	3.4	9.9	219.6	8,292	20.10	86.1
Louisville	233,216	3,800	16.29	4.2	2.5	12.4	10.7	175.8	4,327	18.55	129.2
Jersey City	291,616	4,198	14.39	4.4	11.6	6.2	25.7	132.0	5,662	19.41	144.6
Newark, N. J.	379,211	5,562	14.66	3.2	6.8	7.1	29.0	166.4	10,810	26.13	92.4
New Orleans	355,958	7,088	19.91	10.1	.56	3.4	31.4	230.6	7,821	21.97	120.3
New York	5,198,888	73,902	14.21	12.1	9.7	8.1	26.0	165.3	135,134	25.99	102.0
Philadelphia	1,631,956	25,663	15.73	12.2	9.9	6.5	22.1	159.6	41,200	25.24	112.7
Providence	210,156	3,645	15.17	15.7	5.7	6.6	28.7	125.3	.....	....	....
Rochester	235,000	3,453	14.69	7.2	8.5	14.9	17.4	90.5	6,004	25.55	130.2
San Francisco	440,995	7,002	15.87	1.1	3.6	3.6	6.1	?	7,603	17.24	84.3
St. Louis	723,347	10,850	14.99	15.8	5.2	3.0	27.6	134.1	15,012	20.75	99.5
Washington, D. C.	348,077	6,006	17.25	7.2	3.7	4.9	7.4	194.5	6,903	19.83	119.9

The estimated population of New York as calculated by the Department of Health is much higher than that of the Bureau of the Census at Washington, D. C., and in consequence the specific death rates given above are much lower.

City of New York compare more than favorably with those of the other large cities, particularly when it is considered that it has the second largest population in the world and easily stands first in the dense crowding of its inhabitants.

In summing up it may be said that the combined contagious disease rate, particularly when examined in conjunction with the death rate from typhoid fever, pulmonary tuberculosis and the infant death rate, is a safer index of the healthfulness of a city or community than the crude general rate, for while it may be impossible to determine therefrom the true conditions that are responsible for an extremely low or high crude rate, it, at least, gives a tangible clue to the presence of extraneous conditions which are exerting an unfair influence in lowering or raising the crude death rate.

VITAL STATISTICS OF PROMINENT EUROPEAN CITIES AND CITY OF NEW YORK, 1913.

					Death Rate Per 100,000								All Causes Under 1 Yr. Rate Per 1,000 Births.	Diarrhoeal Deaths Under 1 Yr. Rate Per 1,000 Births.	Total Births Excluding Still-births.	Birth Rate.
	Population Estimated.	T'l Deaths Exclud'g Still-births.	Death Rate Per 1,000.	Small Pox Deaths.	Typhoid Fever.	Measles.	Scarlet Fever.	Whooping Cough.	Diphtheia and Croup.	Pulmonary Tuberculosis.	Other Tuberculosis.	Pneumonia Loba and Broncho.				
Amsterdam	591,567	6,574	11.11	..	4.9	23.2	1.9	17.2	9.8	118.2	44.5	100.8	66.8	11.1	13,736	23.22
Barcelona	600,000	14,661	24.43	..	55.0	84.7	1.5	6.2	18.7	241.5	47.8	309.2	143.4	66.0	14,054	23.43
Belfast	396,000	7,453	18.82	..	5.6	46.0	38.6	10.4	13.4	213.1	80.3	168.0	144.2	...	10,996	27.76
Berlin	2,082,111	28,065	13.48	7	1.6	8.5	13.5	7.5	26.9	154.8	29.5	....	137.3	...	40,832	19.61
Birmingham	859,644	12,962	15.08	..	2.3	46.3	20.8	19.0	19.7	121.1	34.9	114.9	128.9	28.8	23,812	27.70
Bradford	290,540	4,474	15.40	..	6.2	12.4	3.4	7.8	18.2	106.3	39.9	90.9	127.5	26.5	5,811	20.00
Bremen	261,742	3,434	13.12	1	2.3	42.0	29.4	5.0	59.7	126.8	48.9	109.6	105.1	24.1	6,554	25.04
Breslau	539,605	9,735	18.04	..	4.1	23.7	5.4	19.5	9.3	217.4	35.4	148.3	171.7	50.4	14,166	26.25
Bucharest	338,109	7,943	23.49	5	42.3	0.6	26.3	9.2	22.5	347.5	103.5	265.9	203.4	66.7	9,975	29.50
Budapest	930,660	17,353	18.64	1	8.7	21.4	70.9	3.3	23.1	307.9	51.9	139.2	149.6	42.1	23,236	24.97
Charlottenburg	325,300	3,493	10.74	..	2.2	7.7	14.4	1.8	20.6	87.9	23.4	85.8	122.7	18.8	5,737	17.64
Copenhagen	483,000	6,487	13.43	..	0.6	7.0	10.8	27.1	5.2	117.8	33.5	128.2	102.7	18.9	11,439	23.68
Dresden	561,500	7,329	13.05	..	2.0	9.3	3.4	5.5	26.9	140.9	23.0	92.6	116.8	25.4	11,297	20.12
Dublin	403,000	8,657	21.48	..	10.7	7.2	8.2	21.3	23.3	265.5	92.8	95.8	156.6	...	11,224	27.85
Düsseldorf	402,300	4,572	11.36	..	0.7	15.2	4.7	7.2	10.4	97.7	21.4	104.9	123.5	41.9	10,298	25.60
Edinburgh	321,645	4,630	14.39	..	3.1	19.3	11.8	37.0	9.6	114.4	54.4	108.5	97.7	9.4	6,458	20.08
Florence	242,231	4,643	19.17	1	20.6	15.7	0.8	20.6	7.8	215.1	71.8	236.6	126.0	25.6	4,839	19.98
Glasgow	1,032,228	16,957	16.43	..	3.6	55.4	12.7	71.6	19.6	132.0	64.8	153.4	128.3	21.0	28,674	27.78
Hamburg	1,022,900	13,024	12.74	1	5.5	13.4	13.5	12.8	41.5	112.4	29.0	87.5	113.6	31.7	21,914	21.43
Köln	544,400	7,622	14.00	..	2.4	24.8	3.1	24.8	14.1	128.0	40.2	141.5	156.1	47.3	14,170	26.03
Leipzig	615,800	7,884	12.81	..	1.5	11.2	8.0	4.7	18.3	149.6	31.8	88.7	142.9	57.1	13,300	21.60
Liverpool	756,553	13,658	18.05	1	4.4	42.6	7.5	30.5	10.5	156.4	51.7	176.3	132.6	41.7	22,555	20.81
London	4,518,191	65,030	14.39	..	2.5	34.7	4.2	17.7	9.7	132.4	31.2	130.3	105.4	22.4	112,637	24.93
Lyons	523,796	8,767	16.74	..	7.4	10.5	1.9	1.9	9.5	225.1	32.5	220.5	87.3	21.8	8,293	15.84
Manchester	731,556	11,718	16.02	..	6.6	35.4	12.8	19.0	14.4	144.3	52.4	161.0	128.6	22.7	19,052	26.04
Milan	645,683	10,702	16.57	..	36.9	15.9	4.0	6.4	6.4	139.2	52.8	206.9	130.4	37.3	13,990	21.67
Moscow	1,694,000	41,940	24.76	45	11.4	76.7	50.6	23.2	48.3	226.5	41.2	340.6	278.7	115.4	55,930	33.02
Munchen	636,000	9,160	14.40	..	2.2	12.6	1.4	12.4	6.6	170.0	35.1	89.2	138.7	43.6	13,169	20.71
Paris	2,897,027	44,624	15.40	1	9.7	26.8	3.7	10.9	6.5	317.8	61.0	115.5	99.3	31.5	48,746	16.82
Prague	493,846	6,705	13.58	..	5.1	7.7	10.9	6.9	15.2	252.7	45.6	75.9	113.1	...	9,250	18.73
St. Petersburg	1,705,800	36,075	21.15	28	56.9	51.8	44.9	16.6	22.3	289.0	58.5	266.0	228.5	98.6	44,012	25.90
Stockholm	383,000	4,834	10.98	2	0.9	...	2.7	5.7	5.7	177.5	41.6	....	66.5	9.9	7,799	17.72
Vienna	2,115,254	32,314	15.28	..	2.3	13.8	12.0	10.4	19.8	237.1	66.9	132.4	156.0	41.7	37,387	17.68
Zürich	201,000	2,239	11.14	..	2.5	3.0	1.0	8.0	3.5	133.8	48.3	85.1	91.0	26.0	3,966	19.73
New York	5,372,983	73,902	13.76	..	6.7	11.7	9.4	7.8	24.8	160.1	26.6	186.9	102.0	22.5	135,134	25.15

NATIONAL BOARD OF FIRE UNDERWRITERS AND THE TABULATION OF FIRE STATISTICS

ACTION of the deepest importance was taken by the National Board of Fire Underwriters at a special meeting held in New York City on October 29. The principal business to be considered was the transmissal by the Executive Committee of the report of the Actuarial Committee and the presentation of resolutions in connection therewith, which resolutions were adopted by the Executive Committee on September 24, and are here given, as follows:

"First.—That the classification of occupancy hazards and the form of loss report blank, as prepared by the Actuarial Committee, be adopted and made the standards of the National Board of Fire Underwriters to take effect January 1, 1915;

"Second.—That each company member of the Board and/or subscribing to the work of the Actuarial Bureau be requested to begin to use same from said date, in order that uniformity of classification and loss reports may obtain, thus making practicable a combined experience of essential value for statistical purposes.

"Third.—That there be established within the Board a new department to be known as the Actuarial Bureau, the work of which shall be to gather from the members of the Board, as well as from such non-member companies as may desire to join in the work and support of the bureau, their experience of writings and losses in the United States, which experience shall be classified according to the standards hereby adopted. This experience to be combined and tabulated for the purpose of obtaining the fire loss costs of each and every class of hazard in the United States.

"Fourth.—That a part of the work of the Bureau shall be:

"(a) To compile a record of all fire losses upon property in the United States as reported by its members to the Bureau upon the standard blanks hereby adopted, with information regarding location, character of property, values, insurance, origin of fire, etc., etc.

"(b) To investigate the fire dangers to which each class of property is subject and to develop thorough and scientific information concerning the causes of fire and their prevention.

"(c) To make and maintain an alphabetical index of all loss claimants as reported by the companies, with the fire record of each, such information to be for the benefit of the subscribers to the Bureau.

(d) To furnish annually to each State or other lawful authorities that shall require reports of losses, a complete record of losses therein for each fiscal year and in addition thereto, immediate advices to the proper authority in such States concerning losses that

require the investigation of the fire marshal. Such annual reports taking the place of all specific loss reports now or hereafter legally required.

"Fifth.—That the entire affairs of the Bureau shall be under the charge of a standing committee to be known as the Actuarial Bureau Committee, the acts of such committee being subject—as with other standing committees of the Board—to the supervision of the Executive Committee.

"Sixth.—That the expenses of the Bureau shall be met by an assessment upon the companies subscribing to its support and as a temporary measure be based upon the gross premiums—it being meant by "gross premiums" the premiums as shown in the policies, less only cancellations; and the assessment to cover expenses until the next annual meeting in May, 1915, shall be at the rate of 1 50 of 1 per cent payable upon demand, the permanent basis of future assessments to be determined by the Actuarial Bureau Committee subject to the supervision of the Executive Committee.

"Seventh.—That upon due application to the Actuarial Bureau Committee any company not now a member of the Board, and whether eligible for full membership or not, may become a subscriber to the Actuarial Bureau without participating in the other functions of the Board, provided such company contributes to the expenses of the Bureau the same percentage of assessment or assessments from the commencement of the Bureau work as have been levied upon the subscribers."

These resolutions had already received unanimous endorsement from the Fire Marshal's Association of North America and from the National Convention of Insurance Commissioners, and the adoption of them by the National Board assures the going into effect of a plan of nation-wide importance from the point of view of sound underwriting and of the reduction of our National fire waste. It is without doubt the most vital work that the National Board has ever undertaken.

Not the least interesting part of the resolutions is the evident intent to co-operate actively with the State insurance departments and fire marshal's offices in the use of the data obtained. It is understood that the insurance commissioners of many States have agreed to do their part by insisting on reports similar to those of the National Board from all companies, stock and mutual, who are not reporting through the Board. Thus, the experience of practically every company in the country, with the possible exception of a few farmers' mutuals, will be at the disposal of the authorities and of the companies. This means, surely, the establishment of the business of fire insurance on a basis almost actuarial in character, if such a basis is possible of ascertainment, and assuming, of course, that there is a calculable law of average for fire losses. This, too would seem to establish a base from which to direct a concentrated attack against the annual property loss through fire, in the same manner that the liability companies are directing their efforts for the reduction of the waste through accidental injuries to the great mass of our working population.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

London Lloyds Underwriters Deny Ruinous Losses on War Risks. Not unnaturally, the steady stream of reports of British, French and Russian ships captured and destroyed by the flying German cruisers on all the oceans has given rise to some discussion, on this side of the Atlantic, as to the results to the Underwriters of Lloyds, London, of the numerous war risks they have been supposed to have on their books. Rumor has it that the losses have been of the severest character and that the position of a considerable number of the Underwriters at Lloyds has been dangerously weakened. In some instances, these allegations have bene decidedly concrete in form, with all the appearance of having actual knowledge of the facts behind them. American publications concerned with commercial and insurance matters have been led to give some attention to the subject and, in the light of the information they had, have published statements mainly confirmatory of the rumors. Upon receiving these published reports, however, important London representatives of the Lloyds business have sent indignant denials of the truth of them. A large New York insurance brokerage firm has just received from one of the most prominent London houses in the business a letter strongly setting forth the Lloyds side of the question. The essential portions of this letter are as follows:

"We are in receipt of your leter enclosing cutting from the 'Journal of Commerce' with regard to Lloyds. These paragraphs, as you of course know, appear from time to time in the papers; and although the responsible editor cannot, we think, know that the information is given for a purpose, yet it must be so. In this case, as in almost all of the instances, the information supplied is hopelessly incorrect.

"The Authorities at Lloyds have always declined to enter into any correspondence or to make any attempt to refute the ridiculous statements which appear from time to time. Rightly or wrongly, the impression on this side is that the security of a Lloyds policy is held in very high estimation by those on your side whose opinion is worth having; and, if there are any who hold a different opinion, there is an easy way out of the difficulty and that is to place in other markets any business they may have. We can assure you, the Underwriters at Lloyds will not complain.

"As regards the particular article you send, it is untrue.

"Lloyds Underwriters have *not* lost heavily on war risks; but, on the contrary, they have done very well. As an instance of how absurd the statements are, we may say that in the case of the 'Emden's' capture of six steamers, only in *one* case (the 'Diplomat') was the cargo insured at Lloyds and, as you know, the hulls are insured in Clubs and not at Lloyds. The amount insured at Lloyds on the 'Diplomat' was not $1,000,000, and nowhere near that amount. There are many Insurance Offices who would like to have the 'book' which Underwriters at Lloyds have at this moment on war risks; and there is little doubt that a large profit will be made. In addition, the years 1912 and 1913 have been very profitable to Lloyds Underwriters on business generally; and 1914, to date, promises even better.

"As regards the statement made in the article *re* the 'Indian Prince,' it is probably unnecessary to say more than that the Underwriters have not yet been asked to pay the loss."

* * *

Life Insurance in Switzerland.—Twenty-six companies were writing life insurance in Switzerland in 1912. Of these 6 were Swiss, 9 German, 6 French, 1 Austrian, 2 British and 2 American (the New York Life and the Germania). New policies written by Swiss companies numbered 33,212 for a total of 82,990,226 francs [franc equals 19.3 cents]. Foreign companies wrote, on residents of Switzerland, 8,891 policies, totaling 66,732,966 francs. These figures are exclusive of risks reinsured. In the figures, however, are included industrial policies. These made up a total of 20,787 policies for 13,636,253 francs for the Swiss companies and 94 policies for 101,060 francs for the foreign companies.

Twenty-nine foreign insurance companies had life insurance in force in Switzerland on December 31, 1912, totaling 89,308 policies for 681,121,749 francs. Nine of these companies were German, 11 French, 1 Austrian, 5 British, and 3 American (New York Life, Germania, and Equitable). The total assurances in force at the

close of the year on lives at home and abroad of the six Swiss companies amounted to 230,864 policies for 763,501,573 francs.

Nine hundred and seventy-three foreign industrial life policies for 905,538 francs and 92,500 Swiss industrial life policies for 68,-241,017 francs are included in the above figures.

The life insurance premiums and annuity considerations received in 1912 at home and abroad by Swiss companies were 41,156,154 francs and 9,417,641 francs, respectively; those received by foreign companies on Swiss business were 26,572,087 francs and 414,274 francs, respectively. The number of annuity contracts in force of foreign companies was, at the end of 1912, 731 for 620,010 francs, while annuities in force of Swiss companies at home and abroad were 9,262 in number and amounted to 7,679,501 francs.

The following tables gives the business done by American life insurance companies in Switzerland in 1912:

	Equitable.	New York Life.	Germania.
Insurance in force, 1912:			
No. of policies	214	2,202	1,295
Amount (francs)	2,160,107	29,592,031	9,645,356
Annuities in force, 1912:			
No. of policies	7	69	1
Amount (francs)	4,088	82,523	359
New insurance issued, 1912:			
No. of policies	*	213	2,883,124
Amount (francs)	*	162	1,179,820
Premiums received, 1912:			
Ordinary life (francs)	37,088	1,549,064	406,928
Annuities (francs)	.....	25,094	.....

*Has ceased writing new business.

INSURANCE NEWS IN THE WEST

Unsettled Outlook for Fire Insurance in Illinois.—That there is going to be trouble in Illinois this Winter is pretty evident from the attitude of Superintendent Rufus M. Potts. It goes without saying that he and the fire insurance companies are at loggerheads. Otherwise they would not be suing each other. Mr. Potts has legislative plans which the companies will undoubtedly do their best to frustrate. He has been making a trip through the Southwest, among those States which have State rate regulation laws. He is reported as saying in Texas that if he cannot get through a compulsory State scheme that he has in mind he will get Governor Dunne to recommend to the Legislature the enactment of a law like that of Texas, which he has found the most drastic of any with which he has come in contact. This means a fight unless the Governor should conclude that it is inexpedient to make such a recommendation.

While Governor Dunne has had little to say as to his personal opinions on questions relating to insurance, it is a fair inference from his past record that he is favorably disposed towards a large measure of regulation, if not towards insurance by the State. When he was Mayor of Chicago he made a fight to get the street car system into the hands of the city and appointments made by him and policies adopted by him showed that he had decidedly radical tendencies. Furthermore, it is not reasonable to suppose that Superintendent Potts has taken the course he has without the approval of the head of the administration.

It is not likely, however, that the Governor will have smooth sailing for his policies with the next Legislature. Illinois legislatures, even when of the same political complexion as the administration, have been known often to show scant courtesy to a Governor in the last half of his term. The Governor is a Democrat. There is much likelihood that the Legislature to be elected next week will be divided among the three parties to such an extent that none of them will have a majority, and it is not probable that all the Democrats in that body will be radical enough to uphold such policies as Superintendent Potts plans to follow.

Moore, Case, Lyman and Hubbard and the Hartford Accident and Indemnity.—Probably no recent agency change has caused more comment in Chicago than the resignation of the general agency of the Standard Accident by Moore, Case, Lyman and Hubbard, in order to take a general agency of the Hartford Accident and Indemnity. The firm had represented the Standard Accident for many years and had $200,000 or $300,000 in premiums on its books. James H. Moore, senior member of the firm, has represented the Hartford Fire for over fifty years, and the relations of the office with that company are so close that as soon as the casualty company was put in the field it became a question whether Moore, Case, Lyman and Hubbard would take it on and let the Standard go. It appeared settled that they would not, but the unexpected happened. It is now understood that the Standard will open a branch office in Chicago. It is said not to look with any favor upon entering another fire office on the general agency plan, as some company in the agency might start a casualty annex and throw it out again. It is generally expected that Moore, Case, Lyman and Hubbard will transfer most of their business from its books, as they have a strong hold on their customers and their brokers. To avoid a repetition of this, the establishment of a branch office appears the only course.

This is perhaps the most important instance in the West of an agency giving up an old casualty connection in order to take the subsidiary of a fire company which it has had still longer, but the instances have been numerous enough and the volume of premiums involved large enough to make it evident that the agency departments of the casualty companies have a serious problem to meet, growing out of the organization of casualty companies as running mates of fire companies. In most agencies doing both fire and casualty business, fire insurance is the more important branch and often the favorite fire companies have much the stronger hold upon the agent.

* * *

Opposition to Interinsurers in the West.—B. V. Hubbard, of Chicago, has requested Insurance Superintendent Potts, of Illinois, to cancel the license of the Illinois Indemnity Exchange, of Springfield, a casualty interinsurance concern. It is not in the least likely that Mr. Potts will act upon the request, but, if he refuses to do so, an interesting situation may develop. Mr. Hubbard is the author of a book entitled "Casualty Interinsurance Exchanges," which is devoted to a strong attack upon these concerns generally, but especially upon those operating in Illinois. In his book he has produced very strong arguments to prove that the Illinois law under which these concerns operate in the State is unconstitutional. It is doubtful if anybody would atempt to refute his arguments. Fred W. Potter, the former Insurance Superintendent, under whose administration the law was passed, said that probably nobody thought it would hold water. He licensed interinsurers under it, on the ground that it was better to have the concerns under a semblance of control than running wild, as they would do without the law. Mr. Potts, before he became Superintendent was engaged in organizing the very exchange whose license Mr. Hubbard has asked him to revoke. He is known to be friendly to these institutions in general and there is no reason to think he cares less for this one than for the others.

Mr. Hubbard has made his request on behalf of that class named under the workmen's compensation law as "employes," many of whom are protected by insurance in these concerns, licensed under this alleged invalid law. The industrial board has no alternative but to accept the insurance in these exchanges as insurance under the law because they are licensed in the State. There is little doubt that somebody could become a party plaintiff in a suit

to compel the Superintendent to revoke these licenses, but whether Mr. Hubbard's interest is such that a court would recognize him in that capacity is not certain. Mr. Potts' refusal to accede to his request, however, might put things in such shape that somebody could start suit and actually get the courts to pass upon the law under which the exchanges are licensed.

* * *

Fight on State Insurance in Wisconsin.—On next Tuesday the people of Wisconsin will vote on ten constitutional amendments. Two of these, almost identical in phraseology, provide that the State may engage in the insurance business with all constitutional safeguards thrown off. If opponents of these amendments state the case correctly, the State officials and the Legislature have been guilty of an attempt to deceive the people which is disreputable to say the least. The Legislature passed on to the people two amendments, instead of one, apparently to fool opponents into the belief that when they had voted "No" on one of them they had done their best to defeat the State insurance plan, while there would be a chance that the other similar one would be adopted. The State has issued a pamphlet giving the text of the amendments in full, each being numbered. It is claimed that the law provides the order in which they shall appear on the ballot and that it is entirely different. Thus the voter who studies the pamphlet and determines to vote for or against amendments of certain numbers will, unless he is very careful, vote for those he intended to vote against and vice versa. The insurance men, including heads of some of the mutuals, have done good work to defeat the amendments, but the Socialist vote in Wisconsin is large, and there is grave danger that so many will fail to vote on the amendments at all that the Socialists and others who favor them will cast the required percentage of the total votes on amendments to adopt them.

Chicago, October 30, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

The general inadequacy of surety claim reserves which has developed in the recent examinations of surety companies has induced the New York Insurance Department to endeavor to secure some more satisfactory method of computing such claims than is at present in vogue.. With this in view Superintendent Frank Hasbrouck has issued the following letter to all surety companies inviting them to offer suggestions for a basis which will provide a system of reserve on claims which will more nearly cover the requirements.

"Dear Sir.—This department has for some time had under consideration the question of adequate surety reserves. In our examinations of casualty companies doing surety business we have found in a number of instances that the reserves for outstanding losses were grossly inadequate. Within recent years several companies transacting surety business have been obliged to retire from buiness and the primary reason for the failure of these companies can be traced back to the fact that adequate reserves were not maintained from the beginning.

"Surety reserves are at present based upon estimates of individual cases, and it is practically impossible to accurately compute under this system a true reserve for losses long deferred and involved in litigation. This is a subject of great importance and one which should receive the careful attention and thought of the companies and the supervising departments. In order to obtain your views on this subject, kindly send in replies to the questions following by November 15, 1914:

"1. Do you think the present method of computing surety loss reserves satisfactory?

"2. Give reasons for answer to question No. 1.

"3. If you consider present methods unsatisfactory, what method would you advocate?

"4. Give reasons for advocating your method.

"5. Give details, showing how reserves would be computed by method advocated.

"6. General remarks on this subject."

Upon the recommendation of the Committee on Fire Prevention and Insurance, of which Mr. Alfred E. Marling is chairman, the Board of Directors of the Merchants' Association of New York, at the last meeting has taken action in opposition to two bills now pending in Congress which seek to regulate fire insurance by limiting the use of the mails.

The resolution embodying this action as reported by the Committee on Fire Prevention and Insurance, and unanimously adopted by the Directors, was as follows:

"The Committee on Fire Prevention and Insurance recommends that the Association oppose H. R. 17,139, Mr. Carter, and H. R. 17,363, Mr. Burns, which bills now pending in Congress deny the use of the United States mails for the purpose of effecting insurance or collecting premiums upon property situated in any State where, by the laws of such State, the companies issuing policies are prohibited from transacting insurance business in such State."

Following the presentation of arguments by representatives of the Association of Life Insurance Presidents, the State Tax Commission of Alabama has announced that it will not insist on taxing life insurance policyholders on their surrender values. This announcement supersedes the ruling of the Commission made on September 26 that such cash surrender values were taxable. The new decision was reached by the Commission on October 27 and the following announcement made to the local press:

"The State Tax Commission to-day unanimously decided, with the approval of the Attorney General, that it will not insist on the payment of taxes by policyholders on life insurance policies which have a cash surrender value. In view of the decisions of the Supreme Courts of Indiana and Minnesota and the opinions of the Attorney Generals of New York, Ohio and Pennsylvania, construing statutes similar to ours, which decisions and opinions hold that such policies are not taxable, the Commission made the above ruling."

William K. Bellis, secretary and general manager of the Reserve Loan Life of Indianapolis, died October 21 following a stroke of apoplexy. Mr. Bellis had for years been a prominent figure in insurance. He was born at Richmond, Ind., in 1853, and engaged in numerous business enterprises in his home State. In 1897 he, together with those associated with him in the management of an accident association, organized the Reserve Loan Life. He continued in the active management of that company until his death. The present Indiana insurance code was largely the work of Mr. Bellis who was active in bringing about changes in the law. He had something to do with the drafting and passage of every law now on the statute books of that State relating to life and accident insurance since 1884.

Of 3,377 fires which occurred in London, England, last year, says "Safety Engineering," 905 were caused by lights being thrown down, 276 by sparks from fires, 243 by children playing, 230 by gas lighting, 209 by various defective construction, 161 by candles, 144 by electricity, and 131 by overheated flues. Hot ashes caused 74 fires, gasoline and its vapors 76, burning rubbish 13, celluloid 12, tobacco 11, incendiarism 8, and in 35 cases there was doubt as to the reason. Carelessness caused 1,294 fires, heating 574, lighting 533. The causes were unknown in 304 cases and in 41 cases were deemed suspicious.

The following resolutions in regard to the United States Government war revenue tax were adopted by the National Board of Fire Underwriters at a meeting on October 29:

"Whereas, Owing to the fact that every policy issued must bear a revenue stamp, while no rebates will be allowed on account of cancellations or policies returned "Not Taken," the cost of revenue stamps to be affixed to fire insurance policies under the provisions of the Stamp Tax recently enacted by Congress will in all probability equal three-fourths of one per cent of the net premiums collected or about two and one-half millions of dollars, and

"Whereas, As shown by sworn reports the underwriting transactions of all fire insurance companies for the period of ten years from 1904 to 1913, inclusive, show a loss of sixty-two one hundredths of one per cent, amounting in the aggregate to $16,775,237, and

"Whereas, By means of State and local taxes, licenses and fees, and the general Corporation Income Tax, the fire insurance companies paid over eight and one-half millions of dollars in taxes in the year 1913, exclusive of assessments on real estate, this sum equalling 5.62 per cent of the aggregate net premiums received, less losses incurred:

"And Whereas, These facts being matters of public record were known to the framers of the emergency tax law, moreover the forms in which the tax law is drawn and the debate while the measure was pending clearly imply the intention and expectation that it should be borne by the insured.

"Therefore, Be it resolved, That, in view of the inexpediency, if not impossibility, of making and maintaining a general increase in fire insurance rates to meet the drain of taxation referred to, the National Board of Fire Underwriters strongly affirms the opinion that the cost of the stamps required should be borne by the policyholders, in addition to the premiums named in the policies;

"Resolved, That the National Board invites the attention of all its members to the subjoined statement,* as well as to the reports made from time to time by its presidents, touching matters of taxation, which lead to the inevitable conclusion that the assumption of the Stamp Tax by companies would be unwarranted and dangerous in view of existing conditions in fire insurance business;

"Resolved, That a copy of these resolutions and of the statement accompanying same be sent to every member of the National Board of Fire Underwriters."

[* It is impossible through lack of space to print this statement at this time.—Editor.]

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

FINANCIAL AND COMMERCIAL REVIEW

PROGRESS in readjusting financial and business positions has been substantial. As the third month of the war in Europe draws to an end the most convincing signs of financial improvement are exhibited by the foreign exchange market which means for us of course the market for sterling exchange. After the middle of October sterling bills began to decline and early in the present week they broke almost violently, recording a fall of three cents in the pound in one day. From the apex of recent recovery the decline aggregated about eight cents, and at the level reached and maintained in the last few days around 4.90, it can be said that the sterling exchange market is about at the maximum range normally reached under conditions of strain and difficulty.

A price of 4.89½ for demand sterling is quite sufficient in the ordinary state of things to draw gold out of the United States in great quantity and the movement would suffice to prevent any further rise in sterling bills. A curious feature of the present situation is that the customary gold export point is expected to mark a pronounced decrease of the foreign drain on our gold supply. This to be sure testifies to the extent to which the money market is still deranged, but evidence is accumulating that considering the conditions which the war has created, the international money position is getting into such satisfactory shape that gold movements will be more or less obviated. The profound weakness of German exchange, which became almost unsalable early in the past week at the price of 88½ for marks, continues to be a striking incident of the exchange market and is interpreted as reflecting both Germany's economic distress and her desperate effort to obtain supplies by purchase here for shipment through neutral countries in Europe despite the increasing aggressiveness of British endeavor to prevent contraband goods and commodities from getting into German hands. The progressive improvement of the business and banking situation has otherwise been denoted by the growing recovery of our foreign trade, especially of exports; by the manifest weakening of the domestic money market; by the larger investment dealings in securities and by the successful promotion of projects for re-establishing the cotton market.

So far as the foreign financial facts go there is plenty of encouragement for the view that the situation affecting us most has turned definitely for the better. The British moratorium is to end next week and all the signs are that it will have no very disturbing sequel despite the ominous predictions of our conservative critics who do not relish the unprecedented departure which British finance has made under the leadership of the Exchequer in dealing with the war crisis. If there were any serious apprehensions in the London banking community, sterling exchange would never have relaxed so much as it has nor would British bankers display increasing willingness to accept new American bills or extend old ones. The easiness of discounts in the London market has been a great influence in easing the international exchanges, and the position of the London discount market is supported by steady gains in strength by the Bank of England.

In the past week the Bank added $9,000,000 to its gold holdings which have risen $170,000,000 from the low level of August 7 and are by far the greatest stock of gold which the central institution of the world's central money market has ever had. The Bank's ratio of reserves to liabilities has been jumping about two points a week for several weeks, and is now almost 30 per cent, a figure which begins to be within reach of the ratios that have obtained in times of peace. It is more than double the proportion which was shown at the point of the Bank's greatest extremity in the first week of August. Incidentally it might be noted that loans at the Bank have contracted $125,000,000 from the maximum attained in early September.

Foreign trade returns help to encourage optimism about our own immediate economic future. The exigencies of war are chiefly responsible for the very heavy shipments of goods and commodities which we are making in swelling volume. A good deal of customary merchandise is hardly moving out at all, and although affairs are in train for much larger cotton exports than have been taking place there will be no normal cotton exports for a long time to come. Copper, which is rapidly consumed in war, is being exported in almost normal quantities again, but we have still a good way to go before our export trade even approximates normal dimensions.

It is satisfactory that in the first four weeks of October an export trade balance of about $25,000,000 was indicated, but this compares with an export excess of $68,000,000 in October last year. Furthermore, in the same four weeks of October the export aggregate was $51,000,000 less than last year, while imports were only $8,000,000 less. The necessities of other lands are stimulating a large liquidation of staples and merchandise which is sustaining our import trade, and although it is advantageous for us to get foreign goods cheap, the import movement is providing a considerable offset to the capacity of the export trade to liquidate our foreign indebtedness. As a matter of fact the supply of export bills in the foreign exchange market has only been one item in bringing about the relaxation of sterling remittance. Very substantial influences have been provided by evidence that we were going to do a large export business and by the willingness displayed to supply considerable sums of gold to meet our foreign obligations.

Domestic trade languishes in many important directions. Signal proof has been given by the action of the directors of the United States Steel Corporation in making a drastic reduction on the dividend on the common shares from the rate of 5 per cent to 2 per cent a year. Not until the market for capital is restored by the resumption of regular dealings in securities is it likely that domestic enterprise will move forward again except where it is directly stimulated by foreign buying to meet the necessities for which the war is responsible.

As for the reopening of the Stock Exchange, banking interests, while recognizing how desirable that is, hardly dare to con-

sider it in advance of the decision of the Interstate Commerce Commission in the reopened rate case. On this there depends the revival of investment confidence which is indispensable to furnishing more than the limited exchange of cash for securities that is going on under official supervision. The Interstate Commerce Commission has not, in the hearing of the reopened case, evinced a disposition to change its policy toward the common carriers, but it is a very fair conjecture from the general financial situation that the commission will find a sufficient excuse in the war emergency for making at least a temporary reversal of its regulative rulings and for showing that even a governmental commission can take cognizance of conditions at the expense of theories.

All the omens of the domestic money market are increasingly propitious. Lending rates have been holding about 6 per cent for commercial paper and for time accommodation on collateral security, but good judges of money are looking for something like a 5 per cent minimum before long. It is doubtful if anything cheaper than that will be witnessed. The early inauguration of the Federal reserve banking system promises additional facilities for meeting credit requirements, but unless the administration of the new banking system is unbelievably foolish reserve bank discount rates will be fixed high enough to prevent any rapid inflation of borrowings.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Oct. 17, 1914			Week Oct. 24, 1914		
	Banks.	Trust Cos.	Both.	Banks.	Trust Cos.	Both.
Loans	1,551.3	620.2	2,171.5	1,539.4	621.0	2,160.4
Deposits (net)	1,457.8	472.6	1,931.4	1,452.8	468.1	1,920.9
Cash reserves	369.4	65.1	434.5	375.3	66.4	441.8
Reserve ratio (%)	25.3	13.7	22.4	25.8	14.2	23.0

Actual Status.

	Week Aug. 1, 1914		
	Banks.	Trust Cos.	Both
Loans	1,423.4	635.3	2,058.7
Deposits (net)	1,422.7	488.7	1,911.5
Cash reserves	344.3	67.1	411.5
Reserve ratio (%)	24.2	13.9	21.5

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	1914			
	Oct. 3	Oct. 10.	Oct. 17.	Oct. 24.
Loans	569.5	563.4	562.5	560.6
Deposits (net)	563.5	557.9	557.5	556.1
Cash reserves	54.9	55.6	54.6	54.8
Other reserves	83.5	84.3	84.4	83.5
Reserve ratio (%)	26.1	26.6	26.7	26.5

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	1914	
	July 25.	Aug. 2.
Loans	2,626.5	2,629.5
Deposits (net)	2,553.0	2,479.1
Cash reserves	512.3	464.7

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

PHILADELPHIA BANKS STATEMENT.

	1914			
	July 20.	July 27.	Aug. 3.	Aug. 31.
Loans	398.4	396.4	396.8	399.8
Deposits	454.7	446.4	444.4	418.4
Cash reserves	103.6	99.7	95.9	84.0

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	232.2	231.8	226.1	228.4
Cash reserves	30.4	30.8	32.8	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913	1914		
	Oct. 21, 22	Jan. 13-14.	June 30.	Sept. 12.
Loans	704.4	685.2	711.2	704.7
Deposits	1,002.2	997.4	1,041.5	964.4
Cash, other reserves	449	470.2	335.2	311.9
Reserve ratio (%)	44.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914			
	Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,175.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week Ending	New York.	Outside.	Total.	New York.	Outside.	Total.
October 24	1,611	1,860	3,471	1,052	1,625	2,678
October 17	1,558	1,927	3,485	937	1,520	2,458
October 10	1,486	1,854	2,342	1,020	1,541	2,561

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
October 31	10	4¾	5¾	7	7	7
Oct. 24	3½	4½	5½	7	7	7
Oct. 17	3½	4½	5¾	8	8	8

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Oct. 8.	Oct. 15.	Oct. 22.	Oct. 29.
Deposits	165,498	162,561	168,822	151,730
Circulation	34,828	35,767	34,799	35,113
Gold	56,566	59,235	60,062	61,872
Securities	141,865	137,276	132,862	124,295
Reserve ratio (%)	24.53	26.50	27.52	29.79
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 16.	July 23.	July 30.	Oct. 1.
Deposits	1,218.9	1,343.5	1,331.0	2,117.0
Circulation	6,067.0	5,911.9	6,683.1	9,299.0
Gold	4,092.6	4,104.3	4,141.3	4,092.0
Silver	639.7	664.6	625.3	319.0
Discounts, etc.	1,606.8	1,611.8	2,444.2	3,476.0
Coin to notes (%)	77.9	80.6	71.0	58.1
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	July 9.	July 17.	July 25.	Aug. 15.
Gold and silver	1,596.4	1,681.6	1,722.7	1,590.2
Loans and discounts	1,026.0	867.3	801.0	180.9
Circulation	2,192.0	1,994.5	1,890.8	3,881.9
Discount rate (%)	4	4	4	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	June.	July.	August.	September.
Loans on call	204.5	193.9	166.7	159.5
Loans, current	925.5	927.0	883.8	867.8
Deposits, demand	355.0	346.8	338.9	348.2
Deposits, other	767.7	766.9	755.1	759.3
Circulation	99.1	94.8	114.5	120.3
Cash reserves	113.3	113.3	159.7	176.2

THE COUNTRY'S COMMERCE

	August		September	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$129,400,000	$137,651,000	$171,084,843	$139,204,267
Exports	187,909,000	110,337,000	218,240,001	156,188,790
Specie.				
Gold—Imports	5,803,753	3,034,824	4,626,748	2,761,590
Exports	1,194,657	18,125,617	496,037	21,887,202
Silver—Imports	3,401,335	2,162,095	3,098,348	1,864,213
Exports	4,907,806	3,627,337	5,856,197	5,389,981

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	49⅛	50¾	50¼	50⅜	48½	48½
London	22½	22½	22½	22½	22⅜	22⅜

COTTON

October 31, 1914.

ONE fact may be said to have been established during the past week in the opinion of the cotton trade, and that is that the present season's production of cotton in the United States has very nearly equalled, if it has not surpassed the highest of all previous records. The report of the Bureau of the Census, issued on Monday, showed the largest amount of cotton ginned up to October 18 of which there is record, except for the single year 1911. Even in comparison with 1911, moreover, the present ginning season shows only a trivial falling off, the respective figures being 7,610,682 bales this year, compared with 7,758,621 bales for 1911. When account is taken of the scanty market for cotton since the ginning season began, the ruinously low price which cotton has commanded all over the South, the lack of ready money among the farmers wherewith to hire pickers and to pay the cost of ginnnig, it is hard to dispute the assertion that a normal state of things would have caused the October 18 ginning figures to overtop those of 1911 by a large amount, and to indicate decisively the largest crop ever grown in the United States. Under present conditions, to be sure, it would not be safe to make such a prognostication, for as the picking season advances and the picking becomes slow and expensive, the low price obtainable is almost certain to restrain attempts to gather the last scattered cotton in the fields, so that one, two or even three million bales of the crop may never be picked and ginned at all. There can be no doubt, however, that enough will be picked to leave us next Summer with the largest stock of cotton we have ever had on hand at the beginning of a new season. Curiously enough, however, the publication of the Census figures and the realization of what they mean have not had a depressing effect upon the price of cotton in the South. The volume of trading in cotton in the Southern markets is of course exceedingly limited in pronortion to what it normally would be; prices. moreover, show very wide variations from place to place and from day to day. But during the week there has been a very decided stiffening of prices in some of the most important Southern markets. In Houston, Texas, for example, spot cotton was bringing yesterday quite ½ cent per pound more than on the previous Friday. Less striking advances were also made in the markets of the Atlantic States. Of course, this phenomenon does not mean that the total supply of cotton is being more completely absorbed and that demand is brisk enough to give prices a natural lift. What it does mean is that the so-called "distress" cotton has for the most part been sold, and that the farmers who are now bringing their seed-cotton to the gins are financially strong enough to withhold from the market and to carry back to their farms the ginned bales. But the demand, too, is really better; there can be no doubt of that. Cotton is beginning to be bought in respectable quantity for Great Britain, Italy and Spain; American spinners are increasing their purchases; and more than a little has been bought for the account of Germany and Austria. whatever may be the method expected to be adopted for getting it through to its destination. Early in the week, indeed. there was almost an outburst of enthusiasm, when it was announced that, so far as interference from England was concerned, cotton might be shipped in neutral bottoms direct to Hamburg and Bremen. There was much scurrying about on the part of merchants, with the idea of taking prompt advantage of the news by chartering American vessels, loading them with cotton and selling the cotton at the high prices obtaining in the German and Austrian markets. The enthusiasm was, however, of rather short duration; for it was soon discovered that vessel-owners were by no means reassured on the subject of mines along the North Sea shores by benevolent expressions as to the non-contraband character of cotton as a cargo. So far as can be learned, not a single ship was found whose owners were willing to take the risk, and the hope of direct shipments of cotton to German ports now appears decidedly faint. Worse than this, the recent destruction of two ships by floating mines off the West Coast of Ireland has made both vessel-owners and marine insurers decidedly nervous about voyages even to Liverpool and Manchester. It cannot be said, then, that the high hopes for speedily enlarging exports of cotton, which were entertained by many a few days since, bid fair to be speedily realized. The fact is that the real improvement in the situation is in the United States, and that too despite the fact that the whole burden would seem at first sight to rest on American shoulders. Congress has fortunately adjourned without adopting any of the wild financial legislation in behalf of cotton that appeared at one moment not unlikely to be passed. The great $135,000,000 Cotton Loan Fund, to be raised by the banks of the country and managed by the National Reserve Board, is still very much on the front pages of the commercial newspapers; but it would not be surprising if this also showed itself impracticable and in no long time fell into "innocuous desuetude." But the cotton trade is getting its feet under it again, and is beginning to find that the work of restoration accomplished in the past three months has put enough of its troubles behind it to enable it to become once more "forward-looking," active and constructive. The American cotton exchanges should be open before mid-November: Liverpool must speedily follow; and then the immense sustaining power of the consuming world will little by little be brought to the aid of cotton.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Frl.
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	8.00	8.00	7.60	7.60	7.60	7.50
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	11.05	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Frl.
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		
May—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
September—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
Opening 12:30 p. m. Close	25 points over J-F					
Aug.-Sept.—						
Opening 12:30 p. m. Close	15 points over J-F					
Sept.-Oct.—						
Opening 12:30 p. m. Close	6 points over J-F					
Oct.-Nov.—						
Opening 12:30 p. m. Close	4 points over J-F					
Nov.-Dec.—						
Opening 12:30 p. m. Close	1 point under J-F					
Dec.-Jan.						
Opening 12:30 p. m. Close	1 point under J-F					
Jan.-Feb.—						
Opening 12:30 p. m. Close	4.75	4.75	4.55	4.55	4.55	4.50
Feb.-Mar.—						
Opening 12:30 p. m. Close	1 point over J-F					
Mar.-Apr.—						
Opening 12:30 p. m. Close	3 points over J-F					
Apr.-May—						
Opening 12:30 p. m. Close	3½ points over J-F					
May-June—						
Opening 12:30 p. m. Close	4 points over J-F					
June-July—						
Opening 12:30 p. m. Close	2½ points over J-F					

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs	Fri.
New York	....	....	....	....	....	....
New Orleans	6½	6½	6½	6½	6¾	6¾
Galveston	6⅝	6⅞	6⅞	6¾	6⅞	6⅞
Mobile	6⅛	6¼	6¼	6¼	6⅜	6⅜
Savannah	6½	6½	6⅝	6⅝	6¾	6⅞
Charleston	6½	6½	6½	6⅝	6¾	6¾
Wilmington	6½	6½	6½	6⅝	6¾	6¾
Norfolk	6⅞	6⅞	6¾	6⅞	6¾	6⅞
Baltimore	....	....	....	....	....	....
Augusta	6⅝	6⅝	6⅝	6¾	7	7⅛
Memphis	6½	6½	6½	6⅝	6⅝	6⅝
St. Louis	6½	6⅝	6⅝	6⅝	6⅝	6⅝
Houston	6½	6⅝	6⅝	6⅞	6¾	7
Little Rock	6¼	6¼	6¼	6¼	6¼	6⅜

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	....	5.85	5.85	....	5.80
Good middling	....	....	5.10	5.10	....	5.05
Middling	5.05	5.05	4.85	4.85	4.85	4.80
Low middling	....	....	4.19	4.19	....	4.14
Good ordinary	....	....	3.35	3.45	....	3.40
Estimated spot sales..	4,400	2,900	3,300	4,800	5,000	7,500

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs	Fri.
Fully good middling...	....	....	....	.....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	498,344	545,977	577,104	287,414
Overland to mills and Canada	32,953	43,575	54,033	33,252
So. mill takings, est., exclusive of takings from Southern ports.	85,000	85,000	85,000	65,000
Gain of stocks at interior towns	65,434	59,262	29,991	108,861
Brought into sight for week	681,731	732,614	746,128	494,530
Total Movement—				
Port receipts	3,828,134	3,640,937	3,724,389	1,350,971
Overland to mills and Canada	127,334	121,569	191,205	97,765
Southern mill takings..	625,873	664,796	664,796	353,000
Stocks at interior towns in excess of Sept. 1..	486,785	383,277	347,681	619,324
Brought into sight thus far this season	5,094,385	4,928,071	4,928,071	2,421,060

The total crop movement is respectively for 95 days, 93 days, 92 days and 91 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	134,426	1,326,527	218,036	123,806	648,664	231,003
New Orleans	87,706	312,642	142,817	39,118	137,312	115,696
Mobile	21,272	139,802	43,983	4,574	31,990	26,344
Savannah	125,375	881,195	201,695	43,965	237,363	103,665
Charleston	29,853	238,343	92,220	12,594	64,102	52,125
Wilmington	28,323	185,460	29,807	5,566	30,513	24,667
Norfolk	36,169	140,276	22,699	12,732	57,389	28,548
Baltimore	9,334	32,794	3,575	1,811	6,675	6,931
New York	.....	124	27,876	.....	394	69,137
Boston	162	2,577	3,079	523	2,424	2,731
Philadelphia	.....	74	2,025	76	186	7,786
Newport News	5,899	9,783	.....	2,774	12,352	.....
Brunswick	30,000	150,650	30,012	1,000	7,300	.....
Pensacola	17,794	44,749	.....	.....	.....	.....
Port Arthur	.....	.....	.....	.....	400	.....
Pacific ports	18,862	72,770	.....	14,528	40,998	.....
Texas City, etc.	28,882	176,433	17,111	22,959	63,685	25,087
Jacksonville, etc	3,047	10,590	1,002	1,391	11,224	583
Georgetown	.....	.....	.....	.....	.....	.....
Totals	577,104	3,724,389	821,879	287,417	1,352,971	694,302

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	961	22,514	795	1,525	290	7,786	210	5,752
Dallas	4,731	27,006	5,057	7,810	7,610	33,730	5,525	7,375
Shreveport	13,456	63,963	10,738	22,859	10,722	54,502	1,701	50,763
Little Rock	9,359	47,656	5,063	31,847	9,557	40,840	4,848	26,944
Helena	2,729	18,526	3,115	11,420	3,893	18,680	1,669	14,837
Vicksburg	1,355	6,693	1,013	3,967	2,393	8,837	600	7,237
Columbus, Miss.	2,191	15,016	2,046	6,025	1,328	6,183	185	4,556
Natchez	1,398	7,034	951	3,023	1,346	9,355	641	8,487
Memphis	43,103	226,340	38,395	97,394	50,669	227,065	25,350	154,037
Nashville	562	4,414	.....	1,594	.....	532	.....	482
Selma	6,989	74,581	7,411	11,350	5,960	56,371	3,253	38,659
Montgomery	8,936	92,644	8,297	24,961	9,860	83,068	4,040	64,557
Eufaula	1,034	14,121	1,131	2,422	1,338	11,617	361	8,357
Columbus, Ga.	3,845	23,875	3,700	8,571	5,375	30,881	1,000	22,921
Macon	2,044	23,471	1,991	2,157	2,496	20,077	566	17,509
Albany	932	21,227	969	2,384	1,656	16,116	400	17,212
Atlanta	16,552	140,517	18,177	19,452	7,239	30,013	4,565	10,608
Rome	5,544	29,547	4,425	6,578	3,928	15,377	2,782	4,917
Augusta	19,181	168,162	16,099	45,330	22,683	157,301	7,646	117,415
Columbia	2,496	26,169	2,496	.....	5,671	30,904	5,671	.....
Newberry	1,548	11,250	1,548	.....	191	4,325	191	.....
Charlotte	1,466	5,473	1,466	.....	335	1,950	335	.....
Raleigh	745	6,183	600	365	399	1,116	250	301
St. Louis	23,360	74,035	22,756	8,945	16,660	53,777	15,214	18,640
Houston	137,405	1,177,567	119,954	147,157	125,606	666,705	112,317	108,083
Meridian	1,797	8,687	566	6,152	1,230	5,947	366	5,610
Cincinnati	3,248	19,962	6,958	8,152	6,715	25,345	5,900	3,672
Yazoo City	1,651	10,346	2,202	8,092	2,500	14,093	706	13,000
Totals	318,618	2,428,994	287,919	489,532	307,630	1,631,534	206,289	731,931

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	199,814	170,851	66,067
France	94,176	114,643	10,950
Continent	217,317	174,062	59,315
Mexico	.....	2,466	1,619
Japan	10,224	20,462	14,528
Totals	521,531	482,484	151,479
Great Britain	1,112,983	935,282	258,668
France	412,639	453,479	15,214
Continent	963,967	1,123,544	190,769
Mexico	253	12,959	11,040
Japan	33,912	76,260	70,170
Totals	2,523,754	2,601,524	545,861

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	480,000	500,000	.....
Since September 1	2,083,692	2,568,278	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	9,500	31,419	15,000	47,807	.....	.....
To Manchester	8,250	34,491	8,000	38,926	.....	.....
To Continent	5,750	38,845	14,250	59,688	.....	.....
To America	3,000	7,514	400	2,224	.....	.....
Total exports	26,500	112,269	37,650	148,645	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	88,000	425,000	.....	.....
Exports to Great Britain	.....	4,000	.....	.....
Exports to Continent	22,000	203,000	.....	.....
Exports to Japan and China	.....	117,000	.....	.....
Afloat in harbor	15,000	.....	.....	.....

Exchange, 1s. 4 11-32.

Receipts exclusive of ——— American this week, —— this season; —— this week last year, 2,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	548,000	354,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses	37,000	17,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	3,000	.....	.....
Bremen	186,000	183,000	.....	.....
Havre	143,000	138,000	.....	.....
Other ports—Continent	35,000	26,000	.....	.....
Alexandria	263,000	.....	.....	.....
Bombay	120,000	.....	.....	.....
U. S. interior towns	489,932	489,932	.....	.....
U. S. ports	844,286	844,286	.....	.....
Afloat for—				
Liverpool	445,000	372,000	.....	.....
London	.....	.....	.....	.....
Continent	831,000	739,000	.....	.....
Afloat in Bombay harbor	19,000	.....	.....	.....
Coastwise to New York	14,000	14,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	3,995,218	3,180,218	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 369,476. Increase in American visible supply for the week, ——, against 321,475 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	4,928,071	.....
Total supply	6,260,211	.....
Less visible supply, American, to-day	3,203,411	.....
World's takings, American, to date	3,056,800	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	790
Receipts at United States ports to date	3,724,389	1,350,971
Total supply at ports	3,885,678	1,604,962
Deduct.		
Stocks at ports to-day	821,875	694,302
*Exports to date	2,615,524	562,881
Southern mill takings from ports	16,053	32,856
Burnt at ports	.....	.....
Totals	3,453,456	1,290,039
To Northern mills from ports	432,222	314,923
Overland to Northern mills	191,205	97,765
Total Northern mill takings	623,427	412,688
Southern mill takings	680,849	385,856
Total American mill takings, including Canada	1,304,276	798,544

*Includes ——— in transit between Southern ports and New York, against 14,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	200,040	1,304,276	.....	.....
Great Britain	58,851	720,282	.....	.....
Continent	117,705	940,023	.....	.....
Mexico	2,465	12,959	.....	.....
Japan and China	20,462	76,260	.....	.....
Totals	399,524	3,056,800	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	52,000	54,000	23,000	24,000
Sales, American	42,000	40,000	14,000	17,000
Sales, speculation	2,000	3,000	.....	1,000
Sales, exports	1,000	1,000	2,000	2,000
Forwarded	109,000	75,000	40,000	49,000
Imports, all kinds	150,000	126,000	34,000	54,000
Imports, American	132,000	96,000	28,000	43,000
Actual exports, all kinds	6,000	9,000	3,000	7,000
Stock, all kinds	643,000	548,000	760,000	758,000
Stock, American	508,000	354,000	464,000	459,000
Afloat for Great Britain, all kinds	549,000	475,000	170,000	.....
Afloat for Great Britain, American	482,000	411,000	138,000	.....

THIRD COTTON GINNING REPORT OF THE SEASON.

On Monday, October 26, the Bureau of the Census issued its third report of the season on cotton ginned from the American crop of 1914-1915. The figures cover the period from the beginning of the season up to October 18. The following table gives the returns by States, with comparisons for last year and for the large crop year, 1911.

COTTON GINNED FOR SEASON TO OCTOBER 18.

States.	1911, Bales.	1913, Bales.	1914, Bales.
Alabama	838,617	839,899	810,786
Arkansas	278,238	322,181	397,031
Florida	43,503	35,956	43,313
Georgia	1,522,718	1,296,911	1,364,013
Louisiana	176,904	164,034	224,968
Mississippi	386,016	435,690	474,330
North Carolina	438,266	252,193	301,077
Oklahoma	396,739	301,258	450,657
South Carolina	788,927	619,720	693,392
Tennessee	125,791	131,933	103,970
Texas	2,700,037	2,451,279	2,712,712
All other States	23,636	32,464	34,433
United States	7,758,621	6,973,518	7,610,682

The amount of cotton ginned from September 25 to October 18, inclusive, was 4,216,929 bales, as compared with 4,082,027 bales ginned in the same period in the season of 1911-1912. In fact, the ginnings for the period this year broke all previous records. Included in the figures for this year were 13,229 round bales (taken as half-bales), as compared with 49,030 last year, 41,745 in 1912, and 53,858 in 1911. Sea Island cotton included amounted to 30,078 bales, compared with 31,139 bales last year, 15,960 bales in 1912, and 40,303 bales in 1911.

The average quantity of cotton ginned prior to October 18 in the last seven years was 6,182,481 bales, or 48.8 per cent of the average of the seven crops.

* * *

Cotton and Cotton Manufacturing Situation in Mexico.—The rapidity with which cotton manufacturing can recover from the effects of even the most ruthless and devastating war is illustrated by the conditions reported as existing in the chief cotton-producing district of Mexico, that about Torreón. It will be remembered that one of the most sanguinary battles between the then revolutionary forces, under General Villa, and the Mexican Federal forces, took place less than a year ago at Torreón. Last year's crop of cotton in the district,—a very large crop,—could not be got southward to the Mexican mills, most of which are in or near Mexico City; and a considerable amount of the cotton was shipped northward into the United States and there sold in the late Spring just past, with small profit to the purchasers, as things

turned out. And yet a recent press despatch from Torreón reads as follows:

"All of the cotton mills of Mexico have been large buyers of the staple during the past several weeks. It is stated that they have closed contracts for more than $6,000,000 worth of cotton, most of which is being supplied by the growers in the Laguna district, in which Torreón is situated. The normal annual crop of this district is a little more than 100,000 bales. The Mexican crop this season was above the average yield and all of it will be consumed by the mills of the country. Considerable cotton from last year's crop was held over on account of the disturbed condition of the country. The held-over cotton has now been sold at fairly good prices and planters are in good financial shape. The mill owners report a heavy demand for certain classes of cotton goods and most of the plants will be kept running full time from now on, unless new revolutionary troubles arise and put a stop to manufacture."

* * *

The Reduction of Cotton Area in Egypt.—It is reported by Mr. Olney Arnold, United States Consul at Cairo, that by a decree published in the Official Journal on September 22 the area to be devoted to cotton in Egypt during the agricultural year 1915 is limited to a maximum of 1,000,000 feddans (feddan equals 1.03 acres), the cultivation of the fibre being entirely prohibited in the basins of Upper Egypt and no owner or tenant being permitted to cultivate cotton over an area exceeding one-fourth of a single agricultural property. In those localities not suited to the growing of grain crops the proportion of land given to cotton may be increased to one-third, but in no case is the maximum of 1,000,000 feddans to be exceeded. An exception is also made as to lands in districts irrigated by water from the Nile and canals. Non-conformance with the decree will entail both a punishment and a fine and the destruction of plantings beyond the legal limit. Wheat, corn, beans, and other grain and food products are to be grown in place of cotton.

* * *

The Cotton Mill Situation in Spain.—Mr. E. Calvet, member for Spain on the International Cotton Committee, writing to the International Federation at Manchester, says: "Since the declaration of war, the spinning mills have been reducing their output, and the manufacturers took the same step shortly afterwards. At the present time both the spinning and the weaving mills are working three days per week, and hardly any sales take place. It is anticipated that this curtailment of output will last at least three months."

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical [illegible] cotton goods (in cents per yard) and cotton yarns (in cents per pound), Saturday of last week and on Wednesday of the present week:

	Saturday.	Wednesday.
Cloths.		
[illegible] 64s	3	3
[illegible] standard	3⅞	4
[illegible] Southern standard	7¼	7
[illegible]	13½-17	13½-17
[illegible]	13	13
[illegible]	5¼	5¼
[illegible]	6¼	6¼
Yarns.		
[illegible]	18-18½	18
[illegible]	12	12
[illegible]	16-16½	16
[illegible] warps, 2[illegible]	15	15½-16
[illegible] warps, 2[illegible]	16	15-15½
[illegible] 2s	16½	16½-16¾
[illegible] 3s	19-19½	18½-19
Eastern carded [illegible] 2s	19¼	19¾
Eastern carded [illegible] 3s	23¼	23¼
Eastern carded peeler warps 30s	25½	25½
Eastern carded peeler warps, 50s	41	41

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 24..	1.17½	1.16¼	1.16⅜	1.22¾	1.21⅛	1.21⅜	.....	.....	.....
Oct. 26..	1.17½	1.15	1.15⅝	1.22	1.20¼	1.20¾	.....	.....	.....
Oct. 27..	1.15½	1.14	1.14⅜	1.20¾	1.19¼	1.19⅝	.....	.....	.....
Oct. 28..	1.15⅝	1.13½	1.13½	1.20⅜	1.19	1.19	.....	.....	.....
Oct. 29..	1.14	1.12¼	1.13⅝	1.19½	1.17⅞	1.19½	.....	.....	.....
Oct. 30..	1.16⅜	1.14½	1.16	1.22¼	1.20¾	1.21⅞	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 24..	70⅝	69½	69½	72¾	71¾	71⅞	....	....	....
Oct. 26..	69⅞	68⅛	68½	71⅞	70⅞	71¼	....	....	....
Oct. 27..	68⅜	67⅜	67⅝	71	70⅛	70⅜	....	....	....
Oct. 28..	68¼	67¾	67¾	71	70⅜	70⅜	....	....	....
Oct. 29..	68⅜	67	68¼	70¾	69¾	70⅝	....	....	....
Oct. 30..	69¼	68¾	68⅞	71⅝	71⅛	71⅜	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 24..	51	50½	50½	54⅛	53½	53⅜	....	....	....
Oct. 26..	50⅝	50	50⅛	53⅝	53⅛	53¼	....	....	....
Oct. 27..	50⅛	49	49⅛	53⅛	52¼	52⅜	....	....	....
Oct. 28..	49¾	48⅝	48⅝	53	52	52	....	....	....
Oct. 29..	49	48	49	52½	51½	52⅜	....	....	....
Oct. 30..	49⅝	49¼	49⅜	53⅛	52¾	52⅞	....	....	....

LARD.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 24..	10.60	10.55	1 .55	10.52	10.50	10.50	9.97	9.90	9.97
Oct. 26..	....	....	10.60	10.50	10.40	10.50	10.02	9.92	9.95
Oct. 27..	10.60	10.60	10.60	10.47	10.42	10.47	9.92	9.85	9.85
Oct. 28..	10.75	10.62	10.67	10.70	10.47	10.62	9.97	9.90	9.90
Oct. 29..	....	....	10.62	10.62	10.50	10.62	9.90	9.82	9.87
Oct. 30..	10.75	10.67	10.75	10.75	10.62	10.72	9.95	9.90	9.92

RIBS.

	October			November			January		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 24..	....	....	11.00	....	....	....	9.85	9.75	9.82
Oct. 26..	10.80	10.70	10.70	....	....	....	9.90	9.80	9.80
Oct. 27..	10.65	10.47	10.47	....	....	....	9.82	9.75	9.75
Oct. 28..	10.20	10.12	10.12	....	....	....	9.85	9.80	9.80
Oct. 29..	....	....	10.20	....	....	....	9.85	9.75	9.82
Oct. 30..	10.20	1 .07	10.20	....	....	....	9.90	9.87	9.87

PORK.

	October			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 24..	16.50	16.25	16.50	19.05	18.87	19.05	19.42	19.22	19.40
Oct. 26..	....	....	16.70	19.30	18.97	18.97	19.50	19.27	19.27
Oct. 27..	....	....	16.40	19.00	18.77	18.77	19.27	19.05	19.05
Oct. 28..	....	....	16.47	19.00	18.92	18.95	19.12	19.10	19.10
Oct. 29..	....	....	....	18.87	18.75	18.85	19.10	18.97	19.07
Oct. 30..	....	....	....	18.97	18.90	18.95	19.20	19.10	19.15

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	4.75	4.60	4.65	4.70	4.80	5.00
October	4.77	4.60	4.65	4.70	....	....
November	4.80	4.63	4.72	4.73	4.97	5.10
December	4.85	4.63	4.79	4.80	5.03	5.19
January	4.95	4.81	4.92	4.97	5.18	5.29
February	5.02	4.90	5.03	5.07	5.30	5.40
March	5.22	5.12	5.22	5.33	5.49	5.58
April	5.30	5.18	5.29	5.41	5.58	5.65
May	5.48	5.36	5.43	5.53	5.69	5.78
June	....	....	....	....	5.75	5.85

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	..
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
Spot	6½	6½	6½	6⅜	6⅜	6⅜

Quoted Prices of Active Bonds on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Bonds.	Maturity.	Interest Payable.	Thursday. July 30. Last sale.
82⅞	Jan	3	73⅞	Dec	23	Adams Express 4s	1948	*M-S	79
88¾	Jan	23	83	June	10	Albany & Susque 3½s	1946	*A-O	
62	Sept	26	62	Sept	26	Allis-Chalmers 5s	1936	J-J*	
101⅞	Jan	31	94	June	11	Am Ag Chemical cvt 5s	1928	*A-O	99
97¼	Jan	15	95	May	27	Am Cotton Oil 4½s	No 1 1915	Q Feb	98⅞
102½	Jan	31	98¾	June	12	Am Hide & Leather 6s	1919	M-S*	
80	Sept	26	70	July	10	Am Ice deb 6s	1925	*A-O	
110	Jan	10	89¼	Dec	15	Am Tel & Tel conv 4s	1936	*M-S	95½
97½	Feb	13	94	June	11	Am Tobacco Co 4s	1951	F-A*	
120⅝	Feb	5	116	Aug	22	Am Tobacco 6s	1944	A-C*	
79⅞	Jan	14	70	June	16	Ann Arbor 4s	July 1995	Q Jan	64
92	Jan	10	89	Dec	16	Armour & Co R E 4½s	1939	*J-D	91
98⅛	Feb	5	91⅞	Dec	22	A T & S F gen 4s	1995	A-O*	92¼
88	Jan	2	83	Mar	24	A T & S F adj 4s stamp	July 1995	Nov	
105⅝	Jan	11	98	June	6	A T & S F conv 5s	1917	*J-D	100¾
105¾	Jan	13	92¼	Nov	6	A T & S F conv 4s	1955	*J-D	90½
95¼	Jan	4	87	July	6	Atlantic Coast Line 4s	July 1952	M-S	
92½	Jan	11	85¾	Dec	18	Atl C L L & N col 4s	Oct 1952	M-N	87¼
91¾	Jan	13	88	June	11	Balt & Chio prior 3½s	1925	J-J*	89½
97⅞	Jan	31	89¼	July	25	Balt & Ohio gold 4s	July 1 1948	A-O	
90¼	Feb	11	82½	July	19	B & O P L E & W V 4s	1941	M-N*	
90⅝	Feb	17	86½	June	30	B & O S W Div 3½s	1925	*J-J	87⅞
96¾	Feb	4	92	Dec	3	Bethlehem Steel 1st 5s	1926	*J-J	98
92⅜	Jan	9	84⅝	June	10	Brooklyn Rap Tran cvt 4s	2002	J-J*	
103¼	Jan	10	99¼	Dec	12	Brooklyn Rap Tran 5s	1945	A-O*	100
101½	Jan	27	98½	Oct	30	Brooklyn Union El 1st 5s	1950	*F-A	99¾
106½	Jan	17	101½	July	28	Brooklyn Union Gas 5s	1945	*M-N	
110⅜	Jan	9	103	June	18	Buff Roch & Pitts gen 5s	1937	*M-S	
109	Jan	29	102	June	10	Central of Ga con 5s	1945	M-N*	
97⅜	Dec	31	91⅞	June	12	Central Leather 5s	1925	*A-O	96
119⅜	Feb	5	112½	July	18	Central of N J gen 5s	1987	J-J*	116⅜
90¼	Jan	30	80⅛	Oct	31	Central New England 4s	1961	*J-J	
96½	Jan	25	89⅝	Dec	16	Central Pacific 1st 4s	1949	F-A*	90½
110	Jan	3	103	June	18	Ches & Ohio con 5s	1939	*M-N	
101	Feb	7	90⅜	Dec	19	Ches & Ohio gen 4½s	1992	*M-S	
92⅝	Feb	6	77½	Dec	4	Ches & Ohio conv 4½s	1930	*F-A	70
68	Jan	22	60⅛	Dec	2	Chicago & Alton 3s	1949	A-O*	
63¾	Jan	30	50	June	16	Chicago & Alton 3½s	1950	J-J*	37⅛
96⅛	Jan	25	89¾	Nov	18	Chi Bur & Quincy gen 4s	1958	*M-S	92½
96¼	Jan	6	93	June	16	Chi Bur & Quincy joint 4s	1921	*J-J	95
85⅝	Jan	16	81	Nov	19	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	
98¾	Feb	15	92	Dec	15	Chi Bur & Quincy Ill Div 4s	1922	*F-A	95
97	Jan	14	93	July	9	Chi Bur & Quincy Neb ext 4s	1927	*M-N	
111	Jan	30	104⅜	Dec	27	Chicago & Erie 1st 5s	1982	*M-N	
77⅜	Jan	10	70	Dec	15	Chicago Great Western 4s	1959	M-S*	68
99	Jan	18	89¼	Dec	1	C M & S P gen 4s, Series A	May 1989	J-J*	95
100¾	Jan	13	99½	June	16	Chi Mil & St P term 5s	1914	J-J*	
91⅞	Jan	22	86	Apr	25	C M & St P deb 4s	1934	J-J*	
105¼	Jan	4	101¼	June	27	C M & St P C P & W 5s	1921	*J-J	
85⅛	Feb	5	78⅛	Apr	30	Chicago & N W gen 3½s	1987	M-N*	
98¼	Feb	5	92¾	Apr	18	Chicago & N W gen 4s	1926	F-A*	
94⅛	Jan	8	82½	Oct	23	C R I & P gen 4s	1988	J-J*	81¾
66¾	Jan	10	48¾	Dec	13	C R I & P col trust 4s	2002	M-N*	19½
88¼	Jan	10	70	Dec	18	C R I & P ref 4s	1934	*A-O	66
120½	Feb	7	115⅝	Oct	30	C St P M & O 6s	1930	*J-D	
92⅛	Jan	3	85	Nov	6	C C C & St L gen 4s	1993	*J-D	
90	Mar	4	83	Dec	5	C C C & St L S L Div 4s	1990	M-N*	
85	Feb	1	76	Dec	12	Col Industrial 5s	1934	F-A*	71
36¼	Feb	3	15	Dec	29	Col Midland 1st 4s	1947	J-J*	
94⅞	Jan	7	89	June	7	Col Southern 1st 4s	1929	*F-A	89½
94½	Jan	6	90¼	June	17	Col South ref & ext 4½s	1935	*M-N	
97¼	Feb	17	95½	July	9	Con Tobacco 4s	1951	*F-A	
98	Jan	11	95½	June	12	Del & Hudson conv 4s	1916	*J-D	98
99⅛	Jan	9	95½	July	22	Del & Hud ref 4s	1943	*M-N	
89½	Jan	31	80½	July	9	Den & Rio Grande con 4s	1936	*J-J	75½
84¼	Jan	10	67	June	12	Den & Rio G 1st ref 5s	1955	F-A*	
70	Jan	4	54½	May	28	Distillers' Securities 5s	1927	*A-O	52½
109⅝	Jan	14	104⅝	Oct	10	E T V & G con 5s	1956	M-N*	
106	Feb	25	103	June	26	E T V & G Div 5s	1930	J-J*	
87	Jan	3	81⅞	Dec	11	Erie prior lien 4s	1996	*J-J	
76	Jan	13	66⅞	June	12	Erie general lien 4s	1996	*J-J	67½
82¼	Jan	30	66	June	11	Erie conv 4s A	1953	*A-O	
77⅛	Jan	10	65	June	11	Erie conv 4s B	1953	*A-O	63½
90	Jan	20	85⅜	July	23	Erie (Pa) col 4s	1951	*F-A	88¾
101½	July	8	98⅞	Mar	13	E & T H 1st gen 5s	1942	*A-C	
108	Jan	15	102	July	29	Ft W & D C 1st 6s	1921	J-D*	
76½	Jan	24	63½	Nov	21	Ft W & R G 1st 4s	1928	J-J*	
105½	Jan	16	101	Nov	12	General Electric deb 5s	1917	*J-D	105¼
17½	Jan	28	11	June	10	G B & West deb B		Ann.-Feb	
101¾	Jan	30	96	Apr	23	Hocking Valley 4½s	1999	*J-J	
93	Mar	7	92	Mar	10	H & T Central gen 4s	1921	*A-O	
96½	Mar	6	90	Oct	20	Illinois Central 4s	1952	*A-O	
96	Sept	8	87	Nov	3	Illinois Central 4s	1953	M-N*	
96	Jan	22	88½	July	24	Illinois Central ref 4s	1955	M-N*	91
66⅛	Jan	9	56½	June	7	Inter Mer Marine 4½s	1922	A-O*	43
81¼	Jan	9	71	June	10	Inter-Met 4½s	1956	*A-O	72½
98½	Oct	22	98	Oct	23	Interborough R T 5s	1952	M-N*	97½
105	Jan	30	100	May	20	International Paper 1st 6s	1918	*F-A	100½
91¾	Jan	16	80	Dec	18	International Pap conv 5s	1935	*J-J	
88¾	Jan	10	57	Nov	26	Inter Steam Pump 5s	1929	*M-S	
99⅜	Jan	24	86¾	Dec	22	Iowa Cent 1st 5s	1938	*J-D	
64¼	Jan	9	50	Nov	11	Iowa Cent ref 4s	1951	*M-S	
78	Jan	23	65	May	28	Kan City Ft S & M 4s	1936	A-O*	71
72	Jan	21	68	May	28	Kan City South 3s	1950	*A-O	
99	Jan	4	94¼	Nov	26	Kan City South ref 5s	Apr 1950	J-J	
96¾	Apr	1	90⅛	Dec	5	Lackawanna Steel 5s	1923	*A-O	
102½	Feb	10	99½	June	27	Laclede Gas of St L 1st 5s	May 1919	Q-F	
106½	Jan	17	101⅛	May	15	Lake Erie & W 1st 5s	1937	*J-J	
102¾	Feb	3	97	Mar	21	Lake Erie & W 2d 5s	1941	J-J*	
88¼	Feb	7	85½	Aug	21	Lake Shore gen 3½s	1997	*J-D	
93½	Sept	8	88½	Dec	19	Lake Shore deb 6 4s	1928	M-S*	90

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

Range for 1913 High.		Range for 1913 Low.		Bonds.	Maturity.	Interest Payable.	Thursday, July 30. Close.
92⅝	Feb 3	88	Dec 20	Lake Shore deb g 4s	1931	*M-N	
89⅛	Feb 19	84	Aug 9	Long Island unified 4s	1949	*M-S	
94	Jan 4	86	July 17	Long Island gen 4s	1938	*J-D	
96	Apr 23	89½	Aug 22	Long Island ref 4s	1949	*M-S	
99½	Jan 13	91½	June 11	Louis & Nash unified 4s	1940	J-J*	93¼
95	Jan 14	86½	July 1	Manhattan con 4s	1990	*A-O	
95½	Jan 22	87¾	June 19	Man Ry 4s stpd tax exempt.			
95¼	Jan 8	86½	Oct 22	M K & T 1st 4s	1990	*J-D	81⅝
81¾	Jan 8	71	Nov 21	M K & T 2d 4s	June 1990	F-A	57
99¾	Sept 11	95½	Nov 12	M K & T ext g 5s	1944	M-N*	
77½	Feb 3	67¼	June 23	M K & T ref 4s	2004	M-S*	
87	Jan 2	79½	July 7	M K & T gen 4½s	1936	*J-J	
100¼	Jan 17	97	Aug 26	M K & T of Tex 5s	1942	M-S*	
100	Feb 18	95	Dec 1	Mo Pac col tr 5s	Jan 1917	M-S	
99⅜	Jan 13	91	July 14	Mo Pac col tr 5s	1920	F-A*	85½
70⅜	Jan 9	62	Dec 29	Mo Pac 4s	1945	*M-S	39½
85⅞	Jan 14	79⅝	Dec 16	Mobile & Ohio gen 4s	1938	M-S*	
78	Jan 7	73	Dec 9	Nassau Electric 4s	1951	*J-J	
88½	Jan 4	52	Dec 17	Nat Rys of M per lien 4½s	1957	J-J*	
78	Jan 9	76¼	Dec 28	Nat Rys of M con 4s	1977	A-O*	
108½	Feb 11	104½	Nov 8	Nash Chatt & St L con 5s	1928	*A-O	
103	Jan 6	96½	Dec 17	N Y Air Brake con 6s	1928	*M-N	97
87¼	Jan 30	80	Dec 10	N Y Central ref 3½s	1997	J-J*	79¾
91½	Jan 9	83	Dec 29	N Y Central deb 4s	1934	*M-N	
83	May 14	76½	Dec 23	N Y Central L S 3½s	1997	J-J*	
80	May 22	71	Dec 5	N Y Central M C col 3½s	1998	*F-A	
99½	Jan 2	93½	July 18	N Y C & St L 1st 4s	1937	A-C*	93½
86½	Jan 10	80	Nov 5	N Y G E L H & P 4s	1949	*F-A	
103⅜	Sept 29	100⅝	June 14	N Y G E L H & P col tr 5s	1948	J-D*	104
126	Jan 3	102¾	Dec 17	N Y N H & H con deb 6s	1948	*J-J	99
87	Jan 23	68	Nov 12	N Y N H & H deb 3½s	1956	*J-J	
92¼	Jan 20	84	Dec 23	N Y Ont & W 1st ref 4s	June 1992	M-S	81
79	Jan 10	72½	June 10	N Y Rys ref 4s	1942	J-D	72
61	Dec 30	51⅞	June 10	N Y Rys adj 5s	1942	J-D	45
99	Jan 31	88	June 11	N & W con 4s	1996	A-O*	
92¾	Jan 10	87	Dec 20	N & W div 1st lien 4s	1944	J-J*	
104⅞	May 26	102¼	Nov 5	N & W conv 4s	1932	*J-D	
92	Jan 13	83	June 23	N & W P C & C joint 4s	1941	J-D*	
98⅝	Jan 10	91½	July 7	North Pac prior 4s	Jan 1997	Q-J	92
68⅝	Sept 20	63½	June 5	North Pac gen 3s	Jan 2047	Q-F	67¼
94	Feb 25	86	Nov 6	Oregon Ry & Nav 4s	1946	*J-D	
112⅛	Jan 14	108½	July 17	Oregon Short Line 1st 6s	1922	*F-A	
109	Jan 16	103½	June 19	Oregon Short Line cons 5s	1946	J-J*	
93⅛	Jan 7	86½	June 13	Oregon Short Line ref 4s	1929	J-D*	89½
101½	Feb 3	98	July 16	Pacific Coast 1st 5s	1946	*J-D	
101	Jan 11	95	June 11	Pacific Tel & Tel 5s	1922	*J-J	
102¾	Feb 5	98	Nov 29	Penn con 4s	1948	M-N*	99
97½	Jan 7	95⅞	July 18	Penn con 3½s	Oct 1 1915	J-D	98¼
89	Jan 2	79	June 27	Peoria & E 1st 4s	1940	*A-O	
49¾	Feb 20	35	June 4	Peoria & E income 4s	Apr 1990	Ann	21
97½	Jan 25	90⅜	Dec 19	Reading gen 4s	1997	*J-J	93
96¾	Mar 12	91½	June 16	Reading Jersey Cent col 4s	1951	*A-O	
103	Oct 11	102	Sept 30	Rep Iron & Steel col 5s	1934	A-C*	104
85¼	Jan 13	78	Oct 15	Rio Grande W 1st 4s	1939	J-J*	
81	Jan 23	67½	Dec 17	Rio Grande W col tr 4s	1949	*A-O	
84	Jan 31	75¼	Dec 10	St J & G I 1st 4s	1947	*J-J	
106	Jan 10	100	June 26	St L & I M gen 5s	1931	*A-O	
82⅝	Jan 31	74	Dec 22	St L & I M ref 4s	1929	J-J*	
83½	Jan 3	76½	Dec 9	St L & I M Riv & G Div 4s	1933	*M-N	
76¾	Jan 8	65	May 29	St L & S F R R ref 4s	1951	J-J*	63⅝
82¼	Jan 7	50½	July 18	St L & S F R R gen 5s	1927	*M-N	
90	Jan 6	83¼	Dec 22	St L S W 1st 4s	1989	M-N*	81⅛
80	Jan 3	78	Feb 17	St L S W 2d income 4s	Nov 1989	J-J	
81	Jan 7	75	Nov 26	St L S W consol 4s	1932	*J-D	
104½	Jan 13	100¼	July 16	St P M & M con 4½s	1933	J-J*	
96¼	Apr 4	92	July 21	St P M & M Mont ext 4s	1937	*J-D	95¼
85¾	Jan 2	75	Nov 19	San Antonio & A P 4s	1943	*J-J	
79	Jan 13	72½	Oct 15	Seaboard A L ref 4s	1950	A-O*	
86	Jan 23	79½	July 7	Seaboard A L stamped 4s	1950	A-O*	85
77¼	Jan 20	66½	June 12	Seaboard A L adj 5s	1949	F-A*	72
94⅛	Feb 4	87	June 12	So Pac ref 4s	1955	*J-J	89
98	Feb 7	87⅞	June 27	So Pac col 4s	Aug 1949	J-D	
93⅝	Feb 1	84	June 10	So Pac conv 4s	June 1929	M-S	80½
97⅛	Jan 10	101	June 24	So Ry 5s	1944	J-J*	102
78⅛	Jan 2	72¼	Dec 1	So Ry col tr 4s	1956	*A-O	67¾
86½	Jan 21	78½	June 20	So Ry M & O Div 4s	1938	M-S*	
88½	Jan 8	79⅛	Aug 12	So Ry St L Div 4s	1951	*J-J	
103	Jan 11	96	Dec 18	Tenn Coal & Iron gen 5s	1951	*J-J	
89¾	May 10	88	Oct 16	Term Ass'n St L ref 4s	1953	*J-J	
107¼	Jan 3	99	Nov 24	Texas Pac 1st 5s	2000	*J-D	
82⅝	Jan 10	70½	June 10	Third Av ref 4s T R ctfs std	2000	*J-J	
81½	Dec 31	80	Dec 18	Tol St L & W 3½s	1925	J-J*	
60	Aug 29	47½	June 9	Tol St L & W 1st 4s	1950	*A-O	44⅛
96	Sept 26	90½	May 13	Underground London 4s	1947	J-J*	
99⅜	Jan 14	94	Dec 2	Union Pacific 1st 4s	1933	*J-J	97
97	Jan 2	86⅜	June 12	Union Pacific conv 4s	1927	J-J*	86
95½	Jan 7	87⅝	June 19	Union Pacific ref 4s	June 2008	M-S	93½
67	Jan 3	50½	Nov 24	United Rys San Fran 4s	1927	*A-O	
89	Jan 10	79	Nov 29	U S Realty & Imp 5s	1924	J-J*	
27	May 8	25	Jan 2	U S Reduc & Ref 6s	1931	J-J*	
103¾	Feb 8	100	Mar 13	U S Rubber 6s	1936	*M-N	102
102	Jan 7	96⅝	June 10	U S Steel 5s	1939	*F-A	101¼
98	Jan 13	90¼	July 1	Va-Car Chemical 1st 5s	1918	J-D*	96¼
106½	Jan 9	101	June 5	Wabash 1st 5s	Apr 1936	M-N	
99½	Jan 14	92½	Dec 2	Wabash 2d 5s	1923	J-D*	
64⅞	Jan 2	46½	June 12	Wabash ref & ext 4s	1956	J-J*	41¼
27½	Jan 2	10	Dec 19	Wab-Pitts T 1st Cen tr c	1954	*J-D	6¾
3	Aug 18	½	June 13	Wabash-Pitts T 2d tr c	1954	*J-D	
83⅞	Feb 6	75	June 11	West Maryland 4s	1952	A-O*	58
97¼	Feb 11	102	Sept 8	West N Y & P 1st 5s	1937	*J-J	
102½	Feb 4	95	Nov 22	West Union col tr 5s	1938	*J-J	
96½	Jan 15	87½	Dec 4	West Union R E 4½s	1950	*M-N	
98¼	Jan 13	90	Nov 22	West Shore 4s	2361	*J-J	
94	Jan 7	87	Dec 18	Westinghouse E & M 5s	1931	*J-J	93
80⅝	Jan 23	70	July 17	Wheeling & L E con 4s	1949	M-S*	
91⅝	Jan 11	84	June 25	Wisconsin Central 4s	1949	J-J*	86

*Denotes month of maturity.

[Until the re-opening of the New York Stock Exchange we shall quote the last-sale prices of bonds on Thursday, July 30.]

Quoted Prices of Active Stocks on the New York Stock Exchange

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Last sale.	Revised List.
150	Jan	29	110	Dec	6	Adams Express	6	Q Mar	917/8	903/8
24¾	Oct	2	18	Nov	22	Alaska Gold Mines	..	.....	191/8	191/2
9	Dec	26	7⅝	Dec	16	Allis-Chalmers	..	.....	6	*
43	Dec	26	40	Nov	14	Allis-Chalmers pfd	..	.....	321/2	.....
80½	Sept	16	61⅝	June	10	Amalgamated Copper	6	Q May	491/2	.....
57	Jan	3	41¼	Sept	5	Am Agr Chemical	4	Q Jan	501/8	491/8
99	Jan	2	90	Nov	5	Am Agr Chemical pfd	6	Q Jan	.....	92
50½	Jan	2	19¾	June	10	Am Beet Sugar	..	.....	19	.....
86	Mar	6	65	Oct	31	Am Beet Sugar pfd	6	Q Jan	.....	731/2
96¼	Jan	4	89½	Oct	27	Am Brake Shoe & Fdry	7	Q Jan	.....	883/8
136⅝	Jan	6	127¾	Nov	26	Am Brake Shoe & Fdry pfd	8	Q Jan	.....	136
46⅞	Jan	31	21	June	11	Am Can	..	.....	191/2	.....
129½	Jan	30	80½	June	10	Am Can pfd	7	Q Jan	80	781/4
56⅜	Jan	2	36½	June	10	Am Car & Fdry	2	Q Jan	443/4	433/8
117	Mar	5	108	June	10	Am Car & Fdry pfd	7	Q Jan	112	1101/4
48¾	Jan	6	33¼	July	2	American Cities	..	.....	.....	.....
78½	Jan	2	60¼	June	28	American Cities pfd	6	Jan-July	591/2	.....
57⅞	Jan	2	33½	June	12	Am Cotton Oil	..	.....	32	.....
98	May	6	92½	Sept	2	Am Cotton Oil pfd	6	June-Dec	.....	935/8
166	Feb	6	95	Dec	18	Am Express	6	Q Jan	100	99
5⅛	Jan	3	3½	July	9	Am Hide & Leather	..	.....	31/4	.....
28¼	Feb	10	15⅛	June	10	Am Hide & Leather pfd	..	.....	17	.....
27¾	Apr	4	17	June	10	Am Ice Securities	..	.....	195/8	197/8
12⅛	Nov	7	6⅞	June	10	Am Linseed	..	.....	71/2	7⅛
33⅜	Nov	7	20	Oct	17	Am Linseed pfd	..	.....	25	.....
44½	Jan	6	27	June	10	Am Locomotive	..	.....	201/4	.....
106¾	Jan	2	94	Oct	10	Am Locomotive pfd	7	Q Jan	.....	951/4
13	Jan	3	5¼	Oct	17	Am Malt	..	.....	.....	5
61½	Jan	3	417/8	Oct	24	Am Malt pfd	4	May-Nov	32	.....
86	Jan	9	79½	June	12	Am Smelting pfd B	.5	Q Jan	.....	.....
74¾	Jan	30	58½	June	10	Am Smelting & Refin	4	Q Jan	521/2	511/2
107	Feb	7	97	June	6	Am Smelting & Ref pfd	7	Q Jan	971/2	953/4
193	Jan	22	150	July	9	Am Snuff	12	Q Jan	193	.....
105	Jan	21	100	June	6	Am Snuff pfd new	6	Q Jan	.....	1051/4
40½	Feb	3	25	June	9	Am Steel Foundries	2	Q Mar	271/2	27
118	Jan	31	997/8	Dec	9	Am Sugar Ref	7	Q Jan	100	991/4
116⅝	Jan	28	110⅛	June	12	Am Sugar Ref pfd	7	Q Jan	108	1061/4
66⅛	Jan	30	59	Mar	26	Am Tel & Cable	5	Q Mar	.....	573/4
140	Jan	3	110	Dec	15	Am Tel & Tel	8	Q Jan	114	112
294¾	Jan	10	200	June	6	Am Tobacco Co	20	Q Mar	215	210
106	Apr	26	98	July	18	Am Tobacco pfd new	6	Q Jan	104	1021/2
23½	Sept	27	15	Dec	1	Am Woolen	..	.....	12	.....
82	Sept	19	74	May	7	Am Woolen pfd	7	Q Jan	.....	713/4
32¼	Jan	2	117⅛	Nov	14	Am Writing Paper pfd	..	.....	.....	11
41½	Jan	2	307⅛	June	10	Anaconda Copper	3	Q Jan	25	243/4
120	Jan	7	22	Dec	23	Assets Realization Co	..	.....	.....	15
43¼	Feb	19	42¼	Jan	30	Associated Oil	6	Q Jan	.....	131/8
106¾	Jan	6	90¼	Nov	10	Atch Top & Santa Fe	6	Q Mar	895/8	883/8
102¼	Jan	29	96	July	9	Atch Top & Santa Fe pfd	5	Feb-Aug	973/4	.....
133¾	Jan	9	112	June	11	Atlantic Coast Line	7	Jan-July	114	.....
52½	Jan	8	36½	Dec	13	Baldwin Locomotive Co	2	Jan-July	41	.....
105½	June	6	100¼	June	25	Baldwin Locomotive Co pfd	7	Jan-July	1053/4	.....
106⅜	Jan	22	90⅝	June	10	Baltimore & Ohio	6	Mar-Sept	72	69
88	Jan	10	77¼	June	18	Baltimore & Ohio pfd	4	Mar-Sept	721/2	701/2
41½	Jan	9	25	June	10	Bethlehem Steel	..	.....	30	.....
74	Aug	12	62¼	June	10	Bethlehem Steel pfd	5	Q Jan	81	797/8
93¾	May	26	83¾	June	10	Brooklyn Rapid Translt	6	Q Jan	791/2	78
137⅞	Jan	27	120	Oct	17	Brooklyn Union Gas	10	Q Jan	.....	1191/2
116	Jan	30	100½	June	9	Buffalo Roch & Pitts	6	Feb-Aug	.....	88
31	Feb	8	25	June	27	Butterick Co	3	Q Mar	.....	281/4
56½	Feb	3	16	Oct	22	California Petroleum	..	.....	161/4	161/4
86	Jan	30	45	July	23	California Petroleum pfd	7	Q Jan	50	481/4
63	Feb	13	58½	May	13	Canada Southern	3	Feb-Aug	.....	581/2
266¾	Jan	9	204	Dec	29	Canadian Pacific	10	Q Jan	1571/2	155
110	Apr	17	100	Dec	8	Central & So Am Tel	6	Q Jan	.....	1041/2
30⅛	Feb	5	17	June	10	Central Leather	2	Feb	28	.....
97¼	Mar	3	88	June	10	Central Leather pfd	7	Q Jan	961/4	95
362	Jan	13	275	June	11	Central R. R. of N. J	8	Q Feb	.....	300
80	Jan	2	51¼	July	11	Chesapeake & Ohio	4	Q Mar	41½	.....
18	Jan	2	7½	June	12	Chicago & Alton	..	.....	.....	91/2
25¾	Feb	25	17¼	Aug	21	Chicago & Alton pfd	..	.....	.....	123/4
17¾	Jan	9	10¼	June	4	Chicago Great Western	..	.....	91/4	.....
35	Jan	9	23	June	10	Chicago Great Western pfd	..	.....	271/8	25
116¼	Jan	9	96¾	Nov	10	Chicago Mil & St Paul	5	Mar-Sept	851/4	823/4
145	Jan	30	121½	Nov	10	Chicago Mil & St Paul pfd	7	Mar-Sept	126	1261/2
128	Jan	6	123	Dec	1	Chicago & N W	7	Q Jan	1271/2	1241/4
188	Mar	3	171⅛	Nov	19	Chicago & N W pfd	8	Q Jan	.....	168
135	Mar	8	119½	Aug	25	Chicago St P M & O	7	Feb-Aug	.....	131
150½	Jan	21	120¼	Oct	17	Chicago St P M & O pfd	7	Feb-Aug	.....	1281/2
47⅝	Jan	2	30⅜	June	10	Chino Con Copper	$3	Q Jan	32	311/2
54	Jan	21	34⅞	Aug	26	C C C & St L	..	.....	.....	22
91¾	Jan	16	60	Oct	16	C C C & St L pfd	..	.....	.....	40
41½	Feb	3	24½	June	10	Colorado Fuel & Iron	..	.....	21½	.....
155	Feb	1	150	Jan	23	Colorado Fuel & Iron pfd	8	Jan-July	.....	140
23	Jan	3	23¾	June	12	Colorado Southern	..	.....	20	.....
69	Mar	4	60	Dec	29	Colorado Southern 1st pfd	..	.....	.....	373/8
65¼	Apr	1	55	July	1	Colorado Southern 2d pfd	..	.....	.....	30
102¼	Feb	25	102¼	Feb	25	Consolidation Coal	6	Q Jan	.....	.....
142¾	Jan	9	125¼	June	10	Consolidated Gas	6	Q Mar	1161/2	115
17¼	Jan	31	7¾	June	10	Corn Products Ref Co	..	.....	71/8	.....
79¼	Jan	31	61½	June	10	Corn Products Ref Co pfd	5	Q Jan	581/8	567/8
100⅛	Jan	16	91½	Dec	27	Deere & Co pfd	7	Q Mar	921/2	903/4
167	Jan	8	147½	June	11	Delaware & Hudson	9	Q Mar	140	1373/4
415	Jan	13	380	Dec	26	Delaware Lack & West	10	Q Jan	390	387½
23¼	Jan	9	13⅜	June	11	Denver & Rio Grande	..	.....	.....	4
41	Jan	10	23	June	11	Denver & Rio Grande pfd	..	.....	87/8	.....
70⅝	Feb	4	67½	June	3	Detroit United Railway	6	Q Mar	.....	681/2
21⅝	Jan	2	9¾	June	10	Distillers' Securities	..	.....	11	.....

*Unchanged.

[Under the head "Revised List" we quote the prices for active stocks as revised by the Stock Exchange Committee of Five.]

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Last sale.	Revised List.
8½	Jan	2	4	Dec	19	Duluth S S & Atl	..	.....	.....	3
16¼	Jan	2	10	July	11	Duluth S S & Atl pfd	..	.....	.....	8
32½	Jan	6	20¼	June	10	Erie	..	.....	20½	.....
49½	Jan	30	33½	June	10	Erie 1st pfd	..	.....	32	.....
41	Jan	30	28¾	June	10	Erie 2d pfd	..	.....	26¼	26½
18	Jan	22	11	Dec	17	Federal Min & Smelt	..	.....	10	.....
44	Jan	2	33	Mar	19	Federal Min & Smelt pfd	6	Q Mar	29½	28½
185⅛	Apr	23	175	Jan	14	General Chemical	6	Q Mar	.....	169
109⅞	Jan	6	105	Sept	10	General Chemical pfd	6	Q Jan	.....	108½
187	Jan	2	129¾	June	10	General Electric	8	Q Jan	139	137
40	Aug	18	25	May	15	General Motors	..	.....	58⅞	.....
81¾	Sept	30	70	May	8	General Motors pfd	7	May-Nov	79¾	.....
180	Jan	11	150	May	19	Geo W Helme Co	..	.....	.....	156½
68	Jan	2	15⅛	Nov	29	Goodrich (B F) Co	..	.....	20	.....
105¼	Jan	7	73⅜	Nov	29	Goodrich (B F) Co pfd	7	Q Jan	88	86¼
132⅝	Jan	9	115½	June	10	Great Northern pfd	7	Q Feb	114	.....
41¼	Jan	3	25½	June	10	Great Northern Ore ctfs	..	.....	23	.....
52¾	Jan	7	40¾	July	11	Guggenheim Exploration	3½	Q Jan	40½	39⅜
87	Feb	6	80	Oct	17	Havana Electric Ry	5	Q Feb	.....	79
96	Jan	8	90	Nov	5	Havana Electric Ry pfd	6	Q Feb	.....	95
125	June	4	125	June	4	Hocking Valley	8	Q Mar	.....	125
120	Nov	26	100¾	July	7	Homestake Mining	65c	Monthly	110	109⅜
128⅞	Feb	5	102¾	Dec	16	Illinois Central	5	Mar-Sept	106	103½
39	Jan	11	5	June	6	Inter Agricultural Corp	..	.....	.....	10
90	Jan	3	26	Dec	24	Inter Agricultural Corp pfd	..	.....	20¾	.....
19⅝	Jan	30	12⅜	June	4	Interborough-Met	..	.....	11	.....
65⅜	Jan	30	45	June	4	Interborough-Met pfd	..	.....	52	.....
110¼	Sept	17	95½	June	10	International Harv	5	Q Jan	84	83
114⅜	Sept	19	111	May	12	International Harv pfd	7	Q Mar	117	115¼
4⅝	Jan	2	2⅞	June	10	Int Mercantile Marine	..	.....	.....	2
19½	Jan	7	12½	June	4	Int Mercantile Marine pfd	..	.....	.....	7
12⅝	Jan	30	6½	Oct	9	International Paper	..	.....	6¾	.....
48½	Jan	30	32⅛	Oct	15	International Paper pfd	2	Q Jan	30½	30
18½	Jan	9	4½	Dec	8	Inter Steam Pump	..	.....	.....	3
70	Jan	9	15⅞	Dec	16	Inter Steam Pump pfd	..	.....	.....	11
10⅛	Jan	30	7½	July	22	Iowa Central	..	.....	.....	5
23	Jan	2	13	June	6	Iowa Central pfd	..	.....	.....	13
94	Feb	3	77	Dec	31	Kan City Ft S & M pfd	4	Q Jan	.....	72
110	Jan	2	106½	Oct	10	Kansas City Southern	..	.....	21⅛	20¼
78	Jan	7	53½	Sept	9	Kan City Southern pfd	4	Q Jan	55	49⅛
28⅜	July	28	21⅜	June	5	Kayser (Julius) & Co	6	Q Jan	.....	87½
61½	Jan	7	56	June	11	Kayser (Julius) & Co pfd	7	Q Feb	.....	105½
83	Sept	15	58	June	9	Kresge (S S) Co	6	Jan-July	.....	48½
102	Jan	4	97	June	10	Kresge (S S) Co pfd	7	Q Jan	.....	92
49⅞	Feb	4	29¾	June	7	Lackawanna Steel	..	.....	26½	.....
104½	Jan	8	90¾	June	10	Laclede Gas	7	Q Mar	85	83¼
11½	Feb	5	7	May	2	Lake Erie & Western	..	.....	.....	5⅛
35	Jan	6	16	Nov	10	Lake Erie & Western pfd	..	.....	.....	12
168⅜	Jan	2	141¼	June	10	Lehigh Valley	10	Jan-July	121	119½
235	Mar	6	195	June	6	Liggett & Myers	12	Q Mar	.....	205
116½	Jan	23	106½	July	22	Liggett & Myers pfd	7	Q Jan	.....	112¼
43⅜	Jan	6	30	June	10	Long Island	..	.....	31	.....
200	Jan	28	150	June	13	Lorillard (P) Co	10	Q Jan	160	157½
116½	Jan	22	103	June	10	Lorillard (P) Co pfd	7	Q Jan	115	113¼
142¼	Jan	10	126¼	June	11	Louisville & Nashville	7	Feb-Aug	127	.....
87	Jan	21	75⅝	July	24	Mackay Companies	5	Q Jan	61	59¾
69	Apr	7	62	Dec	17	Mackay Companies pfd	4	Q Jan	.....	68
122¾	Feb	7	127	June	9	Manhattan Elevated	7	Q Jan	128¼	126½
76⅞	Jan	2	65	Oct	14	May Department Stores	5	Q Mar	.....	59½
105⅛	Jan	2	97½	June	10	May Dept Stores pfd	7	Q Jan	99½	97¾
48¼	Feb	4	41⅜	Nov	13	Mexican Petroleum	..	.....	53	.....
99¾	Jan	2	69	Nov	24	Mexican Petroleum pfd	..	.....	.....	73½
26½	Jan	4	20⅝	June	10	Miami Con Copper	50c	Q Feb	17½	17
23¼	Jan	2	12	June	11	Minn & St. Louis	..	.....	.....	12
47	Jan	29	30	Dec	4	Minn & St Louis pfd	..	.....	.....	28
142¼	Jan	9	120¼	June	11	M St P & S S M	7	Apr-Oct	102	101
147	Apr	8	131	Nov	12	M St P & S S M pfd	7	Apr-Oct	.....	127½
87½	Mar	5	81½	Dec	10	M St P & S S M 1st pfd line	4	Apr-Oct	.....	82¼
29⅛	Jan	7	18⅛	June	10	Missouri Kan & Tex	..	.....	16¼	.....
41½	Apr	11	59	June	10	Missouri Kan & Tex pfd	..	.....	27⅛	.....
43⅝	Jan	9	29½	Dec	23	Missouri Pacific	..	.....	8	.....
...	.....	.....	.....	.....	.....	Montana Power	2	Q Jan	43½	42
...	.....	.....	.....	.....	.....	Montana Power pfd	7	Q Jan	.....	100
138	Jan	4	127½	June	9	Nashville Chatt & St L	7	Feb-Aug	135	.....
140	Sept	13	101	June	11	National Biscuit Co	7	Q Jan	120	118¼
124½	Jan	8	110	June	4	National Biscuit Co pfd	7	Q Feb	125	123¼
104	Jan	20	9	Jan	...	National Enameling	..	.....	.....	9½
84¼	June	21	74½	Oct	21	National Enameling pfd	7	Q April	.....	78¼
42¼	Jan	2	42	Oct	29	National Lead Co	3	Q Mar	41⅝	40⅞
104⅞	Oct	4	102	Oct	31	National Lead Co pfd	7	Q Mar	.....	104¾
44	Mar	3	31	Dec	8	Nat R's of Mex 1st pfd	..	.....	.....	31
37½	Jan	2	8½	Dec	26	Nat R's of Mex 2d pfd	..	.....	7⅛	.....
17½	Jan	2	12	June	10	Nevada Con Copper	37½c	Q Mar	10¼	.....
82½	Jan	8	56	July	16	New York Air Brake	6	Q Jan	58	56½
80¾	Jan	20	50⅜	Dec	15	New York Central	7	Q Jan	77	78¾
50¼	Jan	15	47	Dec	24	N Y Chicago & St L	..	.....	.....	35
10	Oct	14	8	Nov	10	New York Dock	..	.....	.....	.....
13⅞	Jan	10	6⅝	Dec	12	N Y N H & Hartford	..	.....	51	.....
27⅝	Jan	11	25½	June	11	N Y Ontario & West	..	.....	18¼	.....
11½	Apr	5	9	Dec	12	Norfolk & Southern	½	Jan	.....	26½
101	Jan	3	68	June	10	Norfolk & Western	6	Q Mar	97½	96
87	Feb	13	80¼	Aug	16	Norfolk & Western pfd	4	Q Feb	.....	85
8½	Jan	9	6	June	9	North American	5	Q Jan	66	62⅞
60¾	Jan	15	54	Dec	27	Northern O Tr & Light	5	Q Mar	.....	58¾
129⅞	Jan	6	104¾	June	10	Northern Pacific	7	Q Feb	97	98¾
20½	Jan	10	16	June	10	Pacific Mail	..	.....	17½	.....
46	Jan	4	22	Nov	18	Pacific Tel & Tel	..	.....	20	.....
96	Feb	19	82	Dec	4	Pacific Tel & Tel pfd	6	Q Jan	.....	88
123¾	Jan	7	106	Dec	13	Pennsylvania Railroad	6	Q Feb	106	103⅝

[Under the head "Revised List" we quote the prices for active stocks as revised by the Stock Exchange Committee of Five.]

*Unchanged.

Range for 1913 High.			Range for 1913 Low.			Stocks.	Annual Div. Rate.	When Payable.	Thursday, July 30. Last sale.	Revised List.
129¾	Sept	23	104	June	10	Peoples' Gas & Coke	8	Q Feb	106	104
99⅞	Jan	29	85	Sept	12	Philadelphia Co	7	Q Feb		
104	June	11	77⅛	Dec	11	P C C & St Louis	3	Q Jan	65¼	
100	June	25	100	June	25	P C C & St Louis pfd	4	Q Jan		95
24⅜	Jan	2	14½	June	11	Pittsburgh Coal			16½	
95	Jan	9	73	June	11	Pittsburgh Coal pfd	5	Q Jan	82	
100	Jan	6	90	Nov	12	Pittsburgh Steel pfd	7	Q Jan		25
36	Jan	7	18½	June	10	Pressed Steel Car	3	Q Mar	34	33¼
101⅛	Jan	7	88½	June	10	Pressed Steel Car pfd	7	Q Feb		102¾
118	Jan	21	105	Dec	12	Public Service Corp N J	6	Q Jan		110
165	Jan	2	149	Sept	5	Pullman Co	8	Q Feb	153⅞	151⅞
4⅜	May	16	1	Dec	11	Quicksilver Co			1	
8	May	17	2	Dec	11	Quicksilver Co pfd			1½	
35	Jan	9	22¼	June	11	Railway Steel Spring			19¾	
100	Jan	13	90¼	June	10	Railway Steel Spring pfd	7	Q Mar		88¼
22	Jan	2	15	June	10	Ray Consol Copper	37½c	Q June	16¼	
171¾	Dec	26	151⅜	June	10	Reading	8	Q Feb	140	
92½	Apr	10	82½	Oct	14	Reading 1st pfd	4	Q Mar		86
95	Apr	10	84	June	10	Reading 2d pfd	4	Q Jan	82	81
28⅜	Jan	31	17	June	10	Republic Iron & Steel			18½	
92¼	Sept	13	72	June	11	Republic Iron & Steel pfd	7	Q Jan	78	77
24⅞	Feb	4	11⅝	Oct	17	Rock Island			⅞	
44¾	Jan	2	17½	Oct	17	Rock Island pfd			1⅝	
92¼	Jan	7	14	Nov	24	Rumely (M) Co			8	
99¾	Jan	4	33	Dec	18	Rumely (M) Co pfd			22	
20¾	Apr	1	14½	June	10	Seaboard Air Line			15	
49⅜	Sept	23	38	June	12	Seaboard Air Line pfd	4	Q Nov	47⅜	46⅜
19¾	Jan	11	2¾	June	17	St L & San Fran			2⅛	
59	Feb	11	13	June	28	St L & San Fran 1st pfd				10
29	Jan	11	5½	June	17	St L & San Fran 2d pfd				3¾
96½	May	15	96½	May	15	St L & S F C & E I pf ctf				
35½	Jan	13	20	Dec	19	St Louis S W				18½
75	Jan	9	56¼	Dec	20	St Louis S W pfd	2	Q Jan		37
213½	Jan	2	154¾	June	12	Sears-Roebuck	7	Q Feb	170¼	168½
124½	Jan	2	116	June	19	Sears-Roebuck pfd	7	Q Jan	122	120¼
45½	Jan	28	23	July	8	Sloss-Sheff St & I Co			19½	
93¼	Feb	8	88	Apr	30	Sloss-Sheff St & I Co pfd	7	Q Jan		85
110	Jan	30	83	Nov	10	Southern Pacific	6	Q Jan	84⅞	83⅜
28⅝	Jan	2	19⅛	June	12	Southern Railway			17¼	
81½	Mar	26	72	June	10	Southern Railway pfd	5	Apr-Oct	67½	
40½	Jan	31	31	Dec	9	Standard Milling	3	June	33	
66⅞	Feb	4	52½	May	1	Standard Milling pfd	5	Apr-Oct		62
36	Feb	6	15⅜	Dec	1	Studebaker			27½	28
93¼	Jan	13	64½	Nov	10	Studebaker pfd	7	Q Mar	82⅞	81
39½	Jan	4	26¾	June	10	Tennessee Copper	75c	Q Mar	24¾	24
132½	Dec	31	89	June	10	Texas Co	10	Q Mar	113	110½
22⅝	Jan	28	10¼	June	4	Texas Pacific			12	
97	Jan	18	93	June	4	Texas Pacific Land Tr			95	
43⅜	Sept	23	27⅞	June	10	Third Avenue R R			33	
3	Jan	14	2	June	4	Toledo Railways & Light				
13	Jan	9	7⅛	July	9	Toledo St L & W				5
29¾	Jan	9	15¼	June	4	Toledo St L & W pfd				10
109	Sept	6	101⅛	June	6	Twin City Rap Tran	6	Q Jan	94⅞	93⅜
7¾	Jan	3	4	Nov	14	Union Bag & Paper Co			4	
41¾	Jan	3	18½	Nov	20	Union Bag & Paper Co pfd			18½	
99½	Jan	3	78	June	10	Underwood Typewriter	4	Q Jan		73
113	Jan	21	104	July	10	Underwood Typewriter pfd	7	Q Jan		104
162¾	Jan	6	137¾	June	11	Union Pacific	8	Q Jan	113½	111½
93½	Jan	6	79¾	June	10	Union Pacific pfd	4	Apr-Oct	79	77
50½	Feb	7	40¼	June	10	United Cigar Mfg Co	4	Q Nov	40¼	
103	May	7	96	Sept	3	United Cigar Mfg Co pfd	7	Q Mar		98¼
101	Jan	8	87	July	2	United Dry Goods				60
105½	Jan	14	95	Dec	16	United Dry Goods pfd				60⅛
35½	Jan	3	16	June	11	United Rys Invest Co				9½
63½	Jan	3	30	June	11	United Rys Invest Co pfd			22	
16¾	Jan	30	9¼	June	10	U S Cast Iron Pipe			9	
56¾	Jan	31	40	Dec	31	U S Cast Iron Pipe pfd	4	Jan		30
44	Jan	6	25	June	9	U S Industrial Alcohol				16
97	Mar	4	85	June	18	U S Industrial Alcohol pfd	7	Q Jan		78¼
77	Jan	9	49¾	Nov	28	U S Realty & Improv	5	Q Feb		53
1⅞	Jan	16	½	Sept	25	U S Reduc & Refin				
4	Jan	10	3	Apr	25	U S Reduc & Refin pfd				3
69½	Apr	4	51	Nov	10	U S Rubber	6	Q Jan	45¾	44¾
109¾	Apr	9	98	June	10	U S Rubber 1st pfd	8	Q Jan	97	
81½	Jan	9	78¾	Feb	13	U S Rubber 2d pfd	6	Q Jan		
69⅛	Jan	2	49⅞	June	11	U S Steel	5	Q Mar	51⅞	50⅝
110¾	Jan	30	102½	June	10	U S Steel pfd	7	Q Feb	106½	104¾
60⅝	Jan	2	39⅝	June	10	Utah Copper	75c	Q Mar	46	45¼
43⅛	Jan	3	22	July	1	Va-Car Chemical			21	
114	Jan	3	93	June	30	Va-Car Chemical pfd	8	Q Jan	96	94
54	Jan	28	36	Dec	15	Va Iron Coal & Coke			37	
58	Feb	13	51	Jan	7	Va Ry & Power	3	Apr-Oct		48
90¾	Dec	11	89	July	24	Va Ry & Power pfd	6	Jan-July		95¼
21¾	Jan	24	11¼	Aug	8	Vulcan Detinning				
90	Jan	6	49	Oct	1	Vulcan Detinning pfd				21
6	Aug	12	2	June	11	Wabash				¾
17⅛	Aug	13	6¼	July	8	Wabash pfd				2⅛
123	Jan	6	85¼	Dec	18	Wells-Fargo Express	6	Jan-July	80	
46	Jan	2	28⅞	Dec	12	Western Maryland Ry			13¼	12¾
65	Jan	27	53½	June	18	Western Maryland Ry pfd			30	
75⅛	Jan	9	54⅛	Dec	22	Western Union Tel	4	Q Jan	54	52⅜
79¼	Jan	2	53⅝	June	10	Westinghouse E & M	4	Q Jan	65½	64½
119¾	Jan	7	107⅞	June	13	Westingh'se E & M 1st pfd	7	Q Jan	119	117¼
8	Jan	3	3¾	Oct	24	Wheeling & L E			2½	
28⅛	Jan	13	13	June	11	Wheeling & L E 1st pfd				9½
14	Jan	3	5⅝	Dec	19	Wheeling & L E 2d pfd				3½
58½	Apr	23	40⅛	June	11	Wisconsin Central			29¾	
112	Jan	2	81½	June	20	Woolworth (F W) Co	6	Q Feb	90	88½
115½	Jan	3	109	June	14	Woolworth (F W) Co pfd	7	Q Jan	116	114¼

*Unchanged.

[Under the head "Revised List" we quote the prices for active stocks as revised by the Stock Exchange Committee of Five.]

FOREIGN EXCHANGE QUOTATIONS

Furnished to THE MARKET WORLD AND CHRONICLE by the National City Bank.

Sterling—	Saturday	Monday.	Tuesday	Wednesday	Thursday	Friday
Cables	4.92¼	4.89¾	4.90½	4.91	4.90½	4.90⅝
Demand	4.91¾	4.89¼	4.90	4.90½	4.90	4.90⅛
Sixty days sight	4.88½	4.86	4.87	4.86½	4.86½	4.87⅛
Ninety days sight	4.86½	4.84½	4.85½	4.85	4.85	4.85½
Francs—						
Cables	5.11½	5.14	5.14	5.14	5.14½	5.13¾
Demand	5.12	5.15	5.14½	5.15	5.15½	5.14
Reichsmarks—						
Cables	88	89	89	89	89	88¾
Demand	88	88½	88¾	88¾	88¾	88¾

On account of unsettled conditions all quotations are nominal.

INDUSTRY, COMMERCE AND FINANCE

(Continued from Page 554.)

lined above was approximately $20,850,000. The British income tax yielded a total of slightly over $300,000,000 in 1912.

* * *

Railway Revenues and Expenses in the United States in July.—According to figures issued by the Bureau of Railway Economics, for railways operating 228,136 miles of line, or about 90 per cent of all steam railway mileage in the United States, operating revenues for the month of July, 1914, amounted to $256,404,337. This amount includes revenues from freight and passenger traffic, from carrying mail and express, and from miscellaneous sources connected with rail and auxiliary operations. Compared with July, 1913, these operating revenues show a decrease of $10,476,467. Total operating revenues per mile averaged $1,124 in July, 1914, and $1,183 in July, 1913, a decrease of $59, or 5.0 per cent.

Operating expenses, which include all the costs of maintaining track and equipment, operating trains, securing traffic, and of administration, amounted to $178,988,195. This was $9,645,172 less than for July, 1913. These operating expenses per mile of line averaged $785 in July, 1914, and $836 in July, 1913, a decrease of $52 per mile, or 6.2 per cent.

Net operating revenue, that is, total operating revenues of rail and auxiliary operations less operating expenses, amounted to $77,416,142, which was $831,295 less than for July, 1913. Net operating revenue per mile of line averaged $339 in July, 1914, and $346 in July, 1913, a decrease of $7 per mile, or 2.1 per cent.

Taxes for the month of July amounted to $11,387,392, or $50 per mile, an increase of 3.8 per cent over July, 1913.

Operating income, which is net revenue from rail and auxiliary operations, less taxes, averaged $289 per mile of line, and in July, 1913, $298, thus decreasing $9, or 3.1 per cent. Operating income for each mile of line for each day in July averaged $9.33 and in July, 1913, $9.63. Operating income is that proportion of their operating receipts which remains available to the railways for rentals, interest on bonds, appropriations for betterments, improvements, new construction and for dividends.

The operating ratio for July, that is, the per cent of total operating revenues absorbed in operating expenses, was 69.8 per cent, which is comparable with 70.7 per cent in July, 1913, and 68.1 per cent in July, 1912. The operating ratio in the Eastern district for July was 70.8 per cent, as compared with 72.1 per cent for July, 1913; was 75.2 per cent in the Southern district, as compared with 75.3 per cent in 1913; was 66.8 per cent in the Western district, as compared with 67.5 per cent in 1913.

* * *

Immigration Into the United States in War Time.—According to the monthly bulletin of the Bureau of Immigration just issued, there were admitted into the United States during the month of August, 1914, 37,706 aliens, a falling off of 22,671 from the month of July, 1914. When compared with the total for August, 1913, which was 126,180, the August figures show an even greater decline, the falling off being 88,474. The table printed below sets out the immigration by months during the past three years, and during the first eight months of 1914:

IMMIGRATION INTO THE UNITED STATES BY MONTHS, 1911-1914.

	1914.	1913.	1912.	1911.
August	37,706	126,180	82,377	50,110
July	60,377	138,244	78,101	57,737
June	71,728	176,261	92,425	71,019
May	107,796	137,262	113,635	95,361
April	119,885	136,271	99,839	98,936
March	92,621	96,859	91,185	81,687
February	46,873	59,156	45,380	42,826
January	44,708	46,441	48,453	36,361
Totals, eight months	581,494	917,674	641,395	534,037
December	.....	95,387	76,315	61,620
Totals, twelve months	.....	1,369,219	906,803	835,974
September	.....	451,545	255,408	301,937
November	.....	104,671	94,739	61,765
October	.....	135,140	108,300	69,418

It is possible, on the basis of these figures, to make an intelligent guess at the probable results for the full year, 1914. It appears that the number of immigrants who arrived during the first eight months of 1913 is 67.0 per cent of the number arrived during the calendar year 1913; the number during the first eight months of 1912, 71.5 per cent of the total for that year; and the number during the first eight months of 1911, 63.8 per cent of the 1911 total. If the ratio between 1914 and 1913 at present existing is maintained throughout the remainder of the year, the total immigration for 1914 will amount to 867,900. On the basis of the average ratio between the 1914 eight months' figures and those of the first eight months of the past three years, the total for 1914 will be 862,602.

Possibly a more accurate basis for estimating the immigration figures for the remaining months of 1914 would be a comparison of the results for last August with those for August during the past few years. The August results of the present year must be taken to be typical of war conditions. They comprise 29.3 per cent of the returns for August, 1913. If the returns for the remaining four months of the year continue in the same proportion, the 1914 total will be lower than either of the estimates mentioned above, or 735,604. This would put us on an annual basis lower than that of any year since 1902. For reference, we give below the annual immigration into this country during the past twenty years, as recorded in the Statistical Abstract of the United States:

ANNUAL IMMIGRATION INTO THE UNITED STATES, 1892-1914.
YEARS ENDED JUNE 30.*

1892	623,084	1904	812,870
1893	502,917	1905	1,026,499
1894	314,467	1906	1,100,735
1895	279,948	1907	1,285,349
1896	343,267	1908	782,870
1897	230,832	1909	751,786
1898	229,299	1910	1,041,570
1899	311,715	1911	878,587
1900	448,572	1912	838,172
1901	487,918	1913	1,197,892
1902	648,743	1914	1,218,480
1903	856,046		

*Exclusive of immigrants debarred from landing.

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UNITED STATES BRANCH

JANUARY 1, 1914.

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IT has been remarked before this in these pages that an apparently contrarious effect of a continuous rise in the rent,—i. e. rate of interest or market price,—of capital is to make the owners of capital, or of the evidences of ownership of it, generally lament their misfortune in becoming daily poorer. Though the only benefit they obtain from their capital is the rent they can derive from it, and although at first sight a rise in this rent would seem to be all to their advantage, yet it universally happens that the capitalist class is despondent and dissatisfied during periods of increasing capital rent, while periods of declining capital rent find them correspondingly elated. The explanation is to be found in psychology and nowhere else. Of course, a correlative of a rising rent, or interest rate, for capital is a declining market price of all pre-existing capital investments at a fixed rent, or rate of interest; and the longer the unexpired term of such investments the more severe is this decline in their market value. The owner, or investor, to be sure, receives from his investment as much as he had expected to receive from it, when he made it; but if he desires to pass the investment on to another, by selling it in the market, he must take for it a smaller sum in cash than he had paid. Even if he keeps his investment, he finds through consultation of the market quotations, that the market value of it has diminished, and he concludes himself poorer by so much. And this apparent depreciation of his property invariably exercises a depressing effect upon the investor's mind, in spite of the fact that on any of his new investments he can obtain a higher rent, or rate of interest, than he perhaps even could before, and that his position *qua* capitalist is a steadily improving one.

It cannot be denied, however, that a period of change in the rate of interest, or market price of capital, brings with it very serious problems and even embarrassment in more than one department of financial operations; and that this is particularly true when the rate of interest is rising, while the market or selling value of fixed investments at the old rate of interest is correspondingly declining. When the opposite phenomenon is showing itself,—i. e. when the rate of interest is falling and the market value of fixed investments is rising,—the constantly registered increase in the present worth of all kinds of income-producing property facilitates the easy operation of accountancy, that universally employed yet in some respects unreliable method of measuring the soundness or unsoundness of credit, the solvency or insolvency of all those persons or bodies corporate that have entered into financial obligations to others. As it is the primary assumption of accountancy that the criterion of the ability to meet obligations is the relation between the amount of the obligations and the present market worth of the property whose conservation and use must produce the wherewithal to meet the obligations, any cause that affects favorably the present market worth of the property in hand is a help to the making of solvent balance-sheets, and any cause that affects that worth unfavorably is disturbing and may be superficially alarming.

Naturally, it is fiduciary institutions of various kinds that are subjected to the most difficulties by reason of changes in the present market value of the capital investments held by them for the fulfilment of the obligations they have undertaken. Banks of all kinds are obviously affected, and particularly savings banks. Insurance companies likewise, in different degrees according to the branches of insurance in which they are engaged, are exposed to unfavorable effects in their balance-sheets from being obliged to take into account there only the immediate selling value of their securities, while they get no accounting benefit from the steadily rising average rate of return upon their investments as a whole. An increase of one-half per cent, three-quarters per cent or perhaps even one per cent in the average annual rate of interest earned by a great insurance company means in itself a tremendously important improvement in the financial situation of the company, from the point of view of the real advantage of the policyholders; yet the anomaly arises that, on a strict application of the present theory of accounting, this great boon to the policyholders may on the face of things render the company insolvent. That is, the resultant shrinkage in the book-value of the company's assets may be so great as to bring about a balance-sheet deficit, impairment of capital or reserves, and the statutory necessity of winding up the company's affairs. Perhaps even more striking are the embarrassing consequences of a rising interest rate and a declining market value of investments for a savings bank; for in its case, there is a twofold obligation towards the depositors,—first, to earn as high a rate of interest as possible on their deposits, and, second, to have their principal intact to hand back to them, whenever they may call for it. Obviously, the latter of these obligations permits of no accommodations in the matter of the valuations taken for balance-sheet purposes. The obligations to the depositors are for cash deposited; and the valued inventory must show the wherewithal to return this cash unimpaired. It is only government savings banks that can palter with this supreme duty. It is known, for example, that the British Postal Savings Bank, which invests its deposits chiefly in Consols and other governmental securities, cannot to-day make a balance-sheet, without showing an accounting deficit of something over fifty million dollars. Every decline in the

market price of Consols makes this bank's situation the worse. In the same way, there can be little doubt that one outcome of the present European War will be to leave practically all the savings banks of the belligerent countries technically insolvent. They really have no choice about subscribing for the vast government loans issued for the carrying-on of the war; and with each new issue of an amount of five hundred to a thousand million dollars (using terms of money of this country), the interest rate must go up, while the selling value of all anterior issues, as well as of all older investments, must go down. A great governmental problem will thus be developed; and profound modifications of the theory and practice of savings banks, at least in countries other than our own, may be expected to result.

It goes without saying that, while a gradual increase in the interest rate and a corresponding gradual decline in the market value of anterior investments produces real embarrassments of the kind just described for fiduciary institutions, any sudden and violent acceleration of the process must result in acute disturbances, requiring drastic remedies. For a decade past there has been a decided tendency for the interest rate upon capital to rise, owing to the world-wide competition for capital; and for the selling price of older investments to fall. As a result, the managers of fiduciary institutions all over the world have been obliged to provide year after year for a considerable writing down of the book-values of their assets, thus including in their operating expenses a heavy item of which the general public has known next to nothing. It is an admirable illustration of the skill and fidelity with which the affairs of such institutions are generally conducted in modern civilized countries that shrinkages of this kind aggregating an absolutely staggering amount have been quietly provided for, without affecting the solvency of the institutions as a body and without harming or even alarming the public in any way. Such was the course of events, so long as the primary cause of the rising rate of interest was simply the greater and greater pressure of the countries of the world, old and new, to obtain capital for their economic or quasi-economic use.

The European War, however, has made a violent change in this orderly, even if temporarily uncomfortable, process. The managers of fiduciary institutions to-day must deal with an extraordinary exaggeration of their problem. It is entirely plain to every one competent in these matters that the market values of existing investments must not only suffer temporarily by reason of the general economic disturbance occasioned by the war, but also undergo a permanent severe decline, or a decline for a period of years, because of the sudden jump of the rent for capital, or interest rate, which will attend the sudden injection into the mass of the world's securities, of the monster government loans which the belligerent nations must float. Whichever of the numerous estimates of the ultimate cost of the war one may take, it is impossible even now to place at less than ten billions of dollars the aggregate of these loans; and before the war is concluded, the amount may easily have risen to twice or thrice this sum. Nothing like this, from a financial-economic point of view, has ever before happened, and we have no experience of the past by means of which to estimate the effects. We do know, however, that there is but one way in which the collection of so enormous an amount of capital can be accomplished. The world's annual savings are completely inadequate to provide it, and it must be got by drawing it away from other employment. The interest rate is the means of doing this; and the European countries must bid so high for capital, in the way of the interest rate they offer, that the ordinary economic employments of capital cannot compete with them. It would be hazardous to say how high this rate will prove to be; but it is safe enough to assert that it will be so much higher than civilized countries have ever before paid for capital that the interest rate from one end of the world to the other will advance with a great leap. And the effect of this upon the market values of pre-existing investments will be proportionately severe.

During the three months since the outbreak of the European War, by general consent this larger and more enduring problem arising from it has been postponed, until the immediate wreckage could be cleared away, the strained and partially disabled machinery of day-to-day business could be repaired and got into operation again, and some approach to the orderly conduct of affairs could be achieved. But indefinite delay is not possible in such matters. The mere succession of appointed periods of time compels practical decisions, which in their turn must rest upon some kind of theoretical conclusions as to the present and the future conditions that must be dealt with and what is involved in them. A good illustration of this is afforded at this moment here in the United States. The end of the year is approaching, and when it arrives two great classes of our fiduciary institutions,—our savings banks and our insurance companies,—must under the law make up their annual statements of account and show themselves either solvent or insolvent from a technical accounting point of view. Both classes of institutions hold in the aggregate enormous amounts of investments made in the course of years past, when the interest rate was not only lower than it had recently come to be even before the European War broke out, but also vastly lower than it must be for many years to come. The market values of these investments has already been severely affected, notwithstanding that their inherent soundness is just as great as ever it was, but simply because, given inherent soundness, the market value of all securities simply reflects the market price, or interest rate, for capital in the world's financial centres. And yet balance-sheets must be drawn off annually by savings banks and insurance companies, and must show assets sufficient to balance obligations, with both assets and obligations expressed in terms of immediate cash.

Fortunately for our insurance companies, in this instance, the problem of accommodating values to conditions is under our laws not theirs, but that of the Insurance Departments of our States, which co-operate for the purpose of securing uniformity. The Committee on Valuation of Securities of the National Convention of Insurance Commissioners has just decided upon the basis of valuation for the present year. It is to be for stock exchange securities the quoted prices of June 30th, and for other securities correlative prices worked out at the same general level by the well-known expert appraiser of securities, Mr. Marvyn Scudder. The reasons for this determination have been given by Superintendent of Insurance Hasbrouck, of New York, as follows:

"Conditions prevailing on June 30 were such that the

prices then obtainable represented normal conditions. Immediately thereafter rumors of war and the declaration of war caused a marked decline in the value of securities. It would be unfair to penalize our insurance companies for a condition that is only temporary. There is no doubt at all that the intrinsic value of securities held by insurance companies has remained unchanged and that the decline in prices will be only temporary."

We do not quarrel with the practical conclusion reached by the Insurance Commisisoners for the present occasion; but we are compelled to say that, if they have based this conclusion upon the belief that the "decline in prices [shown in the markets after June 30] will be only temporary," and that they have disposed of the problem for good, they are mightily mistaken. Before another year has revolved they will certainly find that, not temporary, but to all intents and purposes permanent forces have depressed and are still depressing the market values of all investments made at the interest rates prevailing during the past twenty years. This is going to be one of the greatest of all the financial problems with which modern society has ever had to deal; and we cannot help wondering whether a committee of insurance commissioners will be able to solve it.

Arthur Richmond Marsh

THE PERSONAL ELEMENT IN OUR TRADE WITH SOUTH AMERICA

By Charles L. Chandler,

South American Agent, Southern Railway, Mobile and Ohio Railway, etc. Formerly of the United States Consular Service.

[In an address on "The Railroads and Export Trade" before the National Foreign Trade Convention, at Washington, D. C., on May 27, 1914, Mr. Fairfax Harrison, President of the Southern Railway Company, outlined the opportunity of our Southern railroads to participate in the development of closer trade relations between the United States and the South American countries and the work which was being done to further this end.

"The problem," he said, "is to bring about a larger development of our trade with those countries and to have it carried on through the ports served by our lines. With the view to bringing this about, we have appointed a South American Agent, attached to the Freight Traffic Departments of the companies. The qualifications needed for this important post were carefully considered. The man selected was for a long time in the United States consular service in Europe, Asia and South America. He knows the South American people and speaks and writes their languages. He knows what the markets of each country want and how they want it packed and shipped. He is familiar with their customs laws and port regulations; with their methods of doing business, and their credit systems. He knows what each of these countries produces that is in demand in the United States. It is his duty, by personal interviews and correspondence, to interest manufacturers and merchants in all of the territory from which shipments can advantageously be made through Southern ports in building up a Latin-American trade. He supplies them with detailed and accurate information as to each market in which they may be interested, and will aid them in putting their letters and advertising matter into Portuguese for Brazil and into Spanish for the other countries. He will have access to all of the foreign trade information collected by the various Government Bureaus in Washington, and will aim to maintain such relations with the diplomatic representatives of the Latin-American countries in the United States and with commercial bodies in those countries as will enable him to obtain prompt information relative to the special wants of their markets, as to prospective governmental or private purchases, and as to the letting of contracts for materials or construction.

"This is a new departure in railroad administration, but we believe that it is one that will be profitable to the companies both directly through the increase in traffic to and from the ports served by them and indirectly through advancing the prosperity of the seaport cities and of the producing localities along their lines."

The man chosen to fill the important post of South American Agent above referred to is Mr. Charles L. Chandler, to whom we are indebted for the following article. Mr. Chandler has consented to discuss from time to time in the pages of THE MARKET WORLD AND CHRONICLE important phases of our South American trade.—Editor.]

THE elementary features of our export activities are slowly crystalizing into more technically analytic studies of all phases of our foreign trade. For instance, co-operative foreign marketing is slowly becoming more generally understood and practiced; our consular service is being reorganized; and the railways are devoting far more attention to their export trade than was the case five years ago. It should be constantly borne in mind that the study of export work is one in which only constant practice and performance can entitle a person to be considered skilled in all its variations. An export expert cannot be made in a day from a man who merely knows a foreign language; even a broad and systematically analytic study of the different South American countries, for instance, such as can only be gained by a close reading of the standard books thereon, supplemented by pertinent inquiries from those exporting different lines of goods thereto, often does not in itself make a man really skilled in this field. What is most needed now is closer contact with the South Americans, and an increase of mutual understanding and confidence.

The export trade has come on many of our manufacturers unawares; it is merely a new toy to many of them. "What's the use of adapting my plows to the needs of those people in Natal?" says Manufacturer A. But let him look at the bank account of Manufacturer B, three-eighths of whose business is export; he has one type of plow for South Africa, and one for Argentina; he is making expensive changes in his plant to develop yet another field.

I know a firm in Pennsylvania that did not discharge a single man when the panic of 1907 came. They had built up an export business in thirty-four different countries; and during that hard year their factory was busy, while many of their competitors were forced to run on half-time, or even close their plants entirely.

We can sell our goods anywhere. Our first really carefully worked export fields—when Salem had more shipping than New York—were Portugal and Mauritius. But to-day the real test of export pre-eminence is the amount of business obtained in the world's competitive markets. The greatest of these are the Latin-American countries, particularly the countries of South America. There lies to the south of us a Continent of fifty million inhabitants, with the world's record for scanty population, and most of that population made up of non-purchasers, the percentage running as high as 82 per cent in Peru. And yet they buy from the world at large very nearly a thousand million dollars' worth of goods a year. There is no manufacturing there,—we had more manufacturing in 1840 than South America has to-day.

The United States supplies South America with only about a tenth of the imports into that Continent, though our export business to that region has been going on since 1748. We had a greater proportionate share of it in 1848 than we have to-day. Our direct trade with Argentina dates back to 1806, and there are United States business houses in Brazil and Argentina to-day that have been in continuous operation since 1820. The first locomotive and the first steamer ever sent to South America were from the United States; Allan Campbell built the New York Central and the first Argentine railway. In the early days our business with South America was more direct than at present. The famous "Cleopatra's Barge" sailed from Rio de Janeiro on January 31, 1819, for Salem, Mass., with a cargo of hides, sugar, coffee and tapioca, which she had obtained there in exchange for New England manufactured products. A year later we find the cargo of Mr. Thomas H. Perkins' brig "Macedonian," from Boston, consigned to Messrs. Arismendi and Abadia, of Lima, valued at $145,000.

How can we get away from Europe some of that $800,000,000

that the South Americans are paying her for goods and merchandise of all kinds? It is not going to be done in day, or a week, or a year. We have made many mistakes in the past, and are still making them, because of our hasty methods, our utter lack of scientific management in foreign business relations. We have failed to educate our own people in fundamental South American conditions, and have trusted to foreigners to obtain business for us. It has been extremely difficult, in spite of high salary returns, to obtain young men of the right type, trained in export work as a profession. Our salesmen have failed to study the customs of the foreign countries, their wants and prejudices; and our national ignorance of Spanish and other modern languages and of commercial geography is unique among the great commercial nations. I recently asked a room-full of school teachers, who were supposed to be equipped for commercial instruction, and most of whom had Ph. D.'s, where Cordoba, Christchurch and Caracas were, and only two of fifty-four could give a correct answer. Yet we glibly talk of conquering the world's markets. Commercial battles nowadays are not fought that way.

Our goods sold in South America are of two distinct kinds: first, non-competitive goods, such as agricultural implements and machinery, various other mechanical devices, such as cash registers, and raw products, such as lumber of all kinds; and, second, articles in which we compete with European or Japanese manufacturers,—articles which our competitors can, it is alleged, manufacture very much cheaper and better, and distribute with a more scientific view to future orders, than we can. Cotton goods of all kinds and shoes are important items in this class.

While admitting that there are some articles of which it may be true that they are so cheaply produced as to prohibit competition by the United States, yet the problem of winning these markets is by no means a hopeless one. For instance, ten years ago we were a debtor country as regards automobiles, importing heavily from Europe; to-day American-made automobiles and motor vehicles of all kinds are closely competing with the French, German, Italian and other European machines in Buenos Aires, Montevideo, Rio de Janeiro and other South American points. An important point to be noted in this connection is that when European articles compete with those from the United States in South America, they sell at an average of as much as from one-tenth to one-half cheaper. This handicap may sometimes be overcome by the superior quality of the American article; but before attempting to compete, the manufacturer or exporter in the United States should carefully ascertain all possible information regarding the nature of the competition to be met, and especially whether the proprietors or directors of the European firms with which he is competing are financially or otherwise interested in steamship lines from Europe to South America, or in railway lines or other means of communication in the various republics of that Continent.

Again, it should always be remembered that questions of quality and local demand or prejudice are often constantly so interwoven that it takes time to create a local fancy for an article, and that the smallest trifle may upset the regard for the quality of a particular class of goods. Another of the far-reaching mistakes made by American business men in regard to South American trade has been their wasted energy in connection with the sale of non-competitive goods and raw products, for which there existed a good market even without their efforts. It is obviously more important to take away a contract or order that would otherwise be filled with competitive goods from Europe and secure it for the United States. There is no reason why Chile should buy 416 tons of shovels from the United Kingdom and only 67 tons from the United States.

Through an examination of the physiographic characteristics of South America much valuable information can be gained by the would-be exporter. The differences between temperate and tropical South America are as distinct and fundamental as those between Siam and Siberia or Canada and Jamaica. Twenty-four and six-tenths per cent, or approximately a quarter of the South American Continent, is temperate in climate. Roughly speaking, this embraces Argentina, Chile and Uruguay, and the States of Rio Grande do Sul and Santa Catherina, Brazil, with some of Southern Paraguay. This temperate quarter of the Continent contains between a quarter and a third,—some 28 per cent,—of its total population, but it also contains at least 75 per cent of the white population thereof, and transacts between a half and two-thirds of its total foreign trade. The commercial development of temperate South America has been much more rapid than the tropical. The temperate part tends to dominate the tropical, as has occurred in China and South Africa. Argentina takes 40 per cent of our total trade with South America.

Slavery was abolished in Argentina, Chile and Uruguay before 1813, and in a very few years all the negroes were removed from the country. To-day the population of Argentina and Uruguay is 95 per cent pure white, and is mainly composed of assimilative stocks of people, from certain parts of Spain and Italy, with a few from Northern Europe who possess a high co-efficient of mental and physical efficiency which is generally transmitted to their children on their inter-marriage with their fellow-citizens of Latin origin. This temperate climate in Argentina, Uruguay and Chile has bred healthily energetic men and has encouraged and attracted white immigrants who could build a new country of settlement. This has an important bearing upon trade with these countries. It was a maxim of the Hansa traders of the Middle Ages to see the color of the purchaser's skin and the richness of his coat before they bargained with him. An Argentine wants the best there is; why shouldn't he? He is a white man. It would surprise many Americans to find that he knows far more about the United States than they know of Argentina. In my college days in Buenos Aires I wondered how many of my Harvard acquaintances could have told a quarter as much of Argentine history as my Argentine friends knew of United States history.

To be more specific, Argentina has the greatest per capita foreign trade of any country in the world, and Uruguay, with 1,300,000 people, has one of $80 per capita. Ask an American business man which buys more from the United States, the Chinaman or the Uruguayan. The average Chinaman bought less than a cent's worth from the United States last year; the average Uruguayan a little over seven dollars. Our exporters should consider carefully the question as to the real Open Door. The Argentine gentlemen wakes up in the morning and takes his clothes, probably made by an English tailor in Buenos Aires from English cloth, from his chair; his suite of bedroom furniture was probably made by Maple of London, which firm maintains a large branch store in Buenos Aires. His razor was probably made in Germany; his shaving soap may be American, though a well-known druggist in Buenos Aires bitterly complained to me a few years ago that some of our largest drug firms treated their trade there as a joke. He turns on his English faucet to get a drink of water. That water should be running through pipes made in the United States, but we have not really tried for the business. Two years ago word was received in this country that the Argentine Government had appropriated $34,000,000 for water pipes. One American firm sent a catalogue there. It was printed in English and all the weights and measures were set out in anything but the metric system. It was promptly consigned to the waste basket. Our Argentine friend

sits down to his coffee and rolls; is his coffee served in an American cup? Many is the case of crockery that has been smashed to bits long before it ever saw the River Plate. Does he want a little jam with his bread? It is Crosse and Blackwell's, probably; they have a splendidly organized export department. Then he goes to his office. Here his English desk is as good as those of his correspondents in New York or Chicago. He probably does not use American ink; one of our ink firms sent circulars in English to a French agent in Buenos Aires to show to Spanish-speaking people at an exposition there. His typewriter is an American one; 88 per cent of Argentine typewriters are. But if he goes to his club, he rarely sees any illustrated American papers. His boy in school studies from textbooks printed in Europe. All the medical schoolbooks are printed in French; the library of the medical school in Buenos Aires is as large as that any medical school in the United States.

As to the $34,000,000 contract referred to above, it is a matter of record that it went to an English hardware firm which had long been established in Buenos Aires. Its representatives were gentlemen who had made positions for themselves in the community. They patiently complied with every requirement the Argentines propounded. They never lost their temper. They looked at the matter from the Argentine point of view. The result was an order amounting to many millions of dollars.

And the Germans use the same methods. No order is too small for them, nothing too minute for their study. They got an order for a bridge in Uruguay—it was only $10,000, and some of our countrymen sneered at it. But a little later, as that job was well done, a $500,000 job came their way. It is obvious that much patient study, a considerable money investment, and the securing of a recognized position in the South American confidence must precede any permanent and extensive competition with established European firms in South America. But it is equally true that the pool is full of splendid fish which can be caught if the hooks are properly baited.

THE BEGINNING OF OPERATION OF THE FEDERAL RESERVE BANKS

THE date fixed for the beginning of actual operation of the new Federal Reserve System is Monday, November 16. All the preliminary steps in the way of election and appointment of the several classes of directors of the Reserve Banks, selection of governors and chairmen of boards of directors, and in large part appointment of the staff of bank officers, have now been taken. Hence the time has come for inaugurating the transaction of the business which the Reserve Banks, in conjunction with the Federal Reserve Board, are designed to conduct.

In its November bulletin the National City Bank of New York summarizes the last stage of preparation for this event, of such vast consequence to the entire commerce and industry of the United States. Furthermore, the bulletin gives in convenient form the figures of the subscribed capital (in so far as National banks are concerned) which the Reserve Banks will have at their disposal; the figures for the reserves of the National banks in the several Federal Reserve Districts, both as they have been under the old law and as they will be under the Federal Reserve Act; and the figures for the cash resources of the National banks and the distribution of the same between the banks' own vaults and the Federal Reserve Banks under the new system. With some omissions and some rearrangement the summary is as follows:

* * *

The following is the official statement of the Secretary of the Treasury announcing November 16, 1914, as the day determined by him for the actual beginning of the new banking system:

"The Federal Reserve Act imposes upon the Secretary of the Treasury the duty of announcing 'in such manner as he may elect the establishment of a Federal Reserve Bank in any district.' In the discharge of that duty I have determined to announce on the 16th day of November, 1914, the establishment of the Federal Reserve Banks in all the Federal Reserve districts. On that date the new reserve requirements for national banks, as prescribed by the act, will become operative.

"I am impelled to this decision particularly because of the emergent conditions in the South and the confident belief that the prompt opening of the Reserve Banks will be very helpful to the cotton situation and to general business in all sections of the country.

"This conclusion has been reached after a thorough discussion with my associates on the Federal Reserve Board, who are co-operating cordially with me, and also after full consideration of the views expressed by the directors of the Federal Reserve Banks at their recent conference in Washington with the Federal Reserve Board.

"I am fully aware of the physical difficulties that must be overcome to set the reserve banks in motion on the 16th of November, but the directors of these banks represent the highest degree of American banking ability, and I am sure that not only can they meet the situation but that they will cheerfully take up the task in the same fine spirit of public service which animated their discussions at the Washington conference.

"As the result of the enactment of the war revenue measure the parity between receipts and disbursements of the Treasury will soon be happily restored. This will make it possible for the Treasury to render still greater service than it has already rendered in helping the financial situation in the South, and in other parts of the country where the need has appeared.

"The prompt opening of the Federal Reserve Banks will make the assistance of the Treasury doubly powerful because the Federal Reserve Act authorizes the Secretary of the Treasury, in his discretion, to deposit a large amount of the moneys held in the "general fund" in the Federal Reserve Banks, and to require such banks to act as fiscal agents of the United States; and also, in his discretion to deposit the revenues of the Government, or any part thereof, in the Reserve Banks, and to make disbursements by checks drawn against such deposits.

"Under the present system the Secretary of the Treasury cannot with prudence scatter the 'general fund' of the Treasury among the great number of widely separated National banks throughout the country. Up to the present I have gone as far in that direction as I have felt that it was Act and the use which I may be able to make of the Federal Reserve wise to go, but with the larger powers conferred by the Federal Reserve Banks as fiscal agents of the Government it will be prudent and wise to deposit a large amount of the 'general fund' of the Treasury in the Federal Reserve Banks.

"As soon therefore as the Reserve Banks are in operation I shall transfer to them as large an amount of Government funds as possible. This will in turn enable them to extend enlarged credits to National banks and State banks which may become members of the Federal Reserve system, which they in turn may extend to their customers. By this means and through the agency of the Federal Reserve Banks I hope to give additional assistance to that already given by the Treasury Department to the cotton producers, the cotton industry, and the business men of the South.

"The new reserve requirements which will become operative on November 16, upon the opening of the Federal Reserve Banks, will release more than $400,000,000 of reserve money and largely increase the credit facilities of the banks of the country."

The following are the governors of the twelve Federal Reserve Banks:

Dist. No. 1. Boston—Alfred L. Aiken.
No. 2. New York—Benjamin Strong, Jr.
No. 3. Philadelphia—Charles J. Rhoads.
No. 4. Cleveland—E. R. Fancher.
No. 5. Richmond—George J. Seay.
No. 6. Atlanta—Joseph A. McCord.
No. 7. Chicago—James B. McDougal.
No. 8. St. Louis—Rolla Wells.
No. 9. Minneapolis—Theodore Wold.
No. 10. Kansas City—Charles M. Sawyer.
No. 11. Dallas—Oscar Wells.
No. 12. San Francisco—Archibald Kains.

The first meeting of Federal Reserve Directors was held in Washington on October 20, at which time it was announced by

the Secretary of the Treasury, "That it was the hope of the Board that the system would be put in operation at the earliest possible date, and the opinion had been expressed that by Monday, November 16, the Reserve Bank could open (by which time the Federal Reserve Notes were promised for delivery), not to perform all their functions, but to undertake at least some of them. No elaborate system was expected at the moment of opening, but it would be necessary to prepare to receive reserve deposits from the banks and to have rediscount machinery ready for such part of the reserve as would be paid in by the banks."

Under date of October 26 assessment was made upon all member banks to pay into their respective Federal Reserve Banks on November 2, as a contribution to the capital of the latter, an amount equal to one per cent of each member bank's capital and surplus. The assessment covers one-sixth of the total contribution toward capitalization of the Federal Reserve Banks which member banks may be called on to pay; three per cent must be paid in and the remaining three per cent may or may not be called, as the Federal Reserve Board shall determine.

A uniform system of accounting has already been adopted by nine out of the twelve Federal Reserve Banks, while two others have practically determined in favor of such a system; and it is expected that the remaining Federal Reserve Bank will have acquiesced in its adoption before the opening of the banks on November 16.

All reserves required by the Federal Reserve Act to be kept by member banks with Federal Reserve Banks must be transferred to such Federal Reserve Banks on the day of opening, November 16, 1914. In other words, the provisions of the Act relative to reserves will in all respects become effective on that date.

The following is the order of the Federal Reserve Board relative to transfer of reserves to Federal Reserve Banks, from which it will be seen that they are to be transferred in gold or lawful money:

Washington, D. C., October 28, 1914.

To All Member Banks:

The Secretary of the Treasury having advised the Federal Reserve Board that formal notice of the establishment of the several Federal Reserve Banks will be given to all member banks on November 16, it is necessary that arrangements be now made for the transfer of required reserves by the member banks to their respective Federal Reserve Banks. It is the desire of the Board to arrange for the actual physical transfer of the first installment in such a manner as to create the least possible disturbance to business conditions in any city or section.

It is, of course, clear that if the banks in non-reserve cities undertake to make the necessary deposit of reserves with their Federal Reserve Bank by remitting checks or drafts on banks in reserve cities (which checks or drafts can be received by the Federal Reserve Bank for collection only), there may result an unnecessarily heavy withdrawal of funds from the banks in reserve cities. In the same manner, if banks in reserve cities make remittances of checks or drafts on banks in central reserve cities, an unnecessary burden may be placed on the latter.

The deposits of reserves with Federal Reserve Banks must be made in gold or lawful money, and in order that the withdrawal of funds from the vaults of member banks may be as nearly uniform as possible, and so distributed as to relieve any particular section or sections, of unnecessary burden, the Federal Reserve Board urges all banks to ship from their own vaults gold or lawful money. The Federal Reserve Banks have been authorized to assume and pay the express charges involved in making such shipments.

The foregoing suggestions also apply to payments on account of the first installment of capital stock due November 2.

In view of the advantage to be derived from the deposits of gold, which may be used as reserve for Federal Reserve notes it is strongly urged by the Board that deposits of reserves in the Federal Reserve Banks be made, so far as practicable, in gold or gold certificates. DUE notice of the establishment of the Federal Reserve Banks on November 16 will be sent each member bank by the Secretary of the Treasury, and no transfer of reserve can be made until this is done.

Member banks of large resources will greatly facilitate the physical work of counting reserve money if they will send gold certificates in as large denominations as possible or clearing house orders calling for gold certificates or gold already counted by the clearing houses. The Federal Reserve Board appeals to the patriotic spirit of all member banks, large and small, to do their utmost in facilitating the difficult work now thrown upon the officers of the newly created Reserve Banks, and to do all in their power to secure for the new system the greatest possible success from the beginning.

(Signed) H. PARKER WILLIS, Secretary. (Signed) CHARLES S. HAMLIN, Governor.

The above order calls for the payment of reserves in gold or lawful money, but makes no mention of the following provision in Section 19 of the Federal Reserve Act:

"Any Federal Reserve Bank may receive from the member banks as reserves, not exceeding one-half of each installment, eligible paper as described in section fourteen properly indorsed and acceptable to the said reserve bank."

The capital which the several Federal Reserve Banks will have through the stock subscriptions of the member banks in their districts, in so far as these member banks are National banks, is shown in the following table, on the basis of the capital and surplus, shown by the subscribing National banks on March 4, 1914. The amount of subscribed capital that may come from the voluntary adhesion of State banks and trust companies it is as yet impossible to forecast.

SUBSCRIPTIONS OF MEMBER BANKS TO STOCK OF FEDERAL RESERVE BANKS.

(Based on Consolidated Report of National Banks, March 4, 1914.)

District No.	Federal Reserve Cities.	No. of Banks.	Capital and Surplus.	Six Per Cent Subscription.
1	Boston	445	$165,409,043	$9,924,543
2	New York	477	343,693,437	20,621,606
3	Philadelphia	757	208,135,631	12,488,138
4	Cleveland	767	200,123,060	12,007,384
5	Richmond	475	105,055,023	6,303,301
6	Atlanta	372	77,353,221	4,641,193
7	Chicago	952	207,997,941	12,479,876
8	St. Louis	458	83,179,348	4,990,761
9	Minneapolis	687	78,382,081	4,702,925
10	Kansas City	836	93,166,912	5,590,015
11	Dallas	731	92,333,673	5,540,020
12	San Francisco	514	130,422,921	7,825,375
		7,471	$1,785,252,291	$107,115,137

The Federal Reserve Act modifies greatly the reserve requirements of the old National Banking Act. The net result is to decrease materially the aggregate reserves called for as against a given amount of deposits. Thus, taking the consolidated statement of the condition of the National banks of the country on September 12, 1914, it is found that the reserve requirements against the deposits there shown would under the Federal Reserve Act be $580,000,000 less than the banks actually held on that date and $464,000,000 less than they were required to hold under the National Pank Act. The following table shows the working out of this for each of the twelve districts:

RESERVE CHANGES UNDER FEDERAL RESERVE ACT.

Dist. No.		Total Reserve Held by Banks Sept. 12, '14 (Millions).	Total Reserve Required Under Present Law (Millions).	T'l Reserve Required Under Fed. Res've Act (Millions).	T'l Res. Sept. 12, 1914, Held In Excess of Amount Requir'd Under New Law (Millions).
1	(Boston)	129	110	76	53
2	(New York)	364	388	281	83
3	(Philadelphia)	175	153	105	70
4	(Cleveland)	154	144	95	59
5	(Richmond)	64	64	43	21
6	(Atlanta)	38	34	24	14
7	(Chicago)	228	203	140	88
8	(St. Louis)	55	55	37	18
9	(Minneapolis)	91	78	48	43
10	(Kansas City)	109	85	52	57
11	(Dallas)	52	42	28	24
12	(San Francisco)	117	104	67	50
	Totals	1,576	1,460	996	580

Figures have been compiled showing that the reserve under

the present law is $1,460,711,345, while under the Federal Reserve Act the total requirement will be $995,792,269, thus releasing $464,919,076 of the reserves held at the time of the last call of the Comptroller, September 12, 1914.

In the same way as with the reserves, the cash requirements under the Federal Reserve Act are modified from those of the National Bank Act in the direction of a considerable diminution in the amount of cash which the banks are compelled to keep on hand. This appears from the following table, the National bank statement of September 12, 1914, being again taken as the basis:

CASH CHANGES UNDER FEDERAL RESERVE ACT.

Districts.	Total Cash Held Sept. 12, 1914. Millions.	Cash Required to be Held — In Vault. Millions.	with F. R. Bank. Millions.	Either Vault or F. R. Bank. Millions.	Total Cash Required.	T'l Cash Released.
1 Boston	57	31	14	..	45	12
2 New York	307	98	97	62	257	50
3 Philadelphia	74	43	19	..	62	12
4 Cleveland	73	33	17	..	56	17
5 Richmond	30	18	8	..	26	4
6 Atlanta	18	10	4	..	14	4
7 Chicago	144	52	38	17	107	37
8 St. Louis	35	14	10	5	29	6
9 Minneapolis	37	19	9	..	28	9
10 Kansas City	42	21	10	..	31	11
11 Dallas	26	12	5	..	17	9
12 San Francisco	59	27	12	..	39	20
Totals	902	384	243	84	711	191

INDUSTRY, COMMERCE AND FINANCE

Joint Stock Companies in Great Britain.—The report of the Comptroller of the Companies' Department of the British Board of Trade for 1913 has recently been issued. It states that, according to the returns of the Registrar of Joint Stock Companies, the number of new companies registered in England and Wales during the year was 6,871; from which should be deducted: companies which have gone into liquidation, 1,938; companies removed from the register as no longer carrying on business, 1,035; net increase, 3,898. The number on the register on December 31, excluding companies which were in course of liquidation or removal from the register, was about 56,500. The number of companies on the registers in the United Kingdom on the same date was about 63,000. The number of cases in which winding-up proceedings were begun during 1913 is as follows: Voluntary liquidations, 1,799; voluntary liquidations, subject to the supervision of the court, 10; compulsory liquidations, 137; total, 1,946. In one case of compulsory liquidation the winding-up proceedings were stayed, bringing the total down to 1,945.

* * *

Source of Subscriptions to the First German War Loan.—The rapidity and ease with which the first 5 per cent war loan of about $1,100,000,000, issued by the German Government at 97½, was reported to have been taken up by German subscribers, excited no little comment in the great financial markets outside Germany. All the statistical material available with regard to economic conditions in Germany had indicated that, while the industrial and commercial progress of the country during the past generation had been immense, the amount of *free* capital was relatively below rather than above what is to be found in the other great commercial nations. The figures had appeared to show that in Germany capital is generally tied up in fixed investments of one or another kind quite as rapidly as it is accumulated; and it had been the common opinion that the country was a large user of capital supplied by lending countries, like England and France, for the financing of its trade and industry. Hence there was no little wonderment that so huge a sum as the first war loan should have been almost instantly absorbed. The question was at once suggested whether the flotation of the loan had not really been accomplished in large part through the use of bank credit, instead of through contributions of privately owned free capital; and whether it would not ultimately be found that the loan was taking the form of large issues of virtually irredeemable bank notes. This question cannot yet be answered; but an interesting classified analysis of the subscriptions to the loan has recently been published by the "Frankfurter Zeitung," from which it appears that from one point of view,—i. e. that of the large number of small subscribers,—the loan was a genuinely popular one; and yet that from another point of view,—i. e. that of the high proportion of the total amount which was taken in very large sums by an extremely limited number of subscribers,—the success of the issue must have been due to heavy subscriptions from banks, with possibly some insurance companies (though these companies in Germany have most of their resources locked up in mortgages), some great industrial concerns (Krupps taking 30,000,000 marks), and scattered individuals of great wealth. The provinces of Westphalia and Silesia are reported to have taken 40,000,000 marks, which may have been accumulated funds of their workingmen's insurance institutions, or simply balances on hand. It is improbable that the German savings banks can have been large subscribers, for they, like the insurance companies, have long shown a strong predilection for investments in mortgages, and moreover have been subjected to a severe strain from deposit withdrawals for at least two years past. The tabulated figures of the "Frankfurter Zeitung" for this first German war loan fail to clear up many of these obscurities, but it is possible that similar statistics for the second German war loan of about the same amount, just announced as in contemplation, will, when compared with these figures, prove illuminating. The present figures are as follows [mark equals 23.8 cents]:

CLASSIFICATION OF FIRST GERMAN WAR LOAN SUBSCRIPTIONS.

Amount of Bonds Subscribed for (Marks).	Number of Subscribers.	Aggregate Am't of Subscriptions (Marks).
100 to 200	231,112	36,101,400
300 to 500	241,804	110,700,700
600 to 2,000	453,143	586,946,300
2,100 to 5,000	157,591	579,403,600
5,100 to 10,000	56,438	450,148,500
10,100 to 20,000	19,313	307,186,600
20,100 to 50,000	11,584	410,458
50,100 to 100,000	3,629	315,046,200
100,100 to 500,000	2,050	508,548,400
500,000 to 1,000,000	361	287,196,700
Over 1,000,000	210	868,937,000
	1,177,235	4,460,701,400

* * *

The Bonded Indebtedness of the Philippines.—The bonded indebtedness of the Philippine government, including the indebtedness of the cities of Manila and Cebu, as shown in the annual report of the Chief of the Bureau of Insular Affairs, amounts to $16,125,066, the items being as follows:

Land purchase bonds, 4 per cent $7,000,000, redeemable 1914, due 1934.

Public works and improvement bonds, 4 per cent, $2,500,000, redeemable 1915, due 1935.

Public works and improvement bonds, 4 per cent, $1,000,000; redeemable 1916, due 1936.

Public works and improvement bonds, 4 per cent, $1,500,000; redeemable 1919, due 1939.

City of Manila sewer and water works bonds, 4 per cent, $1,000,000; redeemable 1915, due 1935.

City of Manila, sewer and water works bonds, 4 per cent, $2,000,000; redeemable 1917, due 1937.

City of Manila sewer and water works bonds, 4 per cent, $1,000,000; redeemable 1918, due 1938.

City of Cebu sewer and water works bonds, 4 per cent, $125,000; redeemable 1921, due 1941.

The sinking fund provided by law for the retirement of the bonds is ample and the status of the bonds is eminently satisfactory.

During the six months referred to, bonds of the Manila Railroad, to the face value of $774,000, and the bonds of the Philippine Railway, to the value of $8,000, were issued against completed construction. These, under the terms of the concessionary grants, are guaranteed as to interest payments by the Philippine Government. To December 31, 1913, bonds so guaranteed as to interest were outstanding as follows: Manila Railroad Company, $7,085,000; Philippine Railway Company, $8,551,000.

* * *

Street Railways in Germany.—Of the 288 companies operating street railways in Germany on March 31, 1913, with a total mileage of 3,116 miles, 155 were operated and owned by private companies and 133 were operated under public ownership. The mileage was distributed in the Empire as follows: Rhine Province, 783 miles; Province of Westphalia, 332 miles; Province of Brandenburg (including Berlin), 274 miles; Saxony, 234 miles; Bavaria, 166 miles; Alsace-Lorraine, 85 miles; Grand Duchy of Baden, 81 miles; distributed through other parts of the Empire, 1,161. Of the 2,221 miles of railways in Prussia, 1,113 miles were broad gauge and 1,108 were narrow gauge.

Electric railways have been slowly displacing the other systems. While in 1901 there were 101 miles of horse-car lines, in 1912 this had decreased to 24 miles. In 1901 there was 83 miles of steam-driven cars and in 1912 only 44 miles.

The following table gives the total equipment of the street railways in Germany in 1911 and 1912:

	1911.	1912.
Steam locomotives	65	67
Electric locomotives	46	48
Benzol cars	3	..
Electric cars with motors	11,884	12,545
Electric trailers	20,723	22,083
Baggage cars	84	85
Freight cars	887	931
Postal cars	33	34
Special cars	1,361	1,412
	35,186	37,205

Of the 50,982 employes on the pay rolls of the street railway companies in Germany, 14,865 are employed in Berlin.

In 1912, 2,761,756,355 passengers were transported on the German street car lines, as against 2,567,155,295 in the preceding year. In the freight service 1,862,609 metric tons were carried in 1912, as against 1,794,585 in 1911.

The total receipts of all the German street railways in 1912 were $67,392,785, as against $62,051,956 in 1911. Almost the total of these amounts—$64,798,603 in 1912 and $60,094,762 in 1911—were receipts from passenger traffic, and the small balance was freight and postal traffic receipts.

Total expenditures in 1912 aggregated $42,957,076, as against $38,908,716 the preceding year. The figures of invested capital are placed at $287,593,726.

In the 1912 statistics 244 deaths and 1,100 injuries to passengers and private individuals are noted, not inclusive of 8 deaths and 120 injuries to employes.

Very little progress has been made in Germany in the electrification of steam railroads. A short stretch from Berlin to Marienfelde was electrified several years ago, but no developments of importance along these lines have recently been made.

* * *

Platinum Production in the United States in 1913.—Although the high price of platinum encouraged prospecting in the United States in 1913, the expected increase in the production of crude metal was not realized. The total production from California and Oregon, the two sources of platinum ore in this country, amounted to 482.87 crude ounces and was valued at $18,477.

A considerable output of platinum is also obtained in the United States from the refining of gold and copper bullion. A portion of this platinum originates in old scrap, sweepings, etc., sold by jewelers and dentists. About 650 fine ounces, however, was derived in 1913 as new metal from gold and copper bullion from domestic mines. The production of refined platinum in this country in 1913 from domestic soures was 1,034 troy ounces valued at $46,530, against 1,005 troy ounces valued at $45,778 in 1912.

Russia has been the greatest producer of platinum in the world, the output of crude platinum in 1913 being 250,000 troy ounces.

The value of platinum imported for consumption in the United States in 1913 was valued at $5,040,210, against $4,503,682 in 1912.

In late years platinum has come into greater use in the jewelry trade, but this increased demand has been compensated for by the decreased use of the metal for electric light bulbs.

* * *

The Population of Russia and Its Eastward Trend.—There appeared in THE MARKET WORLD AND CHRONICLE for October 17 some discussion of the intensely interesting possibilities with regard to the expansion of Russian trade, and the development of her vast internal resources. The London "Statist" in a recent issue advances a suggestion which is not unworthy of consideration in connection with the widespread forebodings throughout Western Europe as to the tendencies toward expansion Westward supposedly inherent in Russian conditions.

"After making a heavy allowance for virtually uninhabitable regions," says the "Statist," "an aggregate of about 170,000,000 inhabitants in respect of 8,600,000 square miles indicates a very small density of population. It is, however, to be recollected that Russia is a country where the population rapidly increases. Every man who has attained the age of over twenty-three or twenty-four and is unmarried is rather looked askance at. It is usual for Russians to marry early, and in the great majority of cases early marriages result in large families. Thus Russia has the highest birth-rate in the world, and though the death-rate is also very high, still the surplus of births over deaths is very great. The birth and death rates in Russia, in comparison with the figures for the United Kingdom, Germany and France are shown below:

	Average for Decade 1900-09.	
	Birth-Rate.	Death-Rate.
Russia	46.1	29.4
Germany	34.1	19.8
United Kingdom	28.1	16.0
France	19.7	19.6

"The rapidity of the growth of population of Russia is counterbalanced by the extraordinarily large area that remains to be settled in the East as well as in European Russia itself. The idea of a disposition on the part of Russia to extend westward, where there is a far more dense population than even in the most populous portions of Western Russia, is an altogether erroneous one. There is an enormous area to the east of Canadian-like character that remains to be populated."

INSURANCE

Articles on the Theory, Practice, and Experience of Insurance.

Notes on Insurance, American and Foreign.

Items of Insurance News.

INSURANCE, as it appears to the world at large and to the immense majority of those engaged in it, is a business, pure and simple. It is a beneficent form of business and its subject matter is the alleviation of human ills, the protection of mankind against the worst of the consequences of the inescapable accidents and losses of our human lot, and the provision of means whereby the continuity and effectiveness of individual, social and economic life may be maintained despite these accidents and losses. The basis upon which its structure is erected, moreover,—its law of probability, its expectancy, its rule of "average," its "experience,"—are conceptions essentially philosophic or semi-philosophic in their character. They have not been discovered in a purely empirical way and reliance upon their substantiality is not mere confidence that the ground which has been tested by throwing the weight on it will continue to hold. From the very beginning of insurance it has been commonly supposed that it is "speculative"; in its earlier days it was confounded with pure gambling. The generality of men have until recently been unable to comprehend that undertakings running far into the future and having no other warrant than some intangible "law" or "rule," could properly be classed among the solid and conservative business activities. Society first became reconciled to the manifest advantageous results of insurance, which seemed in some incomprehensible way to continue to be realized; acceptance of the asserted principles of insurance, as worthy of honorable regard, was belated and long insecure. Within the memory of persons still living, the common thought about insurance was that if certain *soi-disant* insurers or underwriters were willing to lay bets at very long odds that certain obviously possible events of a nature harmful to individuals would not occur, it was well enough for the individuals to take the bets. Even to-day there is a tinge of this thinking in not a few minds. It has perhaps almost ceased in connection with life insurance; but not all, even among the thinking, can dismiss from their minds the association of the various forms of loss insurance with pure hazard, or chance, which taken as the basis of a business makes it essentially gambling. In short, it is not unusual to find that even persons directly engaged with insurance are open to the Platonic reproach that "they are ignorant of philosophy." To these persons the best that can be said of insurance is that it is an established and respectable business and that there the matter had best be allowed to rest.

On the other hand, it may fairly be said that the philosophers have been almost equally ignorant about insurance. As a class, they appear to have been remarkably slow in discovering that insurance is philosophy, and should have its place in their thinking. Even the pragmatists among them have hitherto paid scant attention to insurance and have rarely shown interest in its theoretic implications, on the one side, or in its practical applications, on the other. The teachers of theoretic ethics have almost entirely neglected it; and we have ourselves heard an eminent professor of ethics speak of life insurance as an illusory scheme for making the uninformed undertake a wasteful method of saving. In this field, the rough and ready life insurance agent, with all his faults, has taught better ethics than the professors.

The suggestion of what has just been written has come from a little book containing an address delivered some two months since by a teacher of philosophy and, in the opinion of many, an excellent philosopher himself, Professor Josiah Royce, of Harvard University. The title of the book is "War and Insurance" [New York: The Macmillan Company], and the theme is the philosophically justified possibility of employing insurance as an instrumentality for associating the nations of the earth in a communal enterprise, mutual insurance, whose operation must perpetually tend to mitigate antagonisms, to incite to common and disinterested endeavor, and to subordinate the natural (and philosophically inevitable and justifiable) impulses of pure self-interest and self-assertion in nations, one towards the other, to the impulses making for the achievement of a good which is both of self-interest and of common or universal interest. These latter impulses are just as natural, inevitable and justifiable, according to the Kantian philosophic principle which Professor Royce makes his point of departure, as are the impulses of self-interest and self-assertion, but they have the immense advantage that they make for peace and not for war among the nations that are governed by them.

Space fails to describe the vast programme of international mutual insurance which Professor Royce outlines. It must be admitted of it that in its strangeness it appears at a first reading almost as phantasmagoric as one of Mr. H. G. Wells' weird imaginings of a world transmogrified by the employment to their uttermost theoretic capability of the latest inventions of man and of the most recently discovered forces of nature. The practical man will assuredly say of Professor Royce's international insurance scheme, if he can bring himself to read it through, that it is utterly impracticable. And if the practical man were always proved right by the event, this would end the matter. But it does no harm for practical men engaged in the business of insurance to know that, outside his own circle, there are those who are putting his familiar material to unfamiliar uses which conceivably may occupy largely the thoughts of men and which not to know may argue himself unknown.

At any rate, it is worth the while of any one whose business is insurance to ponder passages like the following in Professor Royce's little book: "We cannot predict all that it [insurance] will yet accomplish; but we can already see that of all the business relations and of all the practical communities yet devised, the insurance relations and the insurance communities most tend to bring peace on earth, and to aid us towards the community of mankind."

THE SAFETY PROBLEM OF THE RAILROADS AND THE VALUE OF COMPREHENSIVE STATISTICS IN SAFETY WORK

By R. H. Newbern
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WHEN the Pennsylvania Railroad began a systematic effort to reduce accidental injuries to its employes in 1910, one of the problems was to develop an accurate system of personal injury accident statistics. The first step was to devise an accident report which would clearly show the primary cause of the accident and other information as to whether any rules were violated, who was responsible, what discipline was imposed, what guards, precautions or instructions would have prevented the accident and what action was taken. A form of report was finally adopted in 1911 containing 29 items of information and is now standard on the Pennsylvania Railroad and all its affiliated lines.

On the Pennsylvania System employing over 225,000 men and carrying over 185,000,000 passengers and with a freight movement exceeding 385,000,000 tons annually, there are 60,000 reports of accidents to employes and 10,000 reports of injuries to passengers and others forwarded to the Insurance Department. In order to simplify the handling of this large number of reports, the "Hollerith" system was adopted and a code prepared showing causes, nature of injuries, occupations, locations, days disability and other items of information necessary in the analysis of accidents. As the reports are received they are codified, each item of information being marked with its designated code number and a permanent record of the accident is transferred to a card by means of a punching machine, and when statements or data are needed for the information of the executives or operating department or for the guidance of the safety organization, the cards are sorted by means of machines and the desired information obtained quickly, accurately and economically.

For statistical purposes employes are separated into two classes, one, employes in the maintenance of equipment, commonly known as shopmen, and the other, all other employes such as trainmen, M. W. men, station men, etc., designated as road and yard men.

The statistics provide for the following information:

NUMBER KILLED AND INJURED BY

Detailed causes.
Nature of injury by cause and occupation.
Length of disability.
Occupations.
Length of service.
Time of day or night.
Weather conditions.
Divisions.
Grand divisions.
Shops.
Large stations and yards.

The statistics are compiled on the same basis for shop and road and yard accidents, excepting as to detailed causes, there being 360 shop causes and 340 road and yard causes, making 700 separate causes of accidents. The causes in turn are classified under 36 general headings, which indicate the nature of the work at time of accident. These general headings are as follows:

SHOP.

Operation of machines and working of material.
Repairing locomotives.
Repairing cars.
Handling and use of hand tools.
Handling and use of jacks.
Handling material.
Trucking material.
Tools and material falling.
Working around turntables, coal docks, ash pits.
Operation of cranes, hoists and other devices.
Obstruction and material in aisles, passages and footways.
Defective floors and footways.
Erection of scaffolds and working on same.
Ladders.
Electrical.
Handling ice.
Getting on or off engines or cars at rest.
Getting on or off engines or cars in motion.
Causes not otherwise classified.

ROAD AND YARD.

Getting on or off engines or cars at rest.
Getting on or off engines or cars in motion.
Setting and releasing hand brakes.
Coupling and uncoupling cars or engines.
Connecting and disconnecting steam and air hose, including operating angle cock.
Accidents on or around locomotives
Operating switches
Handling baggage and mail and baggage trucks.
Falling in ash, turntable and inspection pits.
Slipping or tripping on coal wharves, platforms, walks and bridges.
Working on or around engines, cars or trains.
Crossing or walking in yards or on tracks or bridges to and from work.
Insufficient clearances.
Obstructions around tracks and in yards.
Loading, unloading and handling freight, etc., at freight and transfer stations.
Working on or around tracks and buildings—including loading and unloading.
Causes not otherwise classified.

By comparing the number of accidents under each general heading we ascertain what kind of work is the most hazardous and the specific cause under which the accidents are reported. The primary cause of every accident is indicated. The records are kept by divisions, shops, stations and yards and it is, therefore, easily seen at what points any particular kind of accident is most frequent.

There is included in the statistics additional information bearing an important relationship to accident frequency, such as the average age of employes, length of service, etc. Regarding the length of service, it was found that during the year 1913 there were 90,000 new men employed, although the total increase in the number of employes for the year was less than 9,000, the greater number of transient employes being in the maintenance of way department. The statistics developed the fact that during the year 25 per cent of the men killed and injured had less than six months' experience and that 28 men were killed and 2,391 injured who had been in the service less than thirty days. Assuming a similar experience on all the other railroads of the United States, at least 360 men were killed and 15,000 injured last year having less than one month's experience, and many met death during their first week's work,—not because they were careless or foolhardly, but because they were ignorant of the hazards of the work. It is recognized that the education of employes is one of the most important features in safety work, but the large number of transient men makes this educational feature a difficult problem. Experience also indicates that a greater effort should be made to instruct the new man as to the hazards of his occupation before he is permitted to be placed in a hazardous position.

A business employing men in more than 100 occupations will be unable effectively to teach the doctrine of safety unless some means are provided to discover the number of injuries sustained by men in each specific occupation. The statistics, therefore, are so arranged that the number of injuries and fatalities can be shown in each department and in each occupation of the various departments, also the reports are tabulated to show the specific cause in each occupation. This information will of itself suggest definite instructions along safety lines.

The number of accidents occurring during each hour of the day or night is shown as the time of the accidents suggests various preventives, such as improved lighting facilities and rearrangement of working hours.

A statement of so many men injured on railroads during a certain period does not convey a proper meaning; it is the loss of time

that shows what the employe really suffers. Therefore, the statistics provide for the number killed, the number injured, the number of indefinite injuries and the actual number of days lost. Our statistics include all accidents resulting in a disability of one day and over. It was found that 18 per cent of all the injuries involved less than four days' disability, and the number of "fifteen days or over" accidents (the minimum period covered by liability laws) amounted to 50 per cent of the total days' disability.

Our statistics also show the nature of the injury; this information embodies 141 different kind of injuries included under the following general hearings:

Amputation.	Fractures.
Eye injury.	Electrical shocks.
Sprains and strains.	Burns.
Bruises.	Dislocations.
Incised wound or laceration.	Injuries not included above.

This information enables the management to study methods of treatment to reduce the length of disability. Take the subject of fractures, for example: There were 758 cases last year resulting in 19,190 days of disablement, 87 indefinite disability cases and 53 fatalities. The medical profession recognizes the necessity for the best treatment of these injuries, as fractures may result in extended disablement on account of improper treatment.

The value of accident statistics depends largely upon the remedial action they suggest, and the Safety Inspectors by analyzing these statistics become familiar with all the hazards of operation and such knowledge has been found invaluable in inspection work.

Statistics also form an important feature in the operation of a safety organization, based on the theory that what has happened is a reliable indication of what will happen. They are also valuable on the educational side of the question, as they show each man the causes responsible for accidents in his particular line of employment, and it is the practice to attach to all inspection reports, statistics of all accidents occurring at the points covered by the inspection.

Our experience clearly indicates that comprehensive accident statistics furnish a most effective means of suggesting remedial measures in accident prevention work.

THE INVESTMENTS OF LIFE ASSURANCE COMPANIES

By P. C. Crump, F. I. A.*

FOR a considerable number of years the subject of investments received comparatively little attention from the members of our profession—a rather astonishing thing, bearing in mind the enormous effect it has on everything concerned with the business of insurance. Latterly, however, quite a number of articles and papers have been written by those well qualified to deal with the matter, and I am afraid, therefore, that it becomes rather difficult at the present time to say anything new or present any fresh facts of an interesting and instructive nature. Notwithstanding this, I trust that the few remarks I have to make to-night may not be without interest, and will lead to a discussion both useful and beneficial to us all.

I should like first of all to draw attention to the question of profit in connection with life assurance business and how it is earned, although, of course, most of you are familiar with the sources from which it is obtained. In the first place there is the surplus from favorable mortality—that is to say, the experience of a lighter death rate at the various ages than is provided for by the table on which the annual or quinquennial valuation is made; secondly, there is the interest earned in excess of that expected and used in the necessary calculations; thirdly, the loading of the pure or theoretical premiums in excess of what is actually required for office expenses; and fourthly, miscellaneous sources, such as the profits from surrenders, lapses, fines, etc. In the case of an office under anything like normal management, therefore, it is obvious that a certain amount of so-called profit will automatically be disclosed, as something more than the prime cost of assurance is being charged. As regards the third and fourth of these sources, it is, of course, impossible to say very much, as so much will depend on the class of business written and the rate of premiums in force, but various tests are possible in the case of the first two items. It is customary, and indeed imperative, for companies to investigate and publish their experience as regards both mortality and interest, and it is open to practically any one to form some idea of the position of an office from these returns. We frequently read in the reports submitted that the actual mortality experienced was, say, 75 per cent of that expected and provided for, and that the interest earned was, say £4 per cent, free of tax, as against 3 per cent used in the valuation. It is at once apparent from this that a considerable surplus is being obtained from these sources, but on the other hand it is not by any means evident what is the exact effect the published figures may have on the bonus declarations. When a claim arises under a policy, the amount of loss is represented by the difference between the sum assured and the reserve held to meet this liability; this difference is known as the "death strain." In ascertaining the profit from mortality a comparison is made, not between the actual claims and the expected claims, but between the actual and expected death-strain, the last expression being the difference between the sums assured and the corresponding reserves multiplied by the various death rates applicable to each age.

Now as to the relative effect of these two sources of profit (i. e. mortality and interest) on the bonus declaration, this will depend on a variety of conditions. As regards mortality, it may be said generally that a young office will derive a greater proportionate advantage from light rates than an older office, as the policies will, on the average, have been a shorter time in force, and there is more scope for such a profit to accrue. On the other hand, a long established office, with a greater percentage of old policies on its books carrying large reserves, stands to gain more from the high interest rates earned by such large reserves. Another point to be considered in this connection is the preponderance of any one class of business over another; thus endowment assurance policies naturally require greater reserve values than whole life policies, and an office making a special feature of this class of assurance will obviously depend more on its interest profit than its mortality profit for providing bonuses. As a matter of fact, in the first few years of the policy's existence, the latter may be very considerable owing to the superior class of lives who, on the average, take out this type of policy, but the effect rapidly dies away. Whole life policies, however, afford scope for making substantial mortality profits throughout practically their whole existence.

Returning to the question of loading for the expenses, it is, of course, common knowledge that the expenses are exceptionally heavy during the first year, and as the premium is a level one (or nearly always so) it is necessary for the assured person to live some years before any profit can possibly accrue to the company from loading.

The system of bonus distribution also has some bearing on the

*A paper read before the Insurance Institute of Sheffield. It should be borne in mind that some months have elapsed since this address was delivered, and that the advent of the war in Europe has materially altered the actual financial situation, although the fundamental value of the article is unimpaired.

question. If a company adopts the plan of declaring and paying a cash bonus to its policyholders, neither its funds nor the reserves held will increase to so great an extent as if the bonus were attached to the sum assured, and the advantages of a larger interest yield will not be so marked.

I have already drawn attention to the great effect which the rate of interest has on the bonus of endowment assurances, and as this class of business has so enormously increased in recent times, the proportion of new policies being in the ratio of about ten to every one whole life policy, it will perhaps be useful to illustrate by an example the effect produced. I have not thought it necessary to go into any fresh calculations, but have adopted the figures as set out by Mr. James Chatham in his well-known paper entitled an "Analysis of the Profit from Endowment Assurances," contributed to the Transactions of the Faculty of Actuaries, Volume 3. Mr. Chatham here proceeds, given certain assumptions, to analyze the surplus in order to show the extent to which the various sources of profit contribute to the bonus, and thus ascertains what produces the increase. The assumptions he made were as follows:

The example taken was that of a man aged thirty years insuring for a period of twenty-five years; this age and term were used because they agreed approximately with the average obtained by an office doing a considerable proportion of endowment assurance business. For the same reason the premium used was £4 0s. 7d. per cent. The expenses were assumed to be 66⅔ per cent of the first premium and 6⅔ per cent of the subsequent ones, a basis which closely coincides with actual conditions. The rate of interest employed was 3¾ per cent, thus corresponding closely to the average yield obtained at that time by British companies, which was £3 15s. 8d. per cent (free of tax, of course). The valuation rate, however, was 3 per cent, thus allowing for a margin of ¾ per cent. The mortality was assessed as 80 per cent of the O[M] Table, which approximates fairly closely to that experienced by many first-class companies and also gives effect to the medical examination undergone when the proposal is filled in. Claims were assumed to be paid two months after the date of death, and, to provide for bonus to those who died during the inter-valuation periods, an interim rate of 27s. 6d. per cent was adopted, this also being an average of the amount allowed in practice.

It can thus be definitely said that all assumptions were eminently practical. Let us now consider the results brought out in this typical case, first on the supposition of a cash bonus. These will be best explained by means of a table:

TABLE A.—QUINQUENNIUM.

	1st.			2nd.			3rd.			4th.			5th.	
	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Mortality	4	3		2	3		1	9		1	8			5
Interest	1	4		4	6		8	3		12	10		18	7
Loading	1	9		13	4		13	5		13	6		13	8
	7	4	1	0	1	1	3	5	1	8	0	1	12	8
Less interim bonus					7			9		1	0		1	3
	7	4		19	6	1	2	8	1	7	0	1	11	5

These figures are decidedly interesting, and give us a very good idea of the various sources from which profit is obtained, and the relative amounts attributable to such sources.

It will be noticed that the mortality surplus nearly all occurs in the first few years, as would be expected, and is practically nil towards maturity. The expenses swallow up all the loading in the first quinquennium and then remain constant. The interest, however, with which we are chiefly concerned to-night, exhibits a steady and appreciable increase as long as the policy remains in force, and, if a greater period than twenty-five years had been taken for our example, this feature would have been even more marked. If the foregoing amounts are translated into their equivalent reversionary bonuses we have:

TABLE B.—QUINQUENNIUM.

	1st.			2nd.			3rd.			4th.			5th.	
	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Mortality	7	4		3	4		2	4		1	11			5
Interest	2	3		6	9		10	10		14	10		18	7
Loading	3	0	1	0	0		17	8		15	7		13	8
	12	7	1	10	1	1	10	10	1	12	4	1	12	8
Less interim bonus					11		1	0		1	2		1	3
	12	7	1	9	2	1	9	10	1	11	2	1	11	5

The difference in the figures is, of course, due to the fact that the various amounts are left with the office to accumulate instead of being paid out in cash to the person entitled. The early figures are thus much more largely increased in proportion than the later ones, while those for the fifth quinquennium are unaltered.

From this second table it will be seen that out of a total reversionary bonus of £6 14s. 2d. × 5 = £33 10s. 10d., or £34 12s. 6d. if we neglect the interim payments, no less than £13 16s. 8d. is due to interest, as compared with only £3 16s. 8d. from mortality.

During the last five or six years, however, there has been a very decided tendency for the rates of interest obtained by most companies on their investments to increase, and if a yield of 4 per cent instead of 3¾ per cent be used in the calculations, the figures will be:

TABLE C.—QUINQUENNIUM.

	1st.			2nd.			3rd.			4th.			5th.	
	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Mortality	7	4		3	4		2	4		1	11			5
Interest	3	0		9	0		14	9	1	0	3	1	5	7
Loading	3	0	1	0	0		17	8		15	7		13	8
	13	4	1	12	4	1	14	9	1	17	9	1	19	8
Less interim bonus					11		1	0		1	2		1	3
	13	4	1	11	5	1	13	9	1	16	7	1	18	5

These results demonstrate even more clearly the enormous value of a high interest rate, the amount of bonus from this source now being £18 2s. 11d., as against £3 16s. 8d. from mortality. In other words, an increase of ¼ per cent in the interest yield, from 3¾ per cent to 4 per cent, will produce under the given conditions a total extra bonus of £4 16s. 8d., the equivalent increase in the annual rate being nearly 4s. per cent from this source alone. Furthermore, dealing with the last quinquennium only, the excess interest due to the extra ¼ per cent earned has the effect of increasing the bonus earned for that period by nearly 25 per cent.

I think I have said enough to show the extreme importance of the rate of interest earned by a life office on its funds, and now intend to make a few remarks on investments generally.

It was in the year 1896 that the prices of Stock Exchange securities attained to the highest level yet reached; since that date there has been, with a few slight intermittent breaks, a continuous decline in values. So drastic has this fall been that investors have come to look upon the rate of interest yielded in an entirely different light than hitherto, and to expect a return on their money from high-class securities equal to that which, but a short time ago, could only have been obtained from quite speculative sources. There have been signs recently that the low water mark has been reached, but it is reasonable to assume that it will be a very long time, if ever, before quotations regain their former level. Perhaps it would not be out of place to make a few comparisons in what are known as the Trustee groups.

In 1896 Consols touched 113⅞, while in July of this year (1913) business was marked at 72⅛, a fall equivalent to 37 per cent. Of course, at the former date the dividend was at the rate of 2¾ per

cent, as against 2½ per cent now, but this reduction had been decided on many years previously and would account therefore for only about 2 points. The best home railway debenture stocks fell in the same period by about 40 per cent on the average; preference stocks by 40 per cent; Colonial Government 3½ per cent stocks by about 20 per cent; British municipal securities by percentages ranging from about 20 to 40. Furthermore, it must be remembered that the two latter classes of security are for the most part definitely redeemable at par by certain fixed dates, otherwise it is reasonable to assume the loss to holders would have been even greater.

Some idea of the enormous depreciation which has taken place in recent times can be obtained from a study of the Stock Exchange values which are published each month in the "Bankers' Magazine" in respect of 387 representative securities taken from all classes of investments. In January, 1907, when the present list was decided upon, the market value of these securities was £3,843,000,000, a figure which had shrunk to £3,435,506,000 by September 21 of this year (1913). The fall of £394,494,000 thus recorded represents a fall in the period named of actually more than 10 per cent, or about 1½ per cent per annum. Thus on the basis of an average rate of, say, 4½ per cent, no less than one-third of the entire interest yield was swallowed up in depreciation of the capital value. Now dealing with the present year (1913) alone, of which less than nine months had elapsed at the date of valuation, the shrinkage approximated to £104,000,000—that is, about 3 per cent, or an equivalent of 4 per cent for the year. Such a fall, of course, is the equivalent of saying that on the average most large investors will have received practically no interest at all on their funds during 1913, unless some recovery in market conditions takes place before the end of the year.

Insurance companies have naturally felt these reductions in the market quotations very severely, as in the older days the gilt-edged group was the one in which the major portion of their funds was invested, and drastic writings down of ledger values have had to be resorted to. It may be argued that with the fall in prices there has existed an excellent opportunity of making cheap purchases; but unfortunately, as I have just indicated, trustee securities were already so largely held that most offices have preferred to find fresh fields of investment for their rapidly increasing funds. Of course, other sections of the investment market have suffered, too, but not in so marked a degree. Undoubtedly, however, these times of low prices have enabled many institutions to invest their surplus money in an extremely remunerative way, and the result is to be seen in the long list of offices which, for some years past, have regularly improved the interest yield on their total assurance funds. In this connection, however, it is to be noted that those companies whose business is rapidly extending and whose assets are increasing proportionately have enjoyed a very distinct advantage over those whose funds increase but slowly. High rates of interest are of but little use to people with no money to invest, whilst those who have some are able to recoup themselves to a certain extent for the losses sustained on previous investments. Again, it is not entirely a matter of augmentation of funds, for there is also the question of finding an outlet for maturing investments: this item, in certain cases, is very considerable (loans on rates repayable on the instalment plan is an example of this), and particularly is this so where a company has a large amount of mortgages which are either being repaid or can be called in. It is not usual to treat mortgages as being subject to depreciation in value, but as a matter of fact they do so depreciate, especially where there are restrictive covenants as to the number of years which must elapse before repayment can be insisted upon. A mortgage bearing, say, 3½ per cent interest at a time when an advance on similar security would only be made at 4 or 4½ per cent, has undoubtedly fallen in value if it is impossible to secure an increase in the rate earned. It is true that the depreciation does not have to be publicly disclosed, but except for that fact the position is very similar to that of a Stock Exchange security which is redeemable at par on a fixed date.

The question of the relationship existing between market values and ledger values has naturally always been an important one, but added weight has recently been given to it by reason of the passing of the Assurance Companies Act, 1909, the third schedule of which consists of a form of balance sheet to be used in accordance with the instructions set out in Section 4 of the Act. Attached to this balance sheet are four notes, the third of which is as follows:

The Balance Sheet must state how the values of the Stock Exchange securities are arrived at, and a certificate must be appended, signed by the same persons as sign the Balance Sheet, to the effect that in their belief the assets set forth in the Balance Sheet are in the aggregate fully of the value stated therein, less any investment reserve fund taken into account. In the case of a company transacting life assurance business or bond investment business, this certificate is to be given on the occasions only when a statement respecting valuation under the Fourth Schedule is made.

It is to be noticed that the word "assets" is used, which includes, of course, reversions, house property, ground rents, and so on, and does not merely refer to Stock Exchange securities which have a definite and ascertainable market value. No doubt opinions may differ as to the manner of arriving at the true value of some of these miscellaneous groups, but it is quite evident that they cannot be ignored in view of the depreciation which has been going on in all forms of property. The requirements very rightly refer to the state of securities in the aggregate, and any reserve fund held may also be taken into account. The effect of these two conditions is to render unnecessary constant alterations in the books as the market quotations vary from time to time. Lastly, this certificate need only be given on occasions when a statement respecting valuation under the Fourth Schedule is made; this is in accordance with Section 5, which states that every assurance company shall, once in every five years, or at such shorter intervals as may be prescribed by the instrument constituting the company, or by its regulations or by-laws, cause an investigation to be made into its financial condition, including a valuation of its liabilities, by an actuary, and shall cause an abstract of the report of such actuary to be made in the necessary form. It will be seen that an office which makes an annual valuation is required to give this certificate as at the end of each financial year, whereas an office making a quinquennial valuation need only do so once in five years. A much greater strain, therefore, may be thrown upon the former class of office in order to preserve its solvency in accordance with the conditions of the Act, but on the other hand the with-profit policyholder is naturally kept in much closer touch with the actual financial position of the company in which he is insured. The system of quinquennial valuations, however, may be said to have a tendency towards stability of the bonus declarations. I should like to point out, in this connection, that up to the present most companies have given this certificate each year, despite the fact that they make quinquennial valuations and that it is not absolutely necessary, therefore, to do so.

At first sight, it might be supposed that the vast sums used for writing down securities in the last decade would be enough to cripple most institutions, and prevent the declaration of any bonus at all. As a matter of fact, as most of you are probably aware, there have been a few cases recently where such a result has been found inevitable, but, on a subsequent valuation being made, surpluses were once more available to enable the directors to resume

paying a substantial rate of bonus. Further, it has been recognized that the financial position was thereby strengthened, and after a short lapse new business returned to normal dimensions. This year (1913) we have seen two more companies finding it necessary to pass the bonus to their with-profit policyholders owing to the depreciation which had occurred in their holding of Stock Exchange securities, but there seems no valid reason why such a course should materially affect their future progress. Of course, the existing policyholders suffered a certain amount of loss, but the present status of such companies is all the stronger for the steps taken.

I have already referred to the improved yields obtained by insurance companies in recent years, and to the fact that it has been brought about to some extent by the fall which has taken place in the quotations of marketable securities. This is by no means the only cause, however, and I propose therefore to go into this subject in somewhat more detail. A well-known authority has said, "Make a point of looking well to the realized rate of interest, and the bonuses will look after themselves," and it would seem, judging from results, that this maxim has been assiduously followed by those responsible for the administration of the funds.

How has this object been attained? First and foremost, by the adoption of a wider field for investment purposes. In the old days the available securities were strictly limited, the only two classes, practically, being British Government Securities and Mortgages. This state of affairs did not, of course, last for long, but for a considerable time subsequently most of the investments were made in the stocks of Colonial Governments and Home Railways. This fact can perhaps be best illustrated by comparing the percentages which some of the main groups bore to the total funds at different dates. In 1857, mortgages formed no less than 66 per cent of the total, British Government securities 16 per cent and debentures 8 per cent. In 1870, mortgages still comprised nearly half the assets, the percentage being 47, that for British Government securities being 8 per cent, loans on rates 9 per cent, and debentures 9 per cent. Foreign Government securities at this date were only 1 per cent.

By the year 1890, however, considerable changes had to be noted. Mortgages had sunk to 41 per cent, but the actual amount so invested had nevertheless appreciably increased. Loans on rates had advanced to 10 per cent, debentures to nearly 11 per cent, whilst miscellaneous shares and stocks had risen from less than 3 per cent to over 6 per cent. Property and ground rents had also come largely into favor, the percentage being about 6½, as against 4½, while Foreign Government securities were still less than 2 per cent. Now as to the position in the year 1900, mortgages were down to 29 per cent, and loans on rates to less than 9 per cent. Indian and Colonial Government securities were about constant at 7 per cent, but Foreign Government securities had improved to 3½ per cent, and property to 8 per cent. The two greatest changes, however, were those of debentures, which had risen from 11 to 17 per cent, and stocks and shares, which had nearly doubled to 12 per cent.

For the next five years, viz., to 1905, none of these percentages varied very much, but in the subsequent period to 1911, which brings us as near to the present time as the Board of Trade returns will allow, further important changes took place, as will be seen from the following table:

TABLE D.

	1857.	1870.	1890.	1900.	1911.
Mortgages	66	47	41	29	22
Loans on rates		9	10	9	6½
British Government	16	8	3	2	1
Indian and Colonial Government		5	6	7	8
Foreign Government		1	2	3½	6½
Debentures	8	9	11	17	24
Stocks and shares		3	6½	12	13
Property and ground rents		4½	6½	8	9

In examining all the foregoing figures, one cannot help being struck by the almost continual reduction in the percentage invested in mortgages, which originally formed two-thirds of the total and now only comprise about a fifth part. In fact, the amount advanced has remained practically stationary for some time, and two or three years ago the figures were overtaken by those of another group for the first time. Loans on rates attained to their greatest proportion in 1879, viz., 14 per cent, gradually fell to 9 per cent, and fluctuated but little from that figure until the year 1906. Since that date, however, there has been a steady fall to 6½ per cent, which is no doubt due to the comparatively low rate of interest yielded. As a matter of fact, municipalities have had to submit to an appreciable rise in the interest charged for loans, but even now it compares unfavorably (from the investor's point of view) with what can be obtained in other directions.

(To be Continued.)

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Rates for Aerial Bomb Insurance in England.—The apprehensions of the English lest the Germans are seriously planning bomb-dropping raids of Zeppelins appear to become more acute, as time goes on. Even the recent assuring statement of Sir Hiram Maxim that the lateness of the season makes such raids now virtually impossible, owing to the inability of these air-craft to contend with Autumn and Winter fogs and storms, has seemingly had little effect upon English, and particularly London, property owners. Hence they are taking out aerial bomb insurance at Lloyds in large volume, and rates are advancing accordingly. The first policies issued three or four weeks ago were generally at a rate of about 2s. 6d. per cent for business property in London; but rates have recently been fully doubled. The latest quotations reported from England are as follows:

For London business premises—Damage from aerial bombs, 5s. per cent ($1.25 per $500).

War riots and damage by aerial craft—Ten shillings per cent ($2.50 per $500).

Rates on private houses are about one-half of the foregoing.

Rates on the East Coast vary according to the locality.

* * *

War Losses of the British, German and Austro-Hungarian Merchant Marines.—The "Insurance Observer," of London, calls attention to statistics published by the London "Times" on war losses suffered by the British, German and Austro-Hungarian mercantile marines from the beginning of the present hostilities up to October 8, and gives the following interesting summary of the present situation as to war risk conditions:

"The calculations are based on the number and tonnage of steamers owned by the three empires on March 31 last, as recorded by 'Lloyd's Register,' and the number and tonnage seized in port, captured at sea, or sunk through striking mines. They include steamers of 100 tons or more, and exclude fishing vessels and warships.

"There were 8,511 steamers of 18,273,944 tons gross registered in the United Kingdom. Of these 107 vessels, or say, 1.3 per cent, have been lost, representing 303,057 tons, or 1.6 per cent.

"On the same basis Germany owned 2,019 steamers of 4,743,000 tons. Of these 332 vessels, or, say, 16.4 per cent, have been [illegible], representing 81,234 tons, or about 1.7 per cent.

"Austro-Hungary owned 419 steamers of 1,010,347 tons. She has lost 41 vessels, or, say, nearly 9.8 per cent of the number, representing 131,710 tons, or 1.3 per cent.

"These figures show the preponderance of the British mercan-

tile marine and the very small proportion of loss, and the heavy percentage of loss suffered by the German and Austro-Hungarian mercantile marines. In considering the British figures, it is interesting to recall that the committee which prepared the State War Insurance Scheme assumed that there might be a loss during the first six months of the war of nearly 10 per cent of all British steamers employed in foreign trade.

"The figures given above have, like all statistics, their limitations. They do not take into account the number of vessels laid up: thus it is usual for underwriters to assume that in normal times a liner lies up for one month in twelve; freights were low before the outbreak of war and probably it would not be unreasonable to assume that quite 15 per cent of the tonnage of the three countries was laid up at the outbreak of war.

"There is also this fact to be remembered, that, while the German warships have been obliged to sink those British vessels which they captured, the German merchant vessels which have been captured by British warships will probably in due course be added to the British mercantile marine. The capture of British vessels is the price which is being paid for the maintenance of British oversea commerce. Germany gets no reward in the way of continued oversea commerce for the vessels she has lost.

"It does not necessarily follow, of course, that because the percentage of British vessels sunk has been small the profits of British underwriters are, or may be expected to be large. They have had to pay losses on a number of Scandinavian vessels which have been lost through striking the German mines in the North Sea. Moreover, a very large proportion of the British vessels have been insured with the War Risk Clubs and a large amount of the cargo has been covered under the State War Insurance Scheme. The uniform rates fixed by the Government office have naturally affected those in the open market, which has, as a rule, in order to attract business, been forced to quote rather lower rates, although the Government rates were never intended to yield a profit and had as their main object the encouragement and maintenance of trade. Then the liability at risk is often uneven. A single liner may be captured which in value may well be the equal of half a dozen others which have escaped. The amount at stake in the three captured liners, City of Winchester, Kaipara, and Diplomat, alone has been estimated at £1,000,000."

* * *

Population Statistics of Ireland for 1913.—The population of Ireland is still slightly diminishing, according to the fiftieth annual report of the Registrar General of Births, Deaths, and Marriages in Ireland, just issued. The number of recorded births in Ireland during 1913 was 100,004, as against 101,035 in 1912. The number of deaths registered in 1913 was 74,694, as compared with 72,187 in 1912. This indicates that while the death record is higher and the birth record lower than in previous years, still the births show a one-third excess over the deaths. This excess of 25,310 was more than offset, however, by the emigration of 30,967, leaving a net decrease of 5,657 in the population, or a total figure of approximately 4,373,419, which is almost equally divided into males and females.

The number of marriages registered in Ireland in 1913 was 22,266, as contrasted with 23,283 in 1912. This marriage record shows a rate of 5.08 per 1,000 of the population, whereas the average rate during the previous ten years was 5.2 per 1,000 of the population. Of the total number of marriages in 1913 the Roman Catholic Church solemnized 15,738, while the Church of Ireland celebrated 3,447, the Presbyterian Church 2,279, and civil magistrates only 331. In 1902 there was a ratio of 1 marriage to 193 of population, in 1907, 1 to 194 of population, but in 1912 it was 1 to 188 of population.

The total number of emigrants from Ireland since May 1, 1851, when the enumeration began, has been 4,278,327, a figure practically equal to the total present population of the island. Of this total emigration the males have exceeded the females by about 5 per cent. The distribution by Provinces of origin is shown by the following table:

From—	Total.	1906.	1910.	1913.
Leinster	737,743	5,079	4,258	3,994
Munster	1,431,836	10,054	8,330	7,807
Connaught	721,479	7,880	7,598	6,774
Ulster	1,226,470	12,331	12,271	12,392
Totals	4,167,583	35,344	32,457	30,967

The first total does not include certain non-Irish emigrants recorded in the total previously cited in the text. The table, which has been carefully compiled from official sources, indicates the extent to which the Providence of Ulster, in the north of Ireland, exceeds any other part of the island in furnishing emigrants. This is in contrast to popular beliefs on the subject, and indeed in contrast to former conditions. Of the total quantity of emigration since 1851 it appears from the above table that only 28.7 per cent had its origin in Ulster, while in the single year 1913 Ulster furnished precisely 40 per cent of the outflow. There is a disposition on the part of the Southern Provinces to regard this situation as a reflection upon the prosperity of Ulster.

The destinations of emigrants from Ireland are the United States, Canada, and Great Britain, with a few to South Africa, Australia, and New Zealand. During the six months ended June 30, 1914, the total emigration from Ireland was 12,909, of which 9,625, or 74.6 per cent, were destined to the United States, while 2,087, or 16.2 per cent were destined to Canada. It should be remarked that the Spring emigration of 1914 was notably lower than that of 1913, the 1913 emigration for the corresponding period having been 18,869.

While there is some diminution in the population of Ireland, it may be referred to for all practical purposes as stationary since the beginning of the present century. The population in 1903 was 4,417,757, while in 1908, five years later, it was still 4,384,664; and during the succeeding five-year period the decrease was almost negligible, the total number of inhabitants in 1913 standing at 4,373,419. It will be strange if the stimulus of altered legislative conditions in the immediate future does not reverse the trend of Irish population statistics.

* * *

The Decision of the Alabama Tax Commission on the Taxation of Cash Surrender Values.—In the issue of this paper for October 31, it was noted that the Alabama Tax Commission had reversed its previous ruling that all insurance policies with a cash surrender value were taxable. The original ruling of the Commission, which was issued to the County Tax Commissioners and which is now rescinded, was as follows:

"County Tax Commissioners.—After a formal and regular session of the State Tax Commission, and after consultation with the Attorney General, at which members of the Tax Commission were present, it is the unanimous opinion that all insurance policies with a cash surender value were taxable. The question having been carefully considered, the State Tax Commission and the Attorney General made the following ruling:

"All insurance policies with a cash surrender value are taxable, either as solvent credit or under sub-division 14, Section 2082, of the code, unless the amount of such cash surrender or a part of such cash surrender value has been borrowed from the company

issuing the policy. In a case of this character, the policy is taxable to the owner for the difference between the amount borrowed and the cash surrender value of the policy. If the entire amount has been borrowed, the policy is not taxable to the owner at all."

After the original ruling was made, the Association of Life Insurance Presidents asked for a hearing, and this was granted by the Commission, sitting at Montgomery, Ala., on Saturday morning, October 24. Attorney General Brickell was present at the hearing. The Association was represented by its attorney, Mr. Alfred Hurrell, and also by local counsel, Mr. Forney Johnston, of Birmingham. Mr. Hurrell filed with the Commission an extensive brief in which he discussed fully the legal, economic and practical sides of the whole question. A news letter of the Association of Life Insurance Presidents, recently issued, brings out the principal points touched upon.

The first point in the brief was that a cash surrender value was not a solvent credit as had been held by the Commission. On this phase of the question, among other things, the brief said:

"Sub-section 1 of sub-division 7 of Section 2082 of the Alabama Code says, in particularizing concerning certain classes of property, that the following shall be subject to the tax therein laid down:

" 'All money lent, solvent credits or credits of value, except such as are secured by mortgage, deed of trust, or written contract on conditional sale, upon which a tax imposed by law has been paid.'

"We suppose there will be no disagreement to the statement that a 'solvent credit' is that which is possessed by a person when another person owes him a debt and is able to pay. Applying this test to a policy of life insurance having a cash surrender value, it is seen that this feature of the policy (i. e., the right or privilege the policyholder has, at his option, of surrendering the policy and receiving a stipulated sum in settlement) is not a credit, because, while the insurance is in force, the company does not owe the policyholder anything. It, the company, is performing its part of the contract by keeping the policyholder insured and standing ready to pay the face of the policy when it falls due. * * *

"The cash surrender value in and of itself becomes a 'credit' only when the policyholder surrenders his policy and elects, from the options open to him, to receive the cash in settlement. He gives up his insurance, his protection, and takes the surrender value. He cannot have both at the same time. The company does not owe him, at the same time, both the duty to protect him by its insurance and the cash surrender value. Hence, when policies are in force (and it is these the ruling of the Commission affects), the companies owe the policyholders thereunder not cash surrender values, but the insurance protection itself, and, while they are under that primary and larger obligation the cash surrender value clauses of the contracts are not operative, and cannot be. * * * "

Other points discussed related to legal rules of construction which were invoked to sustain the contention that under the general property clause of the Alabama Statute, life insurance policies were not taxable.

In conclusion Mr. Hurrell urged upon the Commission the innumerable difficulties which would arise in the application of the original ruling. On this point he said:

"Another important consideration which the Commission will not wish to overlook is the confusion which would arise in the assessment of the cash surrender value of policies. Some policies have a definite beneficiary designated without the power of revocation being reserved to the insured. Some have a beneficiary named, but with the power of revocation reserved. Some run to the estate of the insured.

"This last class would probably present no great difficulty, but to whom would the policies be assessed in which a beneficiary was named,—to the insured who was paying the premiums, or to the beneficiary who was not? If the beneficiary's right is vested, then whatever might be due on a policy either as its matured value or its surrender value would be due the beneficiary and not the insured, and should not be assessed to the insured. In those policies where the right of revocation is reserved, until the beneficiary is changed, she is the one entitled to whatever may be due or paid under the policy. To assess the present value to the insured, the assessor would have to assume that the insured would revoke the then beneficiary and make the policy payable to his estate. To determine to whom these policies, many of them containing one or more beneficiaries, and many payable to infants, should be assessed would be the next task for the Commission. * * *

"Still another difficulty will be met if the Commission is not persuaded to adopt the views of the authorities presented. How are the policies which do not in terms stipulate a cash surrender value to be valued for assessment? It was not until 1907 that any considerable number of States required life insurance companies to provide in the policy for a cash value on surrender. Before that time some companies provided such a clause voluntarily, and others did not. The result is that a large number of old policies must be outstanding now without such a clause, but concerning which the reserve accumulations are greater than the newer policies issued, say in the past twenty years. It surely was not the intention by the ruling to make the newer policies assessable merely because of the incident of the cash surrender clause therein, while the older and more valuable policies went free. Such would produce discrimination between policyholders and would lead to an unequal distribution of the tax on this new class of taxable subjects."

* * *

The Plate Glass Insurance Alliance of America.—An entirely new organization composed of eleven companies has grown out of the demoralization in the plate glass insurance business owing to the disruption of the Plate Glass Underwriters' Association. The new body known as the Plate Glass Insurance Alliance of America will operate along entirely different lines from any of its predecessors.

As soon as it became apparent that the Plate Glass Underwriters' Association was doomed steps were immediately taken to stem the tide by the organigization of a new board. The following officers were elected:

Chairman, R. A. Dobbin, Jr., of the Fidelity and Deposit of Maryland; vice-chairman, H. C. Heddon, of the New Jersey Fidelity and Plate Glass; secretary-trasurer, Nelson D. Sterling, of the Fidelity and Casualty.

INSURANCE NEWS IN THE WEST

C. H. Barry Suggested as President for Pennsylvania Fire.—Announcement of the resignation of Col. R. Dale Benson as president of the Pennsylvania Fire has created interest in Chicago. Friends of Charles H. Barry, Western manager of the company, express the opinion that the committee appointed to select a successor to Colonel Benson would make no mistake in agreeing upon the head of the Western department to be the head of the company. Mr. Barry has made a prominent place for himself in Western fire underwriting. Very few managers have done more work in the Western Union. He has been a member of the governing committee and also its chairman. In his relations with other managers he has carried a reputation as a level-headed, conservative, strong man.

* * *

An Incident of the Underwriters' Agency System in Chicago.—

One of the foolish and inconsistent things that grow out of the underwriters' agency system came to the surface a few days ago. For reasons known to itself the Westchester Fire took up its agency in the office of H. Dalmar & Co. This would be assumed to prove that the company and the agency had found their relations unsatisfactory on one or both sides. However, very little time elapsed until the Delaware Underwriters of the Westchester announced the appointment of H. Dalmar & Co. as Cook County managers. This arrangement did not last long, as S. Schwartz, Western manager of the Westchester, protested to the home office, so it is stated, against the action of the annex and it was called off. That did not make the situation any less ludicrous while it lasted, however, for it appeared that the business that the Westchester had carried directly was to come to its books indirectly as fast as it expired, through being written by the underwriters.

* * *

Co-operation in Field in Cook County.—The Cook County field men now feel that they have the co-operation of their managers better than ever before. For some time the field men have had an organization, of which over 90 per cent of them were members. The failure of the other 5 or 10 per cent to join, however, interfered seriously with effective work, as it was difficult to enforce prompt payment of balances or other reforms among the agents of the county so long as a few field men refused to work with the rest. Recently the organization gave a dinner, with the managers as guests. There was a general interchange of views, with the result that the managers volunteered to appoint a committee of their number to call upon those managers whose field men are not in the association and endeavor to have them instruct them to join. They left little doubt of their ability to succeed on this mission.

This is an opportune time to do some good work in Cook County. The class 2 (suburban) agents have been making demands for more consideration and have been confronted with the statement that many of them are not insurance agents at all, but mere premium grabbers, looking out for their commissions, but not giving the service that real agents and good brokers give. They have insisted that they are real agents. It appears to be up to them to prove it, and one way to do this is to co-operate with their field men in their efforts to have business done in the county in the best way possible.

* * *

The Insurance Federation of Iowa.—The Insurance Federation of Iowa was organized a few days ago in a manner different from any other federation started in the West up to this time. In most of the States the federation movement has had agents and general agents as its chief backers. In Iowa nearly all the officers and several members of the executive committee are officials of Iowa companies of all kinds. Represented in it by officials are stock, fire, life and accident companies, mutuals of several classes and fraternals. Leading agents of the State are also prominent in its counsels. It is a thoroughly representative body and, when it gets more policyholders in it, as it expects to do, it will be still more so. The State is to be organized by congressional districts. One of the first results is co-operation of the Employers' Mutual Casualty Association with the stock company agents to oppose the State fund plan of Industrial Commissioner Garst. Heretofore the mutual had shown some signs of favoring such a plan. As it is in close relations with the Iowa Manufacturers' Association, it doubtless can wield a strong influence. Several of the officers of companies represented in the federation are past or present members of the Legislature and others are associated in their own companies with men who are powerful in Iowa politics. No radical programme has been laid out, but an effort will be made to create a healthier sentiment and a better understanding of insurance in the State.

* * *

Death of Howard H. Hoyt.—The death of Howard H. Hoyt, of Chicago, this week removed a conspicuous figure from among the life insurance producers of the city. A number of years ago Mr. Hoyt was superintendent of the Equitable of New York, at Chicago, supervising Illinois agencies. Later he was connected with the Columbian National Life in a supervisory capacity at Chicago. Then he was general manager of the Chicago Life for a short time before its reinsurance. Then he quit working for a salary and became an agent of the Mutual Benefit. He soon became one of the large writers in the city. Within the past few months he became a general agent of the National Life, U. S. A., at Chicago. Not only was he a large producer of business, but he had unusual facility as a writer upon life insurance topics. Many of the members of the National Association of Life Underwriters will remember him as one of the prize essayists a few years ago.

* * *

Mr. Hubbard Extends His Field of Endeavor.—B. V. Hubbard, of Chicago, who requested Superintendent Potts, of Illinois, to revoke the license of the Illinois Indemnity Exchange, has filed a similar request in regard to all the interinsurance exchanges doing workmen's compensation business in Illinois. As additional reasons for revoking the license of the Missouri exchanges operating in Illinois, he points out that they are not licensed in their home State, as the Supreme Court of Missouri declared the law under which they had been licensed unconstitutional. But, he says, they could not lawfully be licensed in Illinois even if this were not the case. Mr. Potts has named November 16 as the date when he will hear arguments from Mr. Hubbard and also from representatives of the exchanges.

Whatever action Mr. Potts may decide to take in the premises, Mr. Hubbard's complaint has received considerable publicity and has tended to stir up doubt as to the legality of the exchanges among those who knew nothing about the alleged irregularity in their licenses.

* * *

Hernia Under the Michigan Compensation Law.—On November 11 the Supreme Court of Michigan is to hear arguments in a case the decision on which is expected to fix the status of hernia under the compensation law of the State. The claimant, like many others who seek to collect money from insurance companies for disability due to hernia, contends that hernia is an accident. The Employers' Liability, which was the insurance carrier in this case, contends that it is a disease. The Supreme Court of Michigan already has decided that the law does not provide for compensation for disability due to occupational diseases. From this it is inferred that still less does it provide for compensation for non-occupational diseases.

The status of hernia has had to be passed upon by the industrial commissions of several of the States having compensation laws. A few court decisions should help settle the question, provided they are reasonably uniform. This is a question of great interest not alone to liability companies, but to personal accident companies as well, as they have paid out thousands of dollars on hernia claims under accident policies, much of the time doubting whether they ought to pay a cent, but apparently unwilling or unable to put up a strong defense.

Chicago, November 6, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

Insurance Commissioner Ekern, of Wisconsin, has recently issued the first annual statement as to the progress of the State Life Insurance

Fund. The State Life Fund Law was passed June 7, 1911, and the Insurance Commissioner was allowed two years in which to promote the scheme. On July 1, 1912, he announced that he was ready to receive applications for insurance, but that no policies would be issued until a satisfactory number of applicants had been approved. This event occurred on October 27, 1913, something over two years and four months after the law went into effect. The total number of policyholders on October 27, 1914, is given as 311, carrying total insurance in the Fund of $219,602, an average of $706.11 for each policyholder. The premiums received during the year amounted to $11,029, while claims paid were $2,245. The reserve fund stands at $7,138, leaving a balance for expenses of management of $1,646. Under the law something more than two dollars per thousand of insurance is included in the premium charge for expenses, but according to the statement of the Commissioner there have been no expenses so far. With accrued interest on the investment, total assets are stated as $11,394, which includes $4,950 invested in first mortgages at 6 per cent.

Uniform legislation on fire insurance rate-making has been undertaken by the National Convention of Insurance Commissioners, and through a special committee of that body Commissioner Ekern, of Wisconsin, is pushing the idea. He has prepared tentative drafts of six bills for uniformly regulating rate-making and encouraging fire prevention. These he is sending out to interested persons for criticism and suggestion so that he can present the results to the special committee in December.

In his biennial report to the Governor, State Auditor Coffman, of Arkansas, makes the following recommendations as to the supervision of insurance in that State:

"The growth of the insurance business in the State makes it one of the most important branches of the State Government. There is collected from the insurance companies doing business in the State of Arkansas for the year 1914, $176,941.15. This is done at a very small expense. The Legislature appropriates only $2,000 for a deputy Insurance Commissioner, which is not giving the insurance companies the service for the amount they pay, and more money should be appropriated for the running of the insurance department. There will be a national insurance meeting in San Francisco in 1915 and the State of Arkansas should be represented at that meeting.

"As soon as the financial condition of the State is sufficient there should be established a separate department known as the Insurance Department for the purpose of transacting the insurance business. The amount of revenue derived from this source should enable the State to have such a department. If the funds which were derived from the insurance companies were set aside for less than ten years, it would pay the indebtedness of the State."

Insurance against sickness may soon be undertaken by the State. It is now being agitated by the Ohio State Medical Association. It is suggested that the compulsory workmen's compensation law should now be followed up by such an experiment. It is proposed that the State insure workingmen against loss incurred through disability by sickness. Thus, it is asserted, the injustice of forcing employes to suffer the entire loss caused by so-called occupational diseases would in a measure be alleviated.

That this proposal is already being considered seriously by State authorities is indicated by the fact that statistics as to the prevalence and nature of occupational diseases are being prepared by the State Board of Health and a report will be made to the Legislature when it convenes in regular session next January.

The American Association for Labor Legislation is also behind the new movement and the Ohio Federation of Labor is planning a campaign for enactment of the necessary legislation.

As illustrative of what the British Life insurance companies are doing to make easier the lot of those who are going to serve their country at the front, the action of the Atlas Assurance Company is interesting. Although the Life Offices' Association has recommended that an extra charge of £7 7s. 0d. per cent be charged for the war risk on lives, this company is prepared to issue policies for the payment of the sum insured at the end of twenty-five years, or at death, if previous, the policies to share in the profits of the company, at the following rates of premium for various ages:

Age Next Birthday.	New War Policy.	Ordinary (Civilian) Policy.	Difference.
	£ s. d.	£ s. d.	s. d.
20	0 5	1 16 11	3 6
25	1 1 10	1 15 3	3 7
30	1 4 6	1 0 9	3 7
35	1 7 1	1 4 5	3 8
40	1 11 2	1 8 4	3 10

It will be seen that if the policyholder lives and pays twenty-five years the difference will work out at 3s. 7d. only.

The Atlas is prepared to grant these policies to Territorials and members of Lord Kitchener's Army, who in ordinary times follow non-hazardous occupations. And they cover war risks on foreign residence. In fact, the contracts are absolutely unconditional. Further, these policies are granted without medical examination to all who within a month of making the proposal have been passed as fit for Army service by a military doctor.

H. G. Askew, statistician for the Texas railways, reports that thirty-five of the companies in the fiscal year ending June 30 last, paid out for personal injury claims $2,556,117, an increase of $80,118 over the amount paid for the preceding year. Mr. Askew says:

"Those who have given the subject of personal injury payments the closest study aver that not over one-half of the vast total paid by railroads in settlement of personal injury cases reaches those injured or the heirs of those who are victims of accidents incidental to transportation. If this statement is to be accepted, it is apparent that for the last fiscal year thirty-five railroads paid out $1,423,058, which amount under any system of economics having standing can be denominated only as waste. At 10 cents a pound this wasted sum would be sufficient to purchase over 50,22 bales of cotton. At the average yield of cotton in Texas during the present year it would require almost 170,000 acres to produce the cotton that could have been purchased by the waste incidental to methods that prevail under legislative sanction for the handling of personal injury cases."

The first concrete suggestion for the amendment of the New York State Workmen's Compensation Law comes from the New York Board of Trade and Transportation, which group feels that the first desirable change in this law will come from removing the discrimination between employes engaged in hazardous and other classes of employment. They state that the fact that accidents seldom occur in non-hazardous occupations does not remove the necessity or justification for compensation, should an accident occur, and, therefore, they believe that the act should be inclusive.

The Bureau of Foreign and Domestic Commerce has received from American Minister Nicolay A. Grevstad, Montevideo, Uruguay, a copy and translation of a law recently passed in that country to prevent accidents to employes in industrial establishments or engaged in industrial work. The law applies to factories, mines, quarries, or any other places in which the work involves danger to the life or health of workmen. The rules concerning the installation of machinery and the protection or screening of dangerous parts of machinery are of a general character, and provide for regulations in detail to be formed later by the Executive. The law also prohibits the employment of women and children in the cleansing or repair of motors or machinery in motion. The copy in Spanish and translation of this law will be loaned by the Bureau.

With the exception of Massachusetts, all State insurance departments have agreed to allow the insurance companies to list securities held by them at prices quoted June 30, 1914, in statements made January 1, 1915. The quotations of this date are from two to seven points higher on stocks than the quotation of July 30. No definite statement has been made by Commissioner Hardison, of Massachusetts. The total value of securities of this nature held by insurance companies is estimated at $2,000,000,000.

Two important developments under the new Maryland workmen's compensation act appeared on October 24. One was the opinion handed down by Assistant Counsel J. W. Loud, of the Maryland Industrial Accident Commission, that the City of Baltimore and the State of Maryland when acting as employers must stand on the same footing as private employers. This signifies that the municipalities of Maryland must protect themselves as against their liabilities toward employes, who may suffer an injury while working for the public authorities. The other was a ruling by the Commission as to the minimum deposit to be required of all employers electing to carry their own risks. This minimum is put at $5,000, and the amounts will range upward according to the size of the pay rolls and the amount of danger involved in the various forms of employment submitted for employe insurance security under this law.

The constitutional amendments in Wisconsin, to allow the State to furnish all forms of insurance to its citizens, which were subjected to popular vote at the election just past, were all defeated. The term of H. L. Ekern as Insurance Commissioner of Wisconsin expires early in 1915. As he strongly opposed Governor-elect Philip, a change is regarded as assured.

In Michigan the amendment to the constitution proposed under the new initiative law affecting fraternal insurance was defeated, and as Governor Ferris was re-elected the reappointment of Insurance Commissioner Wiltsie is expected.

In Kansas Carey Wilson was elected Insurance Commissioner, it being an elective position in that State. Mr. Wilson has been deputy in the Insurance Department for several years. The re-election of Governor Morehead in Nebraska is regarded as assuring the retention of Lawson C. Brian as Insurance Commissioner. For the same reason the re-election of Insurance Commissioners Taylor, of North Dakota, and Stabler, of South Dakota, is expected. Insurance Commissioner Preus, of Minnesota, was a candidate for State Auditor, and as a Democratic Governor was elected a change in that State is certain.

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

SOME new phases of the war factor in the banking and business situation have been presented in the past week. Turkey's definite inclusion in the ara of belligerency will presumably bring other countries, hitherto neutral, into the field of hostilities. In the end it is inferential that the Allies will be the chief gainer by the accessions and to that extent the widening scope of the war may be regarded as making for a shorter duration of the conflict, although it is not at all safe to base any economic conclusions on such a stupendous contest as that in which the bulk of Europe and part of two other continents are involved.

Now, however, a new element is introduced into calculations by the further triumphs of the German navy. British naval prestige had suffered not a little before the engagement off the Chilian coast, but it is doubtful if the military implications of the naval situation qualify very much the implications of the land fighting. What does affect us is the increasing menace, offered both on land and sea, to the expansion of our external commerce on which so much reliance has been placed for the almost automatic adjustment of our financial and business position to the circumstances which the war has created. If Italy goes into the war it will mean an absolute blockade of our trade with Germany and Austria, for the British declaration that the North Sea, because it has been so thoroughly mined, is a military area likely to shut off commerce with Holland, Denmark and Baltic countries, or at least, if not to shut it off, to reduce it to negligible proportions. The chances would seem to be that for a while longer anyway our export movement will be sustained, but it is a fortunate thing that we have done so well in getting goods out of the country this Autumn to help discharge our foreign indebtedness on current account. There is no assurance that the movement can be indefinitely maintained even if a large quantity of goods and commodities keeps going forward to the Allied countries under naval protection.

Perhaps for that matter it would be just as well not to lay excessive emphasis on the foreign trade factor in our prospects for restoring some degree of prosperity to American enterprise. It should be recognized that our foreign trade to-day is of a very feverish and artificial character in the main, as it is owing so largely to military necessities which have compelled the liquidation of foreign goods here and the purchase here of merchandise and staples. It is gratifying from the financial point of view that, whatever the causes of our partial recovery in exports, our shipments of goods and commodities have served to lessen somewhat the difficulties arising from our foreign debit balance. Washington estimates that there was an export excess of $50,000,000 in October on incomplete figures showing a $43,000,000 excess, but the October balance a year ago was $138,000,000 and imports last month showed an actual gain, while exports were probably not more than 80 per cent of the shipments in the corresponding month last year.

A striking feature of trade conditions is that general business seems to have derived no very clearly beneficial influences from the export trade. Bank clearings show that business as a whole is perhaps not more than 75 per cent of normal and unless some stimulating impulses are provided general economy is going to be an enforced virtue this coming Winter. It is unfortunate at such a juncture that the spread of foot and mouth disease among the country's cattle should have compelled quarantine measures at Chicago stock yards and elsewhere for this is a disturbing portent of high prices for meats before long. A very fair gauge of trade and industry is afforded by the persistent conjecture that a reduction of wages is more or less imminent at the steel mills.

Not all the aspects of affairs permit such depressing inferences. The British moratorium has come to an end without any disruption of financial conditions in sight. This may be owing in part to the fact that the way has not yet been cleared for a reopening of the London Stock Exchange, although plans which prepare for a reopening are under discussion. Allowing for the very uncertain hazards of the war the British banking community seem to be in comfortable shape which is of encouraging omen for us and from the American standpoint the money market, domestic and international, is propitious for general business improvement. In the foreign exchange market sterling bills, the only form of exchange which we have seriously to consider, have this week hovered around the 4.90 level, to which they fell a fortnight ago, and while it is too early to say that they may not rise sharply again to the prices from which they have recently declined, a hopeful assumption is warranted that our position in the international exchanges will become better and not worse.

As nearly as a forecast may be ventured upon in times like these, it may be predicted that exchange will turn more or less irregularly, but definitely in our favor, unless the Allies on sea as well as on land suffer decisive defeat. Sir George Paish and Secretary McAdoo, in their conferences with the Federal Reserve Board, as well as with unofficial representatives of banking and business interests, seem to have arrived at an understanding that there is a very positive limit to our ability to make exports of gold and an agreement of this sort is conducive to arrangements for a resumption of regular business in the organized security markets. It must be remembered nevertheless in dealing with the financial outlook that the problem of protecting money supplies from the drafts which liquidation of securities might make upon them has yet to be solved.

Even the cotton exchanges have not yet been reopened, although progress in that direction is reported and the restoration of the future market in cotton is of much importance to our foreign trade and consequently to foreign exchange. Apropos the cotton market it is worth recording that the promoters of the cotton loan fund have been encountering obstacles in rounding up the banks in support of the scheme and it would do no harm if their attempts ended in failure. The loan fund is not at all essential to the reopening of the cotton exchanges and with their reopening the various troubles of the cotton trade will take care of themselves.

It might be remarked, incidentally, that thoughtful observers have been disagreeably impressed by the fashion in which the Federal Reserve Board committed itself to the supervision of the cotton loan fund project. This was one of several matters that have made the judicious pause in acceptance of the enthusiastic anticipation with which the establishment of the Federal reserve banking system has been awaited. It would be very unfortunate indeed if the administrators of the new banking system should show themselves responsive to such political pressure as was an element in the projection of the cotton loan plan. There is risk that it may be extremely sensitive to political considerations unless the majority of the reserve board displays at the outset a dispo-

ition to challenge the manifest purpose of Secretary McAdoo and Comptroller Williams to make the board a mere department of the Treasury.

In other respects the signs of money are all auspicious. Interest rates are in a state of relaxation and the rising tax on emergency currency as the rates for money fall is contributing to the retirement of the extra circulation. New York banks alone withdrew about $20,000,000 of emergency currency in the past week and outstanding clearing house certificates are being steadily contracted at different centres. The circumstances of money are reflecting themselves more and more in the moderate growth of investment dealings in securities which as stocks and bonds change hands are helping in turn to ease the banking position.

Altogether there is enough in the monetary situation and in the extent to which business and banking readjustments to the war have been completed, to suggest that with restored facilities for liquidating capital commitments in the securities market and obtaining capital therein some beginnings of general business recovery might soon be made. As money becomes easier it will have a tendency to stimulate the efforts of manufacturers and merchants to do more business and permit the foreign trade movement to exert some influence over domestic trade.

On this account it is more than likely that the results of Tuesday's election will be to contribute to general business betterment. The election returns were promptly reflected in a stiffening of prices for securities in Wall Street, and had the Stock Exchange been open it is safe to say that despite the war abroad stocks would have made a rousing rally on election news, even though because of the war they might not have been able to hold their gain. The war seemed to make so much change in the political outlook that bankers and business men were hardly prepared for such a widespread loosening of Democratic control on Government but the vote lent itself to very optimistic deduction. It showed that the Republican party had practically closed the division in its ranks caused by the Roosevelt secession in 1912 and without assuming that the Republican party is on its way back to power, business interests must nevertheless feel that the necessities of business will henceforth be more considerately regarded by Government.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Oct. 24, 1914— Banks.	Trust Cos.	Both.	Week Oct. 31, 1914— Banks.	Trust Cos.	Both.
Loans	1,529.4	621.0	2,160.4	1,533.5	623.7	2,157.2
Deposits (net)	1,142.8	168.1	1,320.9	1,151.8	964.8	1,979.6
Cash reserves	[illegible]	63.4	140.8	381	66.4	148.2
Reserve ratio (%)	[illegible]	11.	23.0	25.3	11.2	25.5

Actual Status.

	Week Aug. 1, 1914— Banks.	Trust Cos.	Both.
Loans	1,422.4	635.3	2,058.7
Deposits (net)	1,427.7	483.7	1,911.5
Cash reserves	311.2	97.1	411.5
Reserve ratio (%)	21.2	15.5	21.5

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	1914—		
	[illegible]	[illegible]	Oct. 31.
Loans	[illegible]	[illegible]	[illegible]
Deposits (net)	[illegible]	[illegible]	[illegible]
Cash reserves	[illegible]	[illegible]	[illegible]
Other reserves	[illegible]	[illegible]	[illegible]
Reserve ratio (%)	[illegible]	[illegible]	[illegible]

Aggregate Statement Actual.

(Exclusive of Small National Banks Not Reporting Weekly.)

	July 2	July 2	[illegible]
Loans	[illegible]	[illegible]	[illegible]
Deposits (net)	2,523.0	[illegible]	[illegible]
Cash reserves	[illegible]	364.	[illegible]

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

PHILADELPHIA BANKS STATEMENT.

	July 20	July 27	Aug. 3	Aug. 21
Loans	2.8.4	2.6.4	2.0.8	4.9.8
Deposits	424.7	416.4	444.4	418.4
Cash reserves	1.6.6	99.7	95.9	94.0

BOSTON BANKS STATEMENT.

	1914— July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.8	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913. Oct. 21-22.	1914 Jan. 13-14.	June 30.	Sept. 12.
Loans	700.4	667.2	701.2	704.7
Deposits	1,003.2	997.4	1,024.3	964.4
Cash, other reserves	449.5	470.2	335.2	311.9
Reserve ratio (%)	44.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914— Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,175.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week Ending	1913— New York.	Outside.	Total.	1914— New York.	Outside.	Total.
October 31	1,902	1,436	3,358	1,212	1,300	2,513
October 24	1,611	1,860	3,471	1,052	1,625	2,678
October 17	1,558	1,927	3,485	937	1,520	2,458

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week of—	1913— Call money.	60-day loans.	Merc. paper.	1914— Call money.	60-day loans.	Merc. paper.
November 7	6	4½	5¾	6	6	6
October 31	10	4¾	5¾	7	7	7
October 24	3½	4½	5½	7	7	7

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914— Oct. 15.	Oct. 22.	Oct. 29.	Nov. 5.
Deposits	162,561	168,822	151,730	156,743
Circulation	37,767	34,799	35,113	35,530
Gold	59,237	60,062	61,872	69,474
Securities	137,276	132,862	124,295	122,108
Reserve ratio (%)	26.50	27.52	29.79	33.42
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914— July 16.	July 23.	July 30.	Oct. 1.
Deposits	1,218.9	1,343.5	1,331.0	2,117.0
Circulation	6,067.0	5,911.9	6,683.1	9,299.0
Gold	4,092.6	4,104.3	4,141.3	4,092.6
Silver	639.7	664.6	625.3	319.0
Discounts, etc.	1,606.8	1,611.8	2,444.2	4,476.0
Coin to notes (%)	77.9	80.6	71.0	58.1
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914— July 17.	July 25.	Aug. 15.	Oct. 1.
Gold and silver	1,681.6	1,722.7	1,590.2	1,737.4
Loans and discounts	867.3	801.0	4,750.0	4,786.3
Circulation	1,991.5	1,890.8	3,881.9	4,490.8
Discount rate (%)	4	4	6	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914— June.	July.	August.	September.
Loans on call	201.5	193.9	166.7	159.5
Loans, current	925.5	927.0	883.8	867.8
Deposits, demand	355.0	346.8	338.9	348.2
Deposits, other	767.7	766.9	755.1	759.3
Circulation	99.1	94.8	114.5	120.3
Cash reserves	113.3	113.3	159.7	176.2

THE COUNTRY'S COMMERCE

Merchandise	August 1913.	August 1914.	September 1913.	September 1914.
Imports	$139,100,000	$137,651,000	$171,084,843	$139,204,267
Exports	187,909,609	110,337,000	218,240,001	156,188,790
Specie.				
Gold—Imports	5,803,753	3,034,824	4,626,748	2,761,590
Exports	1,191,657	18,125,617	496,037	21,887,202
Silver—Imports	3,401,335	2,162,095	3,098,348	1,864,213
Exports	4,907,806	3,627,337	5,856,197	5,389,981

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat	Mon	Tues.	Wed.	Thurs.	Fri.
New York	48⅛	48⅛	....	49¼	49⅞	49⅞
London	22 5-16	22 5-16	....	22 11-16	23	23

COTTON

November 7, 1914.

AS regards cotton itself, the past week has been marked by a decided stiffening of prices all over the South, and particularly in Texas, The weak, irresponsible and impecunious farmers appear at last to have disposed of their cotton, and the cotton trade from now on will have to deal with producers who are resolute enough and have financial strength enough to carry their cotton until they can obtain for it a price more nearly approaching the cost of production. It is to be expected, of course, that there will be constantly a moderate flow of cotton into the markets; and if the price were to advance further it is certain that this flow will increase in volume. But the more independent Southern farmers have got over whatever panic may have infected them at the outset of the ginning season; they have come to see that it is poor business judgment to sell cotton now at 7 cents per pound and then within a few months set about the production of a new crop which will cost them 10 to 11 cents per pound to produce. They had better keep this year's production to serve as next year's crop than to be stampeded into such economic foolishness. It is a decidedly gratifying thing, moreover, that this new state of things has been brought about by the general common sense and courage of the Southern farmers, instead of through lavish advances from the government, National or State, or from a great subscription loan fund. There is no doubt whatever that the cotton situation has been a very grievous one to all those Southern communities in which the production of cotton is the economic mainstay. But every section of the United States, save those producing foodstuffs, has had its heavy burden of one or another kind to bear. The European War has left few untouched. Yet there has been little whimpering and no great movement to provide financial relief except such as was started on behalf of the alarmed South. There is now evidence enough that the great sound and wholesome South, as distinguished from the small but noisy vaporing and demagogic South, is turning away from its own self-appointed spokesmen, is showing a resolute and cheerful face, and is proposing to take care of itself, as it has in the past done, to the admiration even of its enemies. It may be that the necessity of supporting cotton, instead of being supported by it, will entail a longish period of self-denial; but the South is ready for it and will not complain. And, best of all, the realization that this is the case is sure to give courage and incitement to action on the part of all those concerned with cotton, who are just at the point of resuming their normal activities, whether on the exchanges or outside them. The resumption of general trading in cotton is nearly approaching. Another fortnight should see both the American futures markets, New York and New Orleans, in operation. The Liverpool Exchange has already arrived at the point of permitting trading in future contracts, even though only in a tentative way and with restrictions both as to price and as to the deliveries dealt in. With trading in future contracts possible, the making of all manner of contracts for cotton in all its varieties and qualities, both for present and for future delivery, becomes also possible. The distribution of the burden of the present surplus over coming months and years is thus begun; the acquisition of cotton in quantity, whether by actual users of it or by those who are attracted to invest in it, is encouraged; the confidence of bankers in cotton as collateral for loans is restored; and all the wholesome activities of trade are enlisted on behalf of cotton. No sensible person, of course, expects that all these forces will become effective in a day or in a week or in a month; or that there is to be a sudden upward rush of the price of cotton to a level which means a clear profit to the producer over and above the average annual cost of production. It were folly to anticipate any such occurrence. The cotton producer, like the great majority of his fellow citizens, is going to have an unprofitable season; but he is not going to be ruined nor permanently weakened and crippled. And he will soon have a continuous and calculable market for his cotton, upon which he can sell so much of his production as his real necessities require. Little by little, he will lighten his load of unsold cotton, on the one hand, and of indebtedness, on the other; and he will be able to enter upon the new season, free to choose for himself whether to devote his land to other crops or to plant a sufficient acreage in cotton to supply the demand that has made itself manifest, notwithstanding the European War. The world will be clothed, and clothed for the most part with cotton; and it is safe to say that there will be many surprises, before the present season is over, with respect to the amount of cotton consumed, war or no war.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
October—						
High	11.17	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	10.50	.....	.....	35 points below Dec.		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	25 points below Dec.		
December—						
High	11.50	.....	.....	.....	.....	.....
Low	9.50	.....	.....	.....	.....	.....
Close	7.50	7.50	.....	7.51	7.51	7.51
January—						
High	11.33	.....	.....	.....	.....	.....
Low	9.70	.....	.....	.....	.....	.....
Close	10.70	.....	.....	5 points above Dec.		
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	10 points above Dec.		
March—						
High	11.37	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.79	.....	.....	15 points above Dec.		
April—						
High	11.40	.....	.....	.....	.....	.....
Low	11.35	.....	.....	.....	.....	.....
Close	.....	.....	.....	40 points above Dec.		
May—						
High	11.50	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	11.10	.....	.....	45 points above Dec.		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

Above schedule of differences suggested by the Voluntary Committee for consolidating all outstanding contracts into December.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, on Friday, July 31, in cents and hundredths of a cent per pound, gross weight:

	July 31.	Mon.	Tues.	Wed.	Thurs.	Fri.
October—						
High	11.33	.....	.....	.....	.....	.....
Low	10.00	.....	.....	.....	.....	.....
Close	10.57	.....	.....	24 points below January		
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.58	.....	.....	.....	.....	.....
December—						
High	11.39	.....	.....	.....	.....	.....
Low	11.05	.....	.....	.....	.....	.....
Close	10.60	.....	.....	8 points below January		
January—						
High	11.45	.....	.....	.....	.....	.....
Low	10.29	.....	.....	.....	.....	.....
Close	10.65	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	10.56	.....	.....	.....	.....	.....
March—						
High	11.40	.....	.....	.....	.....	.....
Low	10.10	.....	.....	.....	.....	.....
Close	10.75	.....	.....	14 points above January		
May—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	21 points above January		
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	28 points above January		
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
September—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:30 a. m. on July 31.

Above schedule of differences recommended by the New Orleans Exchange Committee for consolidating all outstanding contracts into January.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
August—						
Opening	} 25 points over J-F					
12:30 p. m.						
Close						
Aug.-Sept.—						
Opening	} 15 points over J-F					
12:30 p. m.						
Close						
Sept.-Oct.—						
Opening	} 6 points over J-F					
12:30 p. m.						
Close						
Oct.-Nov.—						
Opening	} 4 points over J-F					
12:30 p. m.						
Close						
Nov.-Dec.—						
Opening	} 1 point under J-F					
12:30 p. m.						
Close						
Dec.-Jan.						
Opening	} 1 point under J-F					
12:30 p. m.						
Close						
Jan.-Feb.—						
Opening	}					
12:30 p. m.		4.30	4.30	4.25	4.27	4.25
Close						
Feb.-Mar.—						
Opening	} 1 point over J-F					
12:30 p. m.						
Close						
Mar.-Apr.—						
Opening	} 3 points over J-F					
12:30 p. m.						
Close						
Apr.-May—						
Opening	}					
12:30 p. m.	3½ points over J-F					
Close						
May-June—						
Opening	}			....	....	4.40
12:30 p. m.	4 points over J-F			....	....	4.34
Close				....	4.25	4.34
June-July—						
Opening	}					
12:30 p. m.	2½ points over J-F					
Close						

Above differences fixed for liquidating outstanding contracts. No new business done.

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues	Wed.	Thurs.	Fri.
New York						
New Orleans		4 16		4 13	4 13-16	4 16
Galveston	4 15					
Mobile						
Savannah						
Charleston						
Wilmington						
Norfolk						
Baltimore						
Philadelphia						
Augusta						
Memphis			4 16			
St. Louis						
Houston						
Little Rock						

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Middling fair	....	5.80	....	5.70	....	5.70
Good middling	....	4.95	....	4.95	....	4.98
Middling	4.80	4.80	4.80	4.55	4.55	4.64
Low middling	....	4.19	....	3.94	....	4.03
Good ordinary	....	3.50	....	3.25	....	3.34
Estimated spot sales	7,500	8,500	9,000	21,300	12,100	6,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	....	....	....	....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	153,290	501,248	521,274	326,082
Overland to mills and Canada	39,941	38,368	37,578	40,055
So. mill takings, est., exclusive of takings from Southern ports	9 ,000	90,000	90,000	70,000
Gain of stocks at interior towns	69,938	35,594	37,006	91,967
Brought into sight for week	653,169	665,210	685,858	528,104
Total Movement—				
Port receipts	4,281,424	4,142,185	4,245,663	1,677,053
Overland to mills and Canada	167,275	159,937	228,783	137,820
Southern mill takings	742,032	715,873	754,796	423,000
Stocks at interior towns in excess of Sept. 1	556,723	418,871	384,687	711,291
Brought into sight thus far this season	5,747,154	5,436,866	5,613,929	2,949,164

The total crop movement is respectively for 102 days, 100 days, 99 days and 98 days.

PORT RECEIPTS AND STOCKS.

	This week last year— R'c'ts. Week.	R'c'ts. Season.	Stocks.	This week— R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	154,942	1,481,469	247,920	153,423	802,087	291,171
New Orleans	72,760	385,402	161,279	39,248	176,560	134,120
Mobile	32,3 5	172,107	48,486	6,541	38,531	30,797
Savannah	111,4 3	992,640	205,425	47,981	285,344	127,961
Charleston	28,085	266,428	91,265	13,516	77,618	56,814
Wilmington	30,346	215,806	34,633	7,121	37,634	28,295
Norfolk	34,447	174,723	58,031	15,515	72,904	34,623
Baltimore	2,468	35,262	4,395	2,382	9,057	7,193
New York	100	224	36,572	75	469	72,019
Boston	671	2,818	3,240	431	2,855	2,190
Philadelphia	.....	74	5,423	206	392	3,475
Newport News	1,317	11,100	.....	4,778	17,130	.....
Brunswick	20,5 0	171,150	26,444	1,825	9,125	918
Pensacola	.....	14,749	.....	.....	.....	.....
Port Arthur	8,000	89,000	8,000	.....	400	.....
Pacific ports	4,460	77,230	.....	8,578	49,576	.....
Texas City, etc.	16,863	193,296	13,597	21,128	84,903	42,244
Jacksonville, etc.	2,565	13,155	1,010	3,244	14,468	520
Georgetown	.....	.....	.....	.....	.....	.....
Totals	521,271	4,245,663	926,359	326,082	1,679,053	831,940

MOVEMENT AT INTERIOR TOWNS.

	This week last year— R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	This week— R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Evendale	302	22,816	360	1,467	551	8,337	387	5,916
Dallas	5,2 5	32,221	3,855	9,170	9,014	42,744	7,436	8,953
Shreveport	10,642	71,605	8,425	25,476	9,956	64,458	3,407	57,312
Little Rock	10,181	57,857	7,666	34,362	9,705	50,545	5,037	31,612
Helena	1,157	22,683	2,897	12,680	1,097	22,777	1,584	17,350
Vicksburg	2,116	8,899	843	5,240				
Columbus, Miss	1,903	16,919	2,589	5,318	1,868	10,705	464	8,641
Natchez	1,068	7,102	448	3,643	1,744	7,925	695	5,575
Memphis	18,078	214,803	13,520	102,337	656	10,011	475	8,668
Nashville	552	1,986	.....	945	58,807	283,902	27,265	183,079
Selma	2,885	82,866	7,177	12,158	532	.....	.....	.....
Montgomery	9,687	101,330	7,938	26,709	5,255	60,626	2,873	41,041
Eufaula	955	15,076	454	2,922	9,119	94,750	4,393	69,313
Columbus, Ga	2,072	96,847	1,825	6,718	1,078	12,695	177	9,258
Macon	2,856	26,337	2,558	2,165	6,890	37,771	1,725	28,086
Atlanta	1,390	22,6 7	1,237	2,537	2,317	22,384	751	19,065
Augusta	18,345	118,862	17,043	2,771	1,306	21,811	536	17,982
Rome	2,951	32,198	2,810	6,729	10,267	40,266	9,104	11,771
Atlanta	27,428	188,500	14,787	19,623	5,093	29,470	3,246	6,764
Columbia	2,429	28,708	2,129	.....	24,944	180,245	8,732	123,777
Nashville	1,835	12,386	1,136	.....	2,111	39,010	7,111	.....
Shreveport	918	6,391	918	.....	722	5,080	722	.....
Raleigh	50	6,883	650	415	365	2,310	360	.....
St. Louis	18,215	94,750	17,781	9,870	113	1,259	250	194
Houston	12,079	1,289,626	98,084	161,137	29,221	83,121	26,060	21,804
Total	1,794	10,181	1,760	6,186	144,887	875,592	127,577	122,393
Other	1,865	24,857	1,628	7,929	1,769	7,674	152	7,227
Total	296,110	2,725,104	256,085	526,538	5,223	39,107	5,017	3,528
					347,797	1,985,807	246,303	823,898
					2,697	16,700	767	14,592

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	155,049	146,242	72,109
France	46,525	57,160	6,793
Continent	97,570	146,194	19,882
Mexico	.....	.....	4,906
Japan	2,734	4,460	23,937
Totals	301,878	354,056	121,627
Great Britain	1,268,032	1,081,524	330,777
France	459,164	510,639	22,007
Continent	1,061,537	1,269,738	210,651
Mexico	253	12,959	15,946
Japan	36,646	80,720	94,107
Totals	2,825,632	2,955,580	673,488

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	470,000	490,000	128,000
Since September 1	2,555,158	3,058,030	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	13,750	45,088	10,750	58,590	.....	.....
To Manchester	15,500	49,961	8,750	47,676	.....	.....
To Continent	10,000	48,987	16,250	76,073	2,000	.....
To America	4,000	11,562	1,250	3,474	.....	.....
Total exports	43,250	155,598	37,000	185,813	2,000	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	38,000	230,000	.....	.....
Exports to Great Britain	.....	2,000	.....	.....
Exports to Continent	28,000	163,000	.....	.....
Exports to Japan and China	.....	80,000	.....	.....
Afloat in harbor	1,000	.....	.....	.....

Exchange, 1s. 4 11-32.

Receipts exclusive of ——— American this week, ——— this season; ——— this week last year, 2,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	582,000	398,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses	60,000	36,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	3,000	.....	.....
Bremen	229,000	225,000	.....	.....
Havre	161,000	156,000	.....	.....
Other ports—Continent	42,000	31,000	.....	.....
Alexandria	285,000	.....	.....	.....
Bombay	122,000	.....	.....	.....
U. S. interior towns	526,521	526,521	.....	.....
U. S. ports	920,355	920,355	.....	.....
Afloat for—				
Liverpool	491,000	401,000	.....	.....
London	.....	.....	.....	.....
Continent	872,000	774,000	.....	.....
Afloat in Bombay harbor	1,000	.....	.....	.....
Coastwise to New York	19,000	19,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	4,330,876	3,489,876	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 335,658. Increase in American visible supply for the week, ———, against 309,658 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	5,613,929	.....
Total supply	6,946,069	.....
Less visible supply, American, to-day	3,507,897	.....
World's takings, American, to date	3,438,172	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,301
Returned from foreign countries	.....	790
Receipts at United States ports to date	4,245,663	1,677,053
Total supply at ports	4,406,952	1,931,044
Deduct.		
Stocks at ports to-day	926,359	832,440
*Exports to date	2,976,580	696,508
Southern mill takings from ports	17,694	37,968
Burnt at ports	.....	.....
Totals	3,920,633	1,566,916
To Northern mills from ports	486,319	364,128
Overland to Northern mills	228,783	137,820
Total Northern mill takings	715,102	501,948
Southern mill takings	772,490	460,968
Total American mill takings, including Canada	1,487,592	962,916

*Includes ——— in transit between Southern ports and New York, against 21,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	183,316	1,387,592	.....	.....
Great Britain	21,242	801,524	.....	.....
Continent	112,354	1,055,377	.....	.....
Mexico	.....	12,959	.....	.....
Japan and China	4,460	80,720	.....	.....
Totals	381,372	3,438,172	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	59,000	66,000	28,000	55,000
Sales, American	47,000	54,000	20,000	42,000
Sales, speculation	2,000	5,000	.....	1,000
Sales, exports	2,000	1,000	1,000	3,000
Forwarded	134,000	131,000	49,000	60,000
Imports, all kinds	131,000	168,000	54,000	35,000
Imports, American	98,000	144,000	43,000	35,000
Actual exports, all kinds	6,000	2,000	7,000	6,000
Stock, all kinds	635,000	582,000	758,000	724,000
Stock, American	495,000	398,000	459,000	442,000
Afloat for Great Britain, all kinds	608,000	494,000	193,000	.....
Afloat for Great Britain, American	536,000	412,000	161,000	.....

Rates and Rules Adopted by Fire Insurance Companies for the Emergency Storage of Cotton.—The fire insurance companies composing the South Eastern Underwriters' Association (which includes practically every company doing any considerable insuring of cotton) have agreed upon specifications for the construction of emergency warehouses and regulations for the storage of cotton therein satisfactory to them, thereby to meet the present difficulties as to storing the surplus cotton of the South and to make possible reasonable insurance rates upon such cotton as cannot be taken care of in more substantial buildings. We give below the specifications, rules and rates as issued for the use of the fire insurance companies themselves.

* * *

COTTON RISKS.

Specifications for construction of emergency storage shed (to be detached 100 feet in the clear and not exposed by passing locomotives on main line of track within 100 feet).

Construction.—Sheds or units may be constructed of light frame work, to be not less than 16 ft. wide by 35 ft. in height over all. Roof to be of joist construction covered with approved composition roofing, to be supported on eight posts; six 4 by 4 inches by 6½ feet long, and two 4 by 4 inches by 27 feet long, arranged three posts, each end supporting eaves of shed, which are to extend to within 4 feet of the ground, and two posts in middle of shed supporting 2 by 6 inch ridge pole. All posts to be set 12 inches in ground. Sides and ends of sheds may be open, if not exposed within 100 feet by railroad main line, or open and switch tracks.

It is recommended when feasible, that composition roofing be used to enclose ends of shed from peak of roof down to within 4 feet of ground, so as to fully protect cotton from weather.

Metal sheets must not be used for enclosing ends or sides of sheds.

Arrangement.—Cotton to be stored in sheds (units) and bales to be arranged in two tiers, end to end, not exceeding thirty-six bales each, eight bales in bottom layer of each tier, each layer from bottom up to contain one bale less than layer next below, to be

WILLIAM RAY & CO.

Successors to Geo. Copeland & Co.

COTTON BROKERS

43 Cotton Exchange Building, New York

Members of New York Cotton Exchange

Associate Members of Liverpool Cotton Ass'n

Cotton for Spinners' Use

piled not exceeding eight layers high, the total not to exceed seventy-two bales in each unit. The tiers are to be supported on stringers as follows: Three, 4 by 4 by 10 mud sills laid on ground lengthwise with shed and bales, and at right angles to line of tiers, these in turn to support four 4 by 6 by 15 stringers laid at right angles to mud sills and spaced about three feet apart, so as to properly support the bales. Bottom line of first (lower) layer of cotton to be at least 10 inches above ground, cotton to be piled and tiers so ararnged that eaves or extreme ends of roof will extend three feet beyond line of cotton.

Units must have at least 25 feet clear space on all sides and ends, and be arranged in groups of not exceeding 15 units, groups to be enclosed with a six-foot board fence with fifteen feet clear space between fence and ends or sides of units, making an enclosure area of 128 by 305 feet (39,040 square feet). One hundred feet clear space to be maintained between groups. Two or more may be included within the same fence enclosure, provided 100 feet clear space is maintained between each group.

Warranty to be attached to policies that not exceeding 72 bales will be stored in any one unit, and not exceeding a total of 1,080 bales in any one group.

RATING SCHEDULE.

Cotton Risks.—Emergency Cotton Storage Sheds. (Detached 100 feet.) (To apply to all places and at all locations, except for cotton stored on river banks or at plantations.)

Basis 1.75

Add for deficiencies as follows:

(1) Fire protection, none or not standard..... .25

(2) Less than one cask and four pails for each shed, casks to be placed at each shed and pails to be hung on each corner of shed ..... .50

(3) No watchman and approved watch-clock..... .25

Note.—No credit to be given for watchman without approved watch-clock.

(4) (a) Storage of lime and or oils; (b) use of any portion of the premises for stabling purposes; or (c) for camping, each 1.00

(5) Accumulation of loose cotton on yards or under sheds 1.00

(6) Unless protected by 6-foot board fence, as per specifications ..... .25

(7) If enclosed by barbed wire fence ..... .25

Note.—Charges 6 and 7 are accumulative.

(Continued on Next Page.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods on cents per yard and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 27 in. 64 x 64s	3	3
Gray goods, 38½ in., standard	4	4
Brown sheetings, Southern standard	6 3/4-7	6 3/4-7
Denims, 9-ounce	13½-17	13½-17
Tickings, 8 ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply chain, 20s	18	18
Southern 2-ply chain, 30s	19	19
Southern single, 20s	16	16
Southern single chain warps, 20s	15½-16	15½-16
Southern 2-ply chain warps, 30s	18½-19	18½-19
Southern frame cones, 2 30s	15½-16	15½-16
Southern frame cones, 3 30s	18½-19	18½-19
Eastern carded cops, 20s	15	15
Eastern carded cops, 30s	18	18
Eastern carded peeler warps, 20s	15½	15½
Eastern carded peeler warps, 30s	18½	18½

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 31..	1.16 3/4	1.15½	1.15¾	1.22⅞	1.21½	1.21⅝	.....	.....	.....
Nov. 2..	1.16⅞	1.15	1.16⅜	1.23	1.2 7/8	1.22⅝	.....	.....	.....
Nov. 3..	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nov. 4..	1.17⅜	1.15½	1.17⅝	1.23⅜	1.21⅝	1.23⅞	.....	.....	.....
Nov. 5..	1.18⅛	1.16¾	1.16¾	1.24⅜	1.22⅞	1.22⅞	.....	.....	.....
Nov. 6..	1.17⅜	1.16¼	1.17¼	1.23¾	1.22½	1.23⅝	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 31..	69⅜	68½	68⅝	71⅞	71⅛	71⅜	....	....	....
Nov. 2..	69¾	68½	69⅛	72	71⅛	71⅝	....	....	....
Nov. 3..	....	....	....	....	....	....	....	....	....
Nov. 4..	70⅜	69⅛	70⅜	72¾	71⅝	72¾	....	....	....
Nov. 5..	70½	69⅝	69⅝	73	72¼	72⅜	....	....	....
Nov. 6..	70⅜	69¼	70¼	73⅛	72	73⅛	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 31..	49⅝	48⅝	48⅞	53⅜	52½	52⅝	....	....	....
Nov. 2..	49⅜	48½	49¼	53¼	52⅜	53⅛	....	....	....
Nov. 3..	....	....	....	....	....	....	....	....	....
Nov. 4..	50	49	49⅞	53⅞	53	53⅞	....	....	....
Nov. 5..	50⅛	49½	49½	54⅛	53⅜	53⅜	....	....	....
Nov. 6..	50⅛	49½	50	53⅞	53¼	53¾	....	....	....

LARD.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 31..	10.72	10.70	10.72	9.90	9.85	9.90	10.05	10.02	10.02
Nov. 2..	10.95	10.72	10.92	10.10	10.92	10.00	10.22	10.15	10.15
Nov. 3..	....	....	....	....	....	....	....	....	....
Nov. 4..	....	....	10.87	10.25	10.05	10.17	10.37	10.22	10.32
Nov. 5..	11.02	11.00	11.02	10.32	10.25	10.25	10.47	10.40	10.40
Nov. 6..	11.50	11.25	11.50	10.55	10.30	10.55	10.77	10.50	10.77

RIBS.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 31..	....	....	....	9.87	9.85	9.85	....	....	....
Nov. 2..	....	....	....	10.07	9.87	9.97	....	....	....
Nov. 3..	....	....	....	....	....	....	....	....	....
Nov. 4..	....	....	....	10.12	10.00	10.07	....	....	....
Nov. 5..	....	....	....	10.25	10.17	10.17	....	....	....
Nov. 6..	....	....	....	10.55	10.17	10.52	....	....	....

PORK.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Oct. 31..	....	....	....	18.92	18.85	18.85	19.12	19.07	19.10
Nov. 2..	....	....	....	19.15	18.90	18.97	19.35	19.10	19.17
Nov. 3..	....	....	....	....	....	....	....	....	....
Nov. 4..	....	....	....	19.30	19.05	19.17	19.50	19.25	19.40
Nov. 5..	....	....	....	19.42	19.25	19.30	19.85	19.57	19.60
Nov. 6..	....	....	....	19.97	19.35	19.97	20.20	19.65	20.20

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.05	5.00	....	5.10	5.20	5.70
November	5.08	5.01	....	5.10	5.27	5.65
December	5.19	5.07	....	5.20	5.32	5.25
January	5.29	5.16	....	5.34	5.43	5.87
February	5.41	5.24	....	5.45	5.55	5.95
March	5.51	5.38	....	5.59	5.65	6.14
April	5.61	5.42	....	5.67	6.70	6.18
May	5.72	5.61	....	5.79	5.90	6.32
June	5.80	5.67	....	5.86	5.95	6.35

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
Spot	6⅞	6⅞	...	6¼	6¼	6⅜

(8) (a) Add for passing locomotives on other than single end switch track, or steamboats within 100 feet, ends of sheds covered with tarpaulins..... .50
(b) Same as above, but roof or siding so built that opening will be below top of locomotive stock.... .25
(c) Same as (b) but ends of sheds not covered with tarpaulins ..... .75
(d) Same as (a) but ends of sheds not covered with tarpaulins 1.00

Charge for exposures, other than provided for in schedule, as per mercantile exposure table.

THE RAILROADS—THE ONE COMMON INTEREST OF OUR INDUSTRIAL LIFE

THE situation of the railroads of the United States is at last perceived to be a critical one. This fact has come to be appreciated very fully by the more far-seeing of the leaders of our business world. That it ought to be appreciated by them all has been fully recognized by President Wilson in his letter to the Committee of Railroad Executives whom he recently received in Washington, to listen to their renewed appeal that the authority of the Government should be exercised in favor of, and not against, an increase in the revenue of their roads.

"You ask me," said President Wilson, "to call the attention of the country to the imperative need that railroad credits be sustained and the railroads helped in every possible way, whether by private co-operative effort or by the action, wherever feasible, of governmental agencies, and I am glad to do so, because I think the need very real. I am very confident that there will be active and earnest co-operation in this matter, perhaps the one common interest of our whole industrial life. Undoubtedly, men, both in and out of official position, will appreciate what is involved and lend their aid very heartily wherever it is possible for them to lend it."

Shortly after this expression of the President's opinion was made public, it was announced that the Interstate Commerce Commission would grant a new hearing to the Eastern railroads which had previously applied for an increase in rates and had been given, to put it mildly, only half a loaf. On October 19, this new hearing began. As an illustration of the widespread interest with which the result is awaited, not only in this country but abroad, the following paragraph from the London "Statist" of September 26, is worth quoting:

"It is a matter for sincere congratulation to all interested in the economic welfare of the United States that the Interstate Commerce Commission has agreed to reopen the application by the Eastern roads for an advance of 5 per cent in freight rates. The new inquiry will commence on October 19, and it is stated will be confined to a presentation of facts relating to recent developments. That, in view of the exceptional existing circumstances, the railway companies will not have again appealed in vain for permission to make a small increase in their transportation charges is generally believed."

The essence of this statement is that a something new has appeared in the situation of the railroads of the United States. The logic of events,—the "exceptional existing circumstances," as the "Statist" puts it,—has made suddenly and visibly untenable the position which the Interstate Commerce Commission has tenaciously clung to for so long. The hand of the Commission has been forced,—immediately by the President, but really by a body of long accumulating facts, all at once made compelling by that which the European War has made manifest. There is, however, a long history behind it all; and perhaps this is the moment to survey that history.

In 1830 the extent of railroads in operation in the United States was twenty-three miles. At present our railroads have over 370,000 miles of track, or enough completely to encircle the earth sixteen times. The total mileage, excluding switching and terminal companies, is given in the Statistical Abstract of the United States as 258,033 miles, in 1912. The mileage in operation in the United Kingdom at the close of the same year was 23,441 miles; in France, on the same date, 31,391 miles; and in Germany on March 31, 1913, 39,065 miles. The railroad mileage of Great Britain increased by only twenty-four miles during 1912, while 3,301 miles of railroad were built in the United States during that year. This comparison is not made without consideration of the extent of territory involved, for obviously the needs of the United States in the way of railways are vastly greater in this regard. However, to take a more nearly analagous case, it appears that the total railroad mileage of Russia, both European and Asiatic, a territory considerably more than twice as large as our own, was 46,753 miles in 1912, an increase of only 728 miles over the total for 1911. The record of yearly increase in the railroad mileage in the United States is a remarkable one. The average annual increase from 1832 to 1848, inclusive, was 347 miles; from 1849 to 1860, 2,051 miles; from 1861 to 1878, 2,985 miles; and from 1880 to 1889, 7,472 miles. The greatest single year was 1887, in which 12,876 miles of new road were constructed, or in a single year more than half the present total mileage of the United Kingdom. This was the height of the pioneer movement. The new mileage during the past twenty years has ranged from 1,895 miles to 6,690 miles annually; and the four years ended with 1912, which show a slightly lower comparative total because switching and terminal trackage was included previous to that period, present the very respectable annual average of 4,296 miles of new track.

As has been said, this system of American railways, which ex-Ambassador James Bryce has referred to as a "prodigy of labor, wealth, and skill" and which is in fact unparalleled among the world's economic achievements, has had a history crowded with interest and with that unique form of romance which was characteristic, to seeing eyes, of the vast commercial and industrial expansion of the nineteenth century. But it is possible here to touch only upon the main evolutionary features, which are most apt to render intelligible the recent attitude of the American public toward the railroads as a whole. In the first place, it should always be borne in mind that the period of early development, or pioneer work, involved risks of the most daring speculative character, which seem to be no longer a necessary element in railroad economy. In the early days, however, common human nature did not incline to withhold from persons assuming those risks a reward commensurate with the adventure. Indeed, for the purpose of encouraging the extension of railroads over regions scarcely known to white men, over deserts and mountains which seemed to afford small prospect of ever permitting human habitation, and certainly never could permit it in default of railroads, 129,000,000 acres in the aggregate, whose value to-day is a truly fabulous sum, were granted by Congress to the Northern Pacific, the Atlantic and Pacific, the Union Pacific, the Central Pacific, the Southern Pacific and the Kansas Pacific. In addition to this, money grants exceeding $60,000,000 were willingly accorded by the National Government. Unstinted generosity appeared to have become the assured policy of the country towards the railroads. And the railroads, for their part, swept across the West, as well as covered the

East, everywhere opening the way to the fuller development of our national resources.

During the years of this rapid growth the attitude of the public toward the railroads was one of more than confidence. It was one of constant encouragement to greater expansion.

"The demand for participation in their benefit," says Schouler's "Bailments and Carriers," "went up from every city and hamlet in the land, and the public was impatient of any obstacles to their free construction. * * * Under an imperative popular demand general laws were enacted in many States which enabled projectors of roads to organize at pleasure."

Popular demand for extensive railroad expansion resulted in a large body of legislation, which invited unscrupulous and unskilful promoters, while retaining almost no control over their adventures with the public funds advanced them. Public credit was loaned to innumerable projects which were ill-advised, and a large proportion of the money so obtained was entirely wasted. In 1887, according to Schouler, there were 108 railroads, representing 11,066 miles of track, in the hands of receivers. All this began to create a revulsion of sentiment.

It gradually became apparent that unstinted generosity on the part of the American public was not to be the permanent portion of the railroads. At the very time when the general attitude toward them appeared to be most acquiescent as regards their extra-legal power to control not only their own affairs, but the affairs of vast sections of the country,—whole States and groups of States,—the seeds were being sown for a revolution of the popular mind about them. Their owners and managers in some cases held themselves superior to the wishes or economic needs of whole communities; they did not hesitate to take upon themselves to decide whether cities should wax or wane, whether industries should flourish or not, and whether economic opportunity of all kinds should be granted here or there; they unhesitatingly brought all their vast powers to bear to control legislatures and even at times Congress itself; they commanded or threatened or cajoled, as the case might require. In particular, they roused innumerable animosities against them on the part of their chief immediate customers, the shippers of commodities, who as a class saw themselves helpless to prevent a favored few among their number from being granted such special rates and special privileges as made competition with them impossible. Then, their sense of superiority to ordinary rules of heedfulness for the interests of the generality of citizens, made some of the masters of the railroads, either owners or managers, ready at any time to adopt courses of action which caused widespread harm. Being a law unto themselves, they went to war one with another, unregardful of the destructive effects of their wars upon the sections of the country in which these occurred; and with equal unmindfulness of other interests than their own they made peace with each other, often on terms highly detrimental to important portions of the public. The impression created in an observing mind by the railroad magnate of the Eighties may be gathered from the following passage in "The American Commonwealth," by ex-Ambassador Bryce:

"These railway kings are among the greatest men, perhaps I may say are the greatest men, in America. * * * They have more power—that is, more opportunity of making their personal will prevail—than perhaps any one in political life, except the President and the Speaker, who after all hold their positions only for four years and two years, while the railroad monarch may keep his for life. When the master of one of the greatest Western lines travels towards the Pacific on his palace car, his journey is like a royal progress. Gateways of States and Territories bow before him; legislatures receive him in solemn session; cities seek to propitiate him; for has he not the means of making or marring a city's fortunes?"

The early popularity of the railroads was unfavorably affected by another series of operations, under the leadership of such men as Jay Gould, Daniel Drew, Jim Fisk and Commodore Vanderbilt, who were able so to manipulate railroad securities as to produce fabulous profits in weeks or months, to unduly increase the price of some properties, and to ruin others which, if left to their normal transportation functions, would have yielded a reasonable profit to their creditors and owners. Sensational stories of great financial battles filled the newspapers; and the public came to condemn the methods of these railroad manipulators, together with the system which they were supposed to represent; and beyond doubt much that was good in the railroad system suffered along with more that was bad.

The upshot of the whole matter was that a sentiment of distinct hostility to the railroads began to crystalize in the public mind. The former sense of their high usefulness was almost lost in a keen realization of their tremendous unrestricted power. This attitude gave rise, in 1887, to the Act creating the Interstate Commerce Commission, with the establishment of which a new phase of railroad history may be said to have begun. With the entrance of the Commission upon the stage of railroad affairs, an era of expansion gave place to one of restriction. It will be well to examine with some care the Act which brought it into being. The statute is properly known as the "Act to Regulate Commerce." Since its passage in 1887 it has been amended in 1889, 1891, 1895, 1906, 1908, 1909, 1910, 1913, and substantially in 1914, by the Clayton Act. As it now stands, it provides for a board of seven Commissioners, appointed by the President, with the advice and consent of the Senate, for terms of seven years and at salaries of $10,000 a year. Originally there were five members, appointed for six years, with salaries of $7,500 a year. The early conception of the Commission apparently involved a body of investigators constituted on lines similar to those of a departmental bureau. The appointment of its employes was subject to the approval of the Secretary of the Interior; offices and supplies were to be provided by him; and his approval was necessary for payment of vouchers. Subsequent amendments severed all connections with the Interior Department. The tendency of the Commission has been more and more to assume a judicial or quasi-judicial attitude.

The chief purpose of the measure is most clearly stated in the report of the Senate Committee on Interstate Commerce which accompanied the draft of the bill as passed: "The provisions of the bill are based upon the theory that the paramount evil chargeable against the operation of the transportation system of the United States is unjust discrimination between persons, places, commodities or particular descriptions of traffic. The underlying purpose and aim of the measure is the prevention of these discriminations." This purpose was considerably broadened by the numerous amendments which followed, notably the provisions permitting the establishment of maximum rates, in which the original purpose of preventing discrimination is no longer apparent. These accretions of power have been gradual, and perhaps have escaped general attention, at least as to detail. Unquestionably, however, the most complete confirmation of the power and authority of the Interstate Commerce Commission is to be found in the decisions of the United States Supreme Court known as the Shreveport Rate Case and the Inter-Mountain Rate Case. In the Inter-Mountain Case, which was decided on June 22, 1914, the Supreme Court held that the Commission had power, under Section 4 of the Act to Regulate Commerce, commonly known as the Short Haul Clause, to establish rate zones and to indicate the extent to which rates between these

zones might depart from the provision of the statute to the effect that the rate charged for a short haul must not be greater than that charged for a longer haul which includes the short haul, unless upon cause shown to the Commission. In the Shreveport Case, which was decided on June 8, 1914, the Commission was upheld in its control of interstate rates, even to the extent of overriding the authority of a State Railroad Commission in the matter of rates purely intrastate, provided the intrastate rates "injuriously affected, through an unreasonable discrimination, traffic that was interstate." These two cases, and more especially the Shreveport case, establish beyond peradventure the far-reaching and inclusive power of the Commission over railroad rates. And it must be clear that undeniable authority of this sort carries with it an equal measure of responsibility. It is not only true that the Interstate Commerce Commission has complete power to prevent discrimination in railroad rates, and to establish maximum rates, but it is equally true that there can be no question as to the Commission's clear accountability to the country if it refuses to permit the establishment of rates in every sense fair both to the railroads and to the shippers. The power is plenary and the responsibility squarely placed.

Before leaving our discussion of the Commission, it will be worth while to review in some detail the so-called Five Per Cent Rate Case, a rehearing upon which has just been concluded. This case is by far the most important, both by reason of the array of facts it brought out, and the attention it attracted on all sides, which the Commission has so far passed upon. The railroads involved were those in official classification territory, which may be roughly described as bounded by Canada and the Great Lakes on the North, by the Atlantic Ocean on the East, by the Potomac and Ohio rivers on the South, and by the Mississippi River on the West. It appears that the railroads in this territory filed a schedule of increased rates in 1910. This was disallowed by the Commission. In May, 1913, the carriers asked for a reopening of the case on the ground that by reason of the increases in capital charges, in wages, in the cost of fuel and ties, and in taxes, and because of the heavy additional burdens imposed by hours-of-service statutes, extra crew laws, employers' liability acts, elimination of grade crossings, and the installation of various safety devices and appliances, the cost of conducting their transportation service had steadily grown, until the existing rates were insufficient to afford a reasonable compensation to the carriers and a just return upon the property used by them in the service of the public; and that they were also unreasonably low in view of the value of the services rendered. A new set of tariffs was filed on October 15, 1913, and suspended by the Commission. By law the burden is upon the carriers to justify the higher rates.

On July 29, 1914, the Commission found that the net operating revenue of the roads involved was insufficient and should be increased. But the increases asked by the railroads were, in fact, granted only in part. Emphasis was laid upon the possibility of increased efficiency and consequent reduction of expenses on the part of the railroads themselves, and a cheerful view was taken as regards the outlook for railroad prosperity in the future. This language is particularly interesting in its bearing upon the present financial situation. It appears as follows in the Commission's report:

"It was insisted during the hearings that the carriers are facing a crisis and that the need of relief is so urgent as not to permit of the orderly investigation of the possible sources of additional revenue other than by the proposed freight rate increase. The executives admitted the propriety and need of a general readjustment of many of their present rates and practices, and the possibility of further economies and of increased efficiency; but they insisted that grave and serious responsibilities would be incurred if we failed to relieve the situation by at once approving the proposed 5 per cent increase in rates. The principal danger suggested was that the carriers would encounter great difficulty in renewing their maturing short-term notes and other obligations unless investors were assured that the carriers' revenues would be increased immediately. Subsequent developments have shown that there was little foundation for any such view. During the world-wide financial stringency prevailing in 1913 the railroads, in common with States, cities, and the industries, found it difficult to secure loans, however good the security, but with the growing ease in the money markets this difficulty has largely disappeared."

The following paragraph from the report is even more reassuring:

"We may justly feel proud of the development of our transportation system. Despite occasional discreditable chapters the history of our railroads has been marked by great achievements. There is among the carriers a growing spirit of co-operation with the Commission in its efforts to enforce the law. With the application of correct and helpful accounting, the establishment of sound business methods, and a better understanding by both carriers and the public of their mutual obligations, to which we believe this investigation has contributed, the future is full of promise. We see no reason why our American railroads should not enjoy a large measure of prosperity consistently with just and reasonable rates."

In marked contrast to these optimistic expressions, however, were the dissenting opinions of Commissioners McChord and Daniels. Commissioner McChord was content to base his dissent upon the dissimilar treatment accorded by the majority to central freight rates and trunk line rates. Commissioner Daniels concluded a very exhaustive examination of the facts with the following interesting remarks:

"The world-wide phenomenon of rising prices is by this time no novelty. Since 1906 the average rise in the world's price level is estimated by competent statisticians at from 30 to 50 per cent. It has mirrored itself in the rising cost of living; it has evoked and most properly, advances in wages and salaries; it has coincided with an increase in the nominal rate of interest where part of the interest so called is but compensation for the anticipated depreciation of the capital sum later to be repaid. This rise in the price level must eventually be reckoned with in railroading. For a time its effects may be masked by adventitious increases in the volume of traffic, but this temporary relief in its very nature is uncertain, and sooner or later the difficulty is sure to reappear. For a time it may be circumvented by extraordinary economies, but in its nature it is inexorable. It must be faced, not trifled with. It is hardly an adequate remedy to accord to carriers relief only when their returns have reached the well-nigh desperate level now shown in central freight association territory. Even before this inadequate return is evidenced, higher rates are warranted. Such a solution of the present case would have done no less than justice to the carriers and would have promoted the welfare of the community they serve.

"A living wage is as necessary for a railroad as for an individual. A carrier without a sufficient return to cover costs and obtain in addition a margin of profit large enough to attract new capital for extensions and improvements cannot permanently render service commensurate with the needs of the public. Eventually it may come about that railroads will be owned and operated by the Government. That is a matter of public policy which it is not the province of this Commission to consider. But that such a de-

parture from the present policy of private ownership and corporate operation should be materially hastened by the reluctance of new capital to invest in these properties would seem to be a grave indictment of our present system of regulation and control."

The issue, now once more before the Commission, is squarely presented in the opinion of the majority and the dissenting opinion in the Five Per Cent Case. We are now in a position to examine for ourselves into the facts which underlie the railroad situation at the present time.

The railroad mileage of the country and its remarkable and consistent growth have already been referred to. The money investment represented in the system can be appraised with some accuracy. In 1912 the total capital securities outstanding amounted to $19,752,536,264, of which $8,622,400,821 were represented by stock, and $11,130,135,443 by funded debt. The total return during the year, in dividends and interest, amounted to $829,342,042, or 4.18 per cent. The dividends alone were $400,315,313, or 4.64 per cent, and the interest amounted to $429,026,729, or 3.85 per cent. These figures cover the total amount of securities outstanding, whether yielding any return or not. It cannot be denied that these figures indicate a very vast economic movement. In fact, next to the value of the land itself and the improvements thereon, the railroads and their equipment represent the greatest value of any division of our national wealth, amounting to more than one-tenth of the total value of all property in the United States, as estimated by the Census Bureau. In 1912 there were in the hands of the public in the United States $15,087,600,650 of the capital securities of American railroads.

This capitalization is less per mile than that of any other country. The capitalization of six representative foreign systems, per mile of road, in round figures, and in comparison with that of the American system, will be seen from the following table:

RAILROAD CAPITALIZATION PER MILE OF ROAD, 1912.

United Kingdom	$275,000	Germany	$110,000
Belgium	170,000	Russia	80,000
France	140,000	United States	58,000
Austria	112,000		

The total capitalization of the railroads of the United States shows a large increase each year, rendered necessary by the fact that surplus revenue does not afford a sum sufficient to keep the plant up to a point of efficiency in face of the steadily increasing traffic demands. In 1912 the increase in par value of railroad securities outstanding in this country over the previous year was $543,601,183. This amount is in no way out of the ordinary. The demands of the current year are at least as great. That traffic requirements are keeping well ahead of the facilities of the railroads to meet them was pointed out by Mr. James J. Hill in an address reprinted in this paper in 1913. Mr. Hill cited the following table:

GROWTH OF TRAFFIC AND TRANSPORTATION IN THE UNITED STATES, 1895 TO 1910.

	Increases Per Cent—		
	1895 to 1905.	1905 to 1910.	1909 to 1910.
Mileage	21	11	1.5
Locomotives	35	22	3
Passenger cars	23	16	3.3
Freight service cars	45	23	3
Passenger mileage	95	36	11.
Freight ton mileage	118	37	16.6

"This ratio," said Mr. Hill, "will be subject to increase rather than decrease. If any manufacturer were confronted with such conditions, it would be clear to him that he must either refuse business or more than double his plant. The railroad cannot refuse business. If it could do so legally, that policy would still mean National panic and individual ruin. It must enlarge its plant."

Mr. Hill added that the crying need was not only for more cars but for greater movement of cars. The freight tonnage hauled in 1910 on a basis of 21.5 tons per car, would take 86,041,865 cars to carry it. This would mean 7,858 cars per day in each of thirty important terminals, on the basis of one car passing through one terminal only, and but once a year. It is admitted that 5,000 cars a day would blockade many of our large terminals. The worst traffic troubles at the present time, therefore, arise not so much from insufficiency of rolling stock or inefficiency in handling it, as from congested terminals. The remedy can come only through better terminal facilities. And these, of course, are a matter of money. Further, in addition to rolling stock and terminal needs, there are increasing requirements for improved train facilities. Steel cars are supplanting wooden cars; heavy rails are taking the place of light ones.

"Grade crossings," Mr. Hill continued, "must be eliminated in both the cities and the country. The ordering of these is held to be a legitimate part of the police power of the State, whose exercise is unlimited. To raise or lower tracks at a single city may cost millions of dollars. This class of expenses grows very rapidly in the United States as population becomes denser. Shall we capitalize them also, as has been done abroad? Safety appliances must be adopted. Ingenuity is adding yearly to the number of these; and the public demands rightly that they be put into use as soon as their value is demonstrated. But all these things take money—and a lot of it."

Probably no one will dispute the fact that new capital is needed. The urgency appears more apparent, however, upon an examination of the constantly increasing demands upon railroad gross revenue, and the consequent decrease not only in surplus to be applied to maintenance, but also in adequacy of interest and dividends, which is the final consideration in attracting the new capital required. In the period from 1905 to 1912 the par value of capital securities outstanding increased 50.8 per cent. During the same period the number of passengers carried annually increased from 492,430,865 to 1,004,081,346, or over 100 per cent, and the number of tons of freight increased from 631,740,736 in 1905 to 1,844,977,673 in 1912, or nearly 200 per cent.

In the usual industrial system, an increase of patronage such as is indicated by these figures could mean only a high degree of prosperity. The case of the railroads is different. The public has demanded greater comforts, and even luxuries, in the way of transportation facilities, but the rates have not been permitted to increase proportionately. As a result, the passenger service as a whole has, for a number of years, been run at a net loss. The main difficulty of the railroads with regard to revenue, however, is in the matter of freight rates. This will become evident from a statement of the comparative returns from freight and passenger traffic. In the figures covering gross earnings from railroad operation in 1910, as given by the Interstate Commerce Commission, passenger traffic earnings were just under $629,000,000, whereas freight revenue amounted to over $1,925,000,000. Consequently, the railroad must ultimately stand or fall upon its freight record, with its complicated problems arising out of the variation in kinds of freight carried, whether grain, hard or soft coal, lumber, ore, fruit, or cotton, in the degree of competition, the nature of the markets reached, and the possibility of fluctuations in traffic or rates, due to dull times. It is interesting, therefore, to note that the annual receipts of all the railroads of the country per ton mile of freight were .766 in 1905, and .744 cents in 1912, the average being .755 for the eight-year period. It may be stated parentheti-

cally that freight rates in the United States are the lowest in the world.

Turning next to the matter of fixed charges, it appears that railroad wages, for example, increased between 1905 and 1912, from $839,944,680 per annum, to $1,252,347,697 per annum, an increase of 52.0 per cent. During the same period the annual railroad outlay for taxes advanced from $63,474,679 in 1905, to $120,091,534 in 1912, an increase of 89.1 per cent. The ratio of operating expenses to operating revenues increased from 66.7 per cent in 1905 to 69.3 per cent in 1912. The net revenue during the last three years of the period mentioned shows a striking decline. It was $928,432,997 in 1910, $874,707,664 in 1911, and $870,279,606 in 1912. The thirty-five railroads which have petitioned for increased rates showed a decrease in net operating income for the year ended June 30, 1914, as compared with the previous year, of 21 per cent. In the new petition to the Commission the brief of the railroads asserts:

"That when the new tariffs of October, 1913, were denied, there were available for the Commission the annual reports for the year ended June 30, 1913, and the monthly statements up to and including May, 1914. Since that time the complete income accounts for the fiscal year ended last June have become available. These annual reports show a decrease in total operating revenues of approximately $45,000,000 for the thirty-five systems, while during that same period operating costs have increased by $23,300,000. After deduction of taxes and deficit in outside operations, there was a decrease in operating income of approximately $73,700,000, notwithstanding the increased property investment. So that the tendency toward a diminishing operating income, found by the Commission in its report, is emphasized by the figures covering the complete year to June 30, 1914, while the reports for July and August, 1914, show a continuance of this declining tendency, notwithstanding extraordinary efforts made to reduce expenses."

From a business point of view, the most natural conclusion which can be drawn from these figures is that the railroads will have difficulty in obtaining $500,000,000 of new capital to meet their needs during the ensuing year. Such a conclusion is in line with the economic theory of investment, which President Hadley, as chairman of the Railroad Securities Commission, summed up in the following language:

"Where the future is uncertain the investor demands, and is justified in demanding, a chance of added profit to compensate for his risk. We cannot secure the immense amount of capital needed unless we make profits and risks commensurate. If rates are going to be reduced whenever dividends exceed current rates of interest, investors will seek other fields where the hazard is less or the opportunity greater. In no event can we expect railroads to be developed merely to pay their owners such a return as they could have obtained by the purchase of investment securities which do not involve the hazards of construction or the risks of operation." Such a conclusion upon the facts presented would appear to be in accord with at least one representative section of applied investment opinion. In a recent statement in the New York "Times" the investments of national banks as reported to the Comptroller of the Currency are analyzed. It appears that between 1911 and 1913 the investments of national banks in municipal securities increased by $40,000,000, to the sum of $1,240,000,000, an increase of 3 per cent; investments in public utility securities increased by $171,100,000, to $721,300,000, or 31 per cent; while in those two years their investments in railroad securities decreased by $71,900,000 to $1,530,200,000, or nearly 4.5 per cent.

This is no new development. In fact, it is important, in view of the limited scope of the case now pending before the Commission, to note that the present critical railroad situation was prior in origin to the outbreak of the European War. This should be borne in mind because, logically, if increases are now to be granted wholly on the ground of a temporary urgency, they may be promptly withdrawn when the crisis is past. Moreover, a recognition of this distinction bears directly upon the present discussion because it appears somewhat in the nature of a limitation upon the completeness of the recognition by President Wilson, in the letter referred to above, of the need of positive and definite action to strengthen the position of the railroads. The President here, as in the words previously quoted, recognizes the importance of the railroads, but appears to incline to the view that their very indispensability will go far in itself toward solving their difficulties, if, indeed, any difficulties exist beyond the present temporary embarrassment. The President's words are as follows:

"I cannot say that I entertain any deep anxiety about the matter, except, of course, the general anxiety caused by the unprecedented situation of the money markets of the world, because the interest of the producer, the shipper, the merchant, the investor, the financier and the whole public, in the proper maintenance and complete efficiency of the railways is too manifest. They are indispensable to our whole economic life, and railway securities are at the very heart of most investments, large and small, public and private, by individuals and by institutions."

But here again, it is of first importance to point out the essential note in the President's words. It may be true that he has interested himself in the difficulties of the railways solely on the ground that a temporary crisis exists. But even so, the chief point to be noted is that he has interested himself, and that he has expressed his interest in language which, in its recognition of the railroads' position in our economic life, goes far beyond any temporary insufficiency of funds. As to the existence of an emergency at this time the President's opinion is rendered clear in the concluding words of his letter:

"The emergency is, in fact, extraordinary, and where there is a manifest common interest we ought all of us to speak out in its behalf, and I am glad to join with you in calling attention to it. This is the time for all to stand together in united effort to comprehend every interest and serve and sustain it in every legitimate way.

"The laws must speak plainly and effectively against whatever is wrong or against the public interest, and these laws must be observed; for the rest, and within the sphere of legitimate enterprise, we must all stand as one to see justice done and all fair assistance rendered, and rendered ungrudgingly."

Before leaving the question as to whether our railroad problem is one of recent growth, or one of long standing in the country, it may not be uninteresting to quote a passage from "The American Commonwealth," written nearly twenty-five years ago. It is as follows:

"It may therefore be conjectured that the railroad will long stand forth as a great and perplexing force in the economico-political life of the United States. It cannot be left to itself—the most extreme advocate of *laissez faire* would not contend for that, for to leave it to itself would be to make it a tyrant. It cannot be absorbed and worked by the National Government;—only the most sanguine state socialist would propose to impose so terrible a strain on the virtue of American politicians, and so seriously to disturb the constitutional balance between the States and the Federal authority. Many experiments may be needed before the true mean course between these extremes is discovered."

Possibly, the future may reveal the fact that the mean course between the extremes, to which Lord Bryce referred, has been discovered in the present system of regulation, through the instru-

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mentality of the Interstate Commerce Commission. It is assuredly not yet possible to declare the system, as so far applied, a failure. For the friend of the railroads who feels that too great severity has been practiced against them must, in justice, bear in mind the circumstances in which the Commission had its genesis; then again, if he would regard the case fairly, he must remember that two most unsavory scandals in railroad management, one in the East and one in the West, are still fresh in the public mind. In formulating a course of action with regard to the railroads as a whole the Interstate Commerce Commission is surely within its legal right and, indeed, its legal duty, in withholding the relief demanded until, on all the facts, such relief appears proper for railroads, shippers and public alike.

At the same time, if any conclusion can be drawn from a review of railroad history, it is that no system of regulation, by itself, can put the railroads in a position to meet the future needs of the country; vitality must exist within the system itself, and cannot be imposed from without. If the creative spirit of the pioneers, shorn of its excesses, is not permitted to remain, the evolution from an era of expansion into one of regulation must lead naturally into an era of destruction—or the inevitable alternative, government ownership.

With this truth in mind it cannot fail to be a source of gratification to all who have the best interests of the country at heart to observe on the part of the public, and of the men who represent the best in public opinion, a tendency to depart from an extreme critical attitude toward the railroads, and to accord them, as "the one common interest of our industrial life," a critical yet sympathetic co-operation. Of this tendency the letter of President Wilson is the most noteworthy example.

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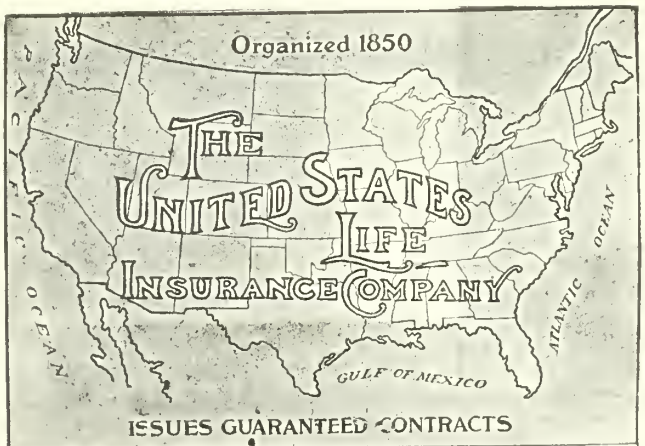

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AS yet the Interstate Commerce Commission has not handed down its decision in the matter of the Five Per Cent Rate Increase for the railroads of Trunk Line and Central Freight Association territory, the rehearing of which began nearly a month ago. Naturally, there is no intimation as to what the character of the decision will be, unless it be assumed that the point of view of the Commission throughout has been that of Commissioner Clements, as indicated by his reiterated asking of witnesses, during the hearings, whether the railroads are entitled to relief, in respect of the effects of the European War, which is denied to other industries. Mr. Brandeis also,—a self-constituted advocate of the users of the railroad, who has long been decidedly *persona grata* with the Commission,—made much of the same implied contention in his final argument in opposition to the petition of the railroads, declaring that it would be wholly wrong for the Commission to permit the shifting of the burden of the war, which is common to everybody, completely off the shoulders of railroad stockholders over upon those of the general public. The active Mr. Thorne, too,—redoubtable Iowan opponent of the railroads and all their works,—reasoned similarly, even if not in set terms. The members of the Commission other than Mr. Clements, however, if we may judge from the reports of the hearings, gave slight sign of the conclusions to which they were coming; and it is by no means certain that a majority of them concur with their colleague. The event may well prove that they, like President Wilson, have been sufficiently impressed, not only by the financial and economic testimony presented to them, but also by the obvious change of public opinion regarding the railroads (for politics unhappily enters here), to cause them to cease from their policy, now become almost traditional, of resisting or evading obvious necessity, and to concede that which every consideration of prudent business and of national advantage requires. Certainly this will be the case, if the majority of the Commissioners are "forward-looking" men and if they reach their decision in the light of larger wisdom rather than with their minds befogged by inconsequential particulars.

It appears to us to be a manifest fact that the case of the railroads is, so to speak, "getting away" from the Interstate Commerce Commission. Ingenious as their decisions have been of late years in arraying plausible reasons for their course, that course began, at least as early as two years ago, to meet with only half-hearted approval from the thinking part of the American public; and more recently no small part of this public has ceased to approve at all, having become more and more impatient with the Commission's apparent lack of ability to determine great matters upon those grounds of the larger good of the community, which keep questions of detail, perhaps deserving attention yet relatively insignificant, in proper subordination to the main issue. We do not think, for example, that the informed public was pleased or satisfied by either the method or the manner of the previous determination of this very case of the Five Per Cent Rate Increase. It had been borne in upon the public mind, not by reason of the arguments of railroad officials but because of the great aggregate of financial and economic facts about railroads which it could see for itself, that the time had come for one of those root and branch decisions which the great leaders of business must from time to time make at a stroke, because of a perilous juncture which has come about. It was a time for disregarding detail, postponing it to a more appropriate and convenient occasion. But the Interstate Commerce Commission dwelt only upon detail, turning it this way and that, endeavoring to confine it into a coherent whole, allowing it to obtrude itself as the main matter; and in consequence the real question was not considered or passed upon, except feebly and ineffectively, although the Commission's decision had the practical effect of determining it for the time being. The intelligent public, we believe, saw this; and, as has been said above, it was not pleased. More than this, it was decidedly irritated at having the Commission put forward a variety of mere expedients, whose adoption by the railroads was held out as a sufficient solution of their difficulties, when it was obvious at a glance that many of these expedients were intended to produce by indirection the results which the occasion directly demanded, i. e. an increase of the revenue of the roads. The public perceived quickly and clearly enough that the Commission's suggestions to the railroads that they should get the necessary additional revenue through doing away with free or insufficiently remunerated services, like "spotting" freight cars, absorbing lighterage and similar charges, making improvident divisions of rates with plant railways, etc., displayed a sole concern with the old problems of discrimination between shippers and evidenced almost complete blindness to the great movement of economic and financial forces which is the true cause of the embarrassed situation of the railroads. What the public desired of the Commission was a just assessment of these economic and financial forces, as affecting the efficiency and continued development of the railroads, a sound and wise determination of what these forces make necessary, and courageous putting of this determination into effect by means of a decision completely free from quibbling and shuffling, but going straight to the heart of the matter. None of these things, however, did the public get from the Commission, notwithstanding the slight concessions to the railroads in Central Freight

Association territory in respect of freight rates and the vague hint that something might well be done by the railroads to make their passenger service show a profit, instead of a loss.

More than two years ago, Professor E. Z. Ripley, of Harvard University, than whom no more competent and disinterested student of railroads in this and other countries can be found, at a dinner of the Economic Society of New York devoted to the discussion of the then hoped-for still larger increase of freight rates, declared that no observer whose opinion was of value doubted that the railroads of the United States "must be permitted to earn more money." Their situation, he asserted, was even then too serious to be disregarded; and without an addition to their income they could not maintain their efficiency,—much less develop and improve their service, as the public desires and indeed insists that they should do. This statement of Professor Ripley brought out in sharp relief the fundamental matter which the thinking public, then somewhat tentatively and vaguely but now clearly and decisively, has expected the Interstate Commerce Commission to deal with in the present and in the previous rate increase cases. And this public is exasperated at having questions of a subsidiary character,—deserving attention no doubt, but impertinent to the consideration of the primary problem,—mixed up with the Commission's discussion of that primary problem. If there are discriminatory practices in connection with the "spotting" of freight cars, for example, of course the Commission should at the proper time investigate them and cause them to be discontinued. It is probable, too, that doing away with them would improve the revenues of the railroads, just as abolishing passenger passes a decade ago, added to those revenues. But nobody who thinks justly believes that savings of this kind are adequate for the attainment of the necessary end, which is the proper readjustment of the revenues of the railroads to the changed economic and financial conditions which the railroads are obliged to meet. The asseverations of Mr. Brandeis and Mr. Thorne to this effect are received generally with the same incredulity as were Mr. Brandeis' extraordinary estimates given to the Commission in 1912, of the savings to be derived by the railroads from greater efficiency of operation.

The great movement of economic and financial forces to which allusion has been made above takes the form, on the one side, of an irresistible rise in the prices of commodities and labor, and, on the other, of an equally irresistible rise in the rent, or interest rate, of capital. Whatever the causes of this movement, whether a redundant gold supply, as Professor Irving Fisher would have us think, or an effective demand for commodities, labor and capital more universal and insistent than has ever before been manifested in the world's history, every person having any acquaintance with economic phenomena knows that the movement is a reality of world-wide manifestation, and that not to acknowledge its existence and implications is the height of economic and financial unreason. More than this, it is now a self evident fact that as regards the price of capital we are destined to see a still greater enhancement of it, until all current ideas about it will be confounded. The European War, with its necessary train of enormous national debts, insures this. To try to stand in the way of this enhancement is as foolish as to attempt to hold back the flowing tide. Every business man, in all his calculations for the coming years, must calculate that if he is to hire capital he will have to pay for it a price unheard-of in recent years, and that if he is fortunate enough to be the owner of capital he can sell the use of it at a correspondingly high rate. In the case of the railroads this is not a theory but a condition that confronts them. It is an entirely conservative assertion that the average rate of interest or dividends which American railroads must pay for all the capital they will require during the next quarter of a century will be above 5 per cent, and that the probability that 6 per cent rather than 5 per cent will be the approximate average is so preponderant that the plainest business prudence requires 6 per cent to be assumed as certain by all those having to do with our railroads. And it must be borne in mind that this high rate will not be confined to the new capital which the railroads must raise; it will gradually come into effect for the greater part of the capital they already have invested in them. The old bond issues whose interest rate is low will be continually maturing and must be refunded into new issues at the new rate of interest. Short-term notes, whose aggregate is now an appreciable part of the entire railroad capital of the country, must be before long replaced by bonds at the current interest rate. And even railroad stocks, in so far as capital has been or is attempted to be raised in this way, must hold out the promise of a return to the holders equivalent, first to this high basic market value of capital, and, second, to the increment of remuneration which participators in the business risk are entitled to and can obtain.

It is a condition precedent to the provision by our railroads of the service which the country requires of them, that they should be incessantly enlarging and developing, hiring or otherwise obtaining new capital and investing it in their properties, reaching out in new directions with all their facilites, continually devising and providing new means of usefulness. The mere increase of the population and of the business of the country would in any case make this necessary; but there is a further reason, inherent in the deep springs of all human activity. It does not lie in human nature for men, (and railroads after all must be operated by men), to be genuinely efficient and serviceable in businesses which no longer progress, which have reached their ultimate development and afford no prospects of still greater successes in the future. If we are to get from that nearly 10 per cent of the population of the United States which passes its life in the work of railroads, the maximum of useful service for the other 90 per cent of the population, there must be no staying of the creative and constructive activities of the railroads. But the *sine qua non* of the continuance of these creative and constructive activities is capital and then more capital. The hard fact has to be faced, however, that the use of capital must be bought in the open market, and that human wit has not yet discovered a way of buying it at less than the market price.

If the Interstate Commerce Commission will put aside old controversies, the inconsequent particulars of temporary issues and the idle discussion of insignificant rights and wrongs, and will look only at these great primary facts, it will be able to get beyond the norm that the criteria of its action are whether this "does justice" to the shipping public, allows a "reasonable return" to the capital actually invested in the railroads as determined by some theoretical and still unascertained appraisement, or shifts a burden of temporary loss this way or that. All these matters, of

course, have their due time and place; but in the affairs of men there are occasions when great determinations must be made, not upon the basis of a sum of details, but upon the grounds of transcendent changes in the whole posture of things throughout the world. This is, in our opinion, such an occasion; and the Interstate Commerce Commission will itself be judged by the capacity it shows to recognize this fact and act upon it. *Arthur Richmond Marsh*

STATE BANKING INSTITUTIONS UNDER THE FEDERAL RESERVE ACT

By Dr. H. Parker Willis*
Secretary of the Federal Reserve Board

THE subject assigned me for this meeting is "The Future of State Institutions Under the Federal Reserve Act." The subject is a broad one, because the theory of the Federal Reserve Act is that there should be a union of all banking institutions. Instead of confining the operation of the law to National banks, as was at first proposed by some thinkers, its scope was finally enlarged, so that to-day almost any institution may become affiliated with the Federal Reserve system by complying with the provisions applicable to it. The legislation, as it has developed, aims to create a means of unifying the reserves of the whole nation, in order that the whole banking system may be strengthened, where it is weak, by reliance upon the aid of the stronger portions of the country when need may be; while those parts of the nation which may have excess funds are enabled to employ them profitably by placing them at the disposal of other portions of the country, for investment in the paper which may offer itself.

In another great and important way the Federal Reserve Act, as now framed, contemplates the inclusion within its range of as many of the banking institutions of the country as can be induced to participate. I refer to the question of domestic exchange. The Act provides for unifying domestic exchange methods. Such unification calls for the aid of all the banks of the country, if it is to be thoroughly successful and practical. Both as regards the attainment of genuine banking strength, therefore, and as regards uniformity of domestic exchange rates, the Federal Reserve Act distinctly contemplates and desires the inclusion of all institutions within its scope in the way that I have just indicated. I might go further and suggest a variety of considerations bearing upon this subject and showing the reasons why and the ways in which such affiliation is contemplated by the law. In the short time at my disposal, however, it will not be possible to cover the whole ground, and I shall have to confine myself to a few of the more important aspects of the subject.

Assuming, (what is evident from the Act and from all that has been said), that State institutions are freely welcomed to the Federal Reserve System, and assuming further that, as I have just intimated, the system cannot attain its full fruition and success unless the great majority of the banks of the country are gathered into it, let us consider the practical question presented to the State banks of the country.

First of all, what is there to prevent State banks from entering the Federal Reserve System? The Act provides that every such bank shall comply with the requirements that are imposed upon National banks with regard to capitalization in relation to population, and in regard to the amount of reserves maintained. Such State banks must, moreover, conduct themselves in a general way on the basis of banking management that is laid down for National institutions under the Federal Reserve Law, although it may be said in passing that there is nothing in that law to interfere with those banks which are organized under State law, or to prevent them from taking advantage of those broader provisions of legislation which are found on the statute books of some States. But, in a general way, State banks which enter the Federal Reserve System must live up to certain requirements as to capital and reserves, and must submit to examination on the same basis as the National members of the system. How does this affect the State banks?

It is undoubtedly true that in some States the standards set by law on the three points I have just mentioned are lower than those of the Federal Reserve System. We cannot, however, get a fair test of the case by merely noting that there is a difference between State and National legislation in this regard. The real question is not whether there is a difference,—that is to say, whether a State bank can if it chooses get down to a lower basis of management than that prescribed by the National law,—but whether the basis prescribed by National law is unduly high or severe. I do not think that a consideration of the terms of the law will lead any one to think so. As is well known, the Federal Reserve Act, during the later stages of its development in Congress, was modified in the sections relating to reserves so that, as the thing stands, a bank in a central reserve city is merely obliged to keep 18 per cent of its demand deposits and 5 per cent of its time deposits,—one-third of the said 18 per cent to be in its vaults in cash, seven-eighteenths in the Federal Reserve Bank, and the balance either in its own vaults or in the Federal Reserve Bank. A bank in a reserve city has to hold 15 per cent of the aggregate amount of its demand deposits and 5 per cent of its time deposits,—it being necessary that one-third of the 15 per cent referred to shall be held in cash in its own vaults, while six-fifteenths, or two-fifths, are placed in the Federal Reserve Bank of its district, the remainder being optional. In country banks it is necessary that a 12 per cent reserve shall be maintained against demand deposits, with 5 per cent against time deposits, while of this 12 per cent only one-third, or four-twelfths, is ultimately to be carried in cash, and in the Federal Reserve Bank five-twelfths, the balance being optional as between the bank's own vaults and the Federal Reserve Bank.

Comparison of these figures with reserve requirements in the several States would be interesting, but time will not permit me to present a complete tabular view of the situation. Suffice it to say, therefore, that the reserves mentioned in the Act are not as great as those which are required of banks in the States whose laws have been best framed and are best executed. We must, therefore, reach the conclusion that the reserve requirements of the new system are not such as should prevent any bank from entering it. If legislation which is now pending before Congress should be put into effect by the Board, these reserve requirements would be made even lighter than those contained in the Federal Reserve Act itself.

What I have just said may be considered as bearing primarily upon the case of a State bank which is just organizing, has not become involved in any business transactions or complications, and is considering for the first time the question whether it shall affiliate itself with the Federal Reserve System or not. But, as a practical matter of fact, such banks are few in number. The question must be discussed from the standpoint of the State banks which have been in existence for years past, and which are active, going concerns, their funds involved in various transactions, and their credit committed to the support of various enterprises. What of such institutions? In a general way, I may say that it has been

*An address delivered before the American Bankers' Convention, Richmond, Va.

found that the two principal obstacles to the entry of such State institutions into the Federal Reserve System are as follows:

(1) The existence of a large element of real estate loans in the portfolios of the institutions;

(2) The existence of what are called "excessive loans," by which is meant loans to single persons or individuals, greater than the amount permitted under the National Banking Law.

It has been rightly assumed by the State institutions that they ought to eliminate these two grounds of criticism, if they expect to enter the system. A good many have suggested that they be given a reasonable amount of time to comply with the requirements of the system, it being recommended that such time should include a period ranging from six months to three years. It is probable that a good many institutions could, if they chose, get ready to enter in much less than a year, while there are others that could not successfully prepare themselves without having a much longer period than that.

Some able bankers have told me that, if they were given a very reasonable extension of time within which to bring their assets into conformity with the requirements of the National Law and of the Federal Reserve Act, there would be no doubt that they would enter the system in large numbers, either at once or as soon as the new banks are placed in practical operation. Whether they would do so or not, is, of course, simply a matter of opinion; but in the absence of definite information on the subject, it may be assumed that they would do so, since this is manifestly the view of many able State bankers who are entirely independent of one another and who come from sections of the country so widely separated that it cannot be assumed that they have merely taken their ideas from one another.

If it be supposed that the opinion thus expressed is approximately correct, then the question arises whether the Federal Reserve Board has the right to, or having the right ought to, grant the concession that is called for. The Board has taken no action on this matter, and no one can or ought to try to predict what is likely to be done. Exactly how far its powers would permit it to go may be an open question. Without seeking to pass upon questions which are still *sub judice*, it can only be stated, therefore, that all thoughtful men, studious of the interests of the banking community and of the Reserve System, do undoubtedly desire to see a large number of State banks included in the list of member institutions. Personally, it is my very strong hope and belief that a large number of them will be thus brought in, and under conditions which they can reasonably be expected to submit to during the transition period.

It will be observed, however, that all that has been said thus far has been based upon the assumption that the banks thus seeking to enter the system are banks of the same general kind or description as those which constitute the rank and file of the member banks to-day. That is to say, it is assumed that they are commercial banks. On even that point I think there is some confusion of thought in some parts of the country, and possibly among certain groups of bankers elsewhere.

The Federal Reserve System is essentially intended as a commercial banking system. It is therefore not desirable that any bank should enter the system unless it is doing or intends to do a commercial business. All those institutions which are engaged in operations that render it unnecessary or undesirable for them to comply with the commercial requirements, are, *ipso facto*, outside the range of banks that will be much benefited by membership. Although, technically speaking, every State banking institution willing to comply with the law may become a member of the Federal Reserve System, it is not desirable that those should do so whose business is essentially of a different type from that of the commercial banks of the country and which are, consequently, either forced to make a sacrifice, thereby subjecting their customers to discomfort or inconvenience in order to come in, or which are in some other way subjected to difficulty as a result of it. In a word, no State institution ought to think of entering the Federal Reserve System unless its business is of a distinctly commercial type. Granted that, there is every reason why it should come in; but granting that its business is of a different type, the case changes.

It seems to have been supposed by some banks that they must enter the Federal Reserve System in order to get the benefit of it. That is only partially true. If the Federal Reserve System attains the objects for which it is intended, it will do so because of the fact that it modifies the whole banking situation. It will provide a market for commercial paper, and it will tend to bring discount rates to a degree of uniformity that has never before been possible. When the conditions are such throughout the country that commercial paper of known value can be marketed, and when, through the development of the principle of combined reserves, panic dangers are largely eliminated, every institution, whether a member of the Reserve System or not, will get the benefit of the improved situation. Of course, this result cannot be reached unless a sufficient number of commercial banks are joined together in the system. Enough are already members practically to insure this state of things, but the assurance will become more and more distinct as more and more of the commercial banks join. Should they all enter, the system will gain no additional strength by the incorporation of members whose business is of a primarily investment character, even though they technically comply with the reserve requirements. Neither will the institutions themselves profit particularly by such membership. They will get the advantages of the system in any case by being enabled to borrow under more favorable conditions from the member banks which have rendered their own assets more liquid through their own membership in the system, and have thereby enabled themselves readily and regularly to afford such aid as may be asked for by their banking customers. When we hear the statement, therefore, that it is to be hoped that all institutions will ultimately become members of the Federal Reserve System, the wish must be regarded as based on enthusiasm, rather than on knowledge.

In what I have said thus far I have merely outlined the conditions as I think they must appear to a business man. But your Committee has also asked me to consider the probabilities of the future. This leads into the realm of prophecy, and I am thoroughly aware of the dangers it involves. It is, however, possible to express a few opinions in regard to the general situation. At the present time, a moderate number of State institutions of all kinds have affiliated themselves with the system, including both banks and trust companies. Without giving exact figures it is fair to say that thus far only a very small percentage of State institutions has seen fit to join. Two questions arise in this connection: the one, why more have not joined; the other, whether more will join in the near future. Many persons regard the smallness of the number of State institutions that have already joined as indicating that the system does not appeal to State banks. I have already indicated some reasons for thinking that this should not be the case, and, in fact, for believing that it is not. It may be inquired: What then is the reason why so few State institutions have become members? In general, my answer to this would be that the State institutions have not joined, simply because they did not have to do so. The banker, above all other men, is a conservative. His func-

tion is that of supplying conservatism in business. He insures credit; he guarantees that other men's judgments are more or less correct. If left to himself, he will move slowly and look before he leaps, and his mistakes will be those which grow out of adherence to routine, rather than those which are due to rashness, haste and desire for change. A good many State bankers, who have not had the compelling motive for coming into the system at once that was felt by the National banks, have therefore waited to see how the situation would develop. As nearly as I understand, many are now on the margin of doubt. If conditions open favorably, they will naturally be attracted into the system in considerable numbers; if the reverse, they will probably prolong their period of waiting. Believing as I do that the Federal Reserve System will be made to operate successfully from the start, my disposition is to think that there will, at an early date, be many new members who will come from among the State banks, and that they will join within a comparatively short time after the Reserve Banks are actually open. Assuming, however, that such should not prove to be the case, and that no rapid movement of State institutions into the system occurs—what then?

It is probable that State bankers who have what to them seems a good reason for postponement of action, will continue to find such reasons for some time to come and will not bestir themselves to join the system until a very distinct fresh motive is afforded to them for so doing. What will that motive be? It seems to me that the motive is hardly likely to be found in the mere lack of opportunities for rediscount. If the rediscount plan operates as it is expected to, State banks will get the benefit of it indirectly, by finding themselves able to dispose of their paper on favorable terms in the open market, without necessarily going to a Federal Reserve Bank for their accommodation. It is rather to be expected that the motive tending to lead State bankers to enter the system will be found in the clearing function. If the clearance provision in the Federal Reserve Act proves successful, it may be expected that business will be transferred to the member banks by those who will appreciate the immense advantage open to them as a result of the provisions freeing them from the oppressive conditions to which they have been subjected in regard to domestic exchange. It will be imperative for State banks to place themselves upon as good a foundation for appealing to the public in this regard as that upon which the member banks rest. We may say, therefore, that the early entry of State banks into the system depends in a very large measure on the way in which the clearance feature is handled and on the extent to which the clearing function is taken over by the Federal Reserve Banks, under instructions from the Federal Reserve Board. Provided that this work is undertaken courageously and successfully, the result will be to enlarge very greatly the membership of the Federal Reserve System. This opinion I advance simply as a personal opinion and under the restrictions and limitations already outlined. I do not pretend to foresee or predict the future; I analyze only the situation as it appears to me to-day.

Another question of longer range, and of equally great moment, is this: Will the Federal Reserve System tend to enlarge the National system of banking, or to limit it? In other words, will the future of State institutions under the Federal Reserve Act be a future of gradual conversion into National banks, or will the State institutions find their ranks gradually enlarging until ultimately the banking system of the United States consists of a body of banks organized under State law and federated together in twelve Federal Reserve institutions, the National banks being either extinct or on the road to extinction? In much of the banking discussion of the past two or three years, it has been stated that the drift of things was toward the elimination of the National bank. This was on the ground that, with the bond basis for currency issue definitely removed, there would be no particular reason why a National bank should exist; while with the privilege of membership in the Federal Reserve System open to State banks, it would be largely a matter of indifference under which system an institution might organize. At times it has seemed to me that those who thus argued had a rather substantial basis for their predictions. And yet since the adoption of the Federal Reserve Act, the National system has grown rapidly. During that time there have been organized about 164 National banks. And this rate of growth is essentially the same as in recent years. There seems to be little disposition on the part of already established banks to leave the system, but, on the contrary, the process of new organization continues as I have noted. It may be inquired whether this is not due to the fact that long experience has not been had with the new system, so that men naturally tend to follow in the groove marked out by custom, even though there are factors working against that course. Were this question to be answered in the affirmative, we should have to conclude that the probable relation between National and State banks under the Federal Reserve System and the relative growth of the two groups would be a matter for future determination, as to which no positive opinion could be expressed to-day. To some extent this is undoubtedly the situation. Some States have already been making vigorous efforts to hold their own banks under State law. An example is seen in the case of the State of New York, which has recently liberalized its Banking Act, shaping a piece of legislation which some believe is more favorable to satisfactory banking than the National Act, as modified by the Federal Reserve Act. Observe, however, that this action has been taken in order to prevent State banks from converting themselves to National banks. The problem before us just now is the converse of that, and is, whether there will be a drift of National institutions into the State system. It would seem that there is good ground for believing that, as a result of banking discussion and largely in consequence of the unifying influence of the Federal Reserve System, there will be a much stronger drift than heretofore toward standardization of bank examinations and of banking legislation. The Federal Reserve Act will have a very powerful influence in bringing about uniformity of conditions in examining banks and in controlling them generally. If such uniformity be rightly developed, may it not be supposed that banks already holding either a State or a National charter will continue as they are now? May it not also be assumed that, there being less variation of the conditions under which the two systems are operated, the choice whether to enter a State or the National system will be of relatively trifling importance, so that banks will enter one or the other in very much the same ratio as at present, or perhaps in substantially proportionate numbers?

It seems to me that this is the direction in which conditions are drifting, looking at the matter from a long-range standpoint. So long as the State banks are allowed to become members of the Federal Feserve System, and so long as the effort to standardize National and State banking legislation is in progress, I do not see why one set of conditions should not offset the other, and each system continue fairly well to hold its own. But in all this, of course, it is recognized that we are speaking of the future; nothing positive can be said, and no one can reasonably dogmatize about the probable outcome. Conditions may suddenly change, as they have in the past; and if they do a new and unexpected drift may at any time be given to the course of banking development.

From what has been said, you will see that I am not inclined to speak very confidently or positively of the future, on any of the points under discussion. In fact, the present is of more import-

ance than the future, because what happens later is the direct outgrowth of what is done to-day. For the present the problem is perfectly clear. It is, from the standpoint of the Federal Reserve System, to extend its borders as widely as it legitimately can among commercial institutions, bearing in mind and having due regard to the requirements of commercial banking, and always with the desire to take in only sound and well-managed institutions, as well as those whose business is of a type that conforms substantially with the provisions of the law. From the standpoint of the banks, it will evidently be worth while for State institutions to conform to the reasonable requirements of the Federal Reserve Act in the matter of capital, reserves and examination, if by so doing they can get any real or substantial advantages for themselves. That they can get such advantages, not merely in rediscounts, but also in clearing their items and in performing various other banking operations, and that they can materially advantage themselves and their customers by becoming members of the Federal Reserve System, is, I am sure, the general belief of those who are most familiar with National and State laws. Uniformity of management, simplicity in domestic exchange, ability to bring aid to those institutions or sections where aid is needed, and to afford opportunities for fluid and legitimate investment to those parts of the country which have super-abundant funds, will be promoted by the extension of the membership of the Federal Reserve System. When all has been said and when every consideration has been taken into account, I believe that the thoughtful and non-partisan banker will conclude that the question of membership is one that goes beyond the bounds of immediate business profit. In the course of my remarks to-day I have endeavored to consider the problem with some little detail from the business standpoint. But banking on its higher side is, in my view of the case, a profession. It has its professional standards and its professional requirements. It performs an important public function. The banker must, therefore, consider not only what dividends he can make for his stockholders and what losses he can prevent them from incurring, but he must also think of the fulfillment of this public function in the best way. In the United States we have long suffered from incompatibility and divergence of banking methods. An opportunity is now given for standardization and for improvement of practice. Should not the State banks of the country, which have so long borne an honorable and distinct part in the promotion of the country's commercial welfare, and many of which have charters running back for a long period prior to the formation of the National banking system, stand ready to join in the effort to further the success and insure the greater soundness of banking methods in the United States? They can, if they will, attain these objects by affiliating themselves with the new system and by helping, through their influence and example, to make it a success. It is, I think, to be hoped that they may look at the question from some such standpoint as this, and, in consequence, give their direct aid and support to the Federal Reserve System, as well as draw aid and support from it,—becoming members of it and undertaking to give the fullest possible effect to the beneficial ideas embodied in the Act of 1913.

OUR COMMERCIAL FUTURE IN CHINA

OF China it may be said, probably with greater accuracy than of any other nation, that it is in its commercial infancy. During the year 1913 the Chinese imported foreign goods to the value of $1 per capitum. The United States, in spite of its rich and varied home production, imported foreign goods to the value of $18 41 per capitum. A better idea of the relative insignificance of China's import trade may be gathered from a comparison with the per capita imports of a few European countries: for example, France imports foreign merchandise to the value of $40.11 a year, the United Kingdom to the value of $79.38 a year, and the Netherlands to the value of $236.40 a year.

China's imports in 1913 amounted to a total of $416,000,000. Of this amount the United States supplied 6.2 per cent, or a value slightly over $26,000,000. Japan, as a near neighbor, supplied a value of nearly $90,000,000. Germany's share was $20,000,000, Russia's $16,000,000, Belgium's $11,000,000, and that of France less than $4,000,000. Great Britain's share was by far the largest, but owing to the peculiar circumstances surrounding the transshipment of merchandise at Hong Kong, it is hard to estimate it closely. However, the direct shipments of Great Britain to China amounted in 1913 to over $70,000,000; the American Consul General at Shanghai estimates that 60 per cent of Chinese imports through Hong Kong are British in origin, which would add approximately $48,000,000 more, or a total of over $118,000,000. In addition to this, there were imports from British India of $35,000,000, from the Crown Colony, Straits Settlements, of over $6,000,000, and from Canada of $1,000,000, a total of over $42,000,000. The total of Chinese imports under the British flag, therefore, amounted to not far from $165,000,000, or nearly 40 per cent of the total value of Chinese imports in 1913.

The character of China's imports is not remarkably varied. The demands of her people have been fixed through many centuries, and the companies which have made notable progress in introducing new commodities have succeeded in doing so only through years of persistent effort, and large expenditures of money. The Standard Oil Company and the American Tobacco Company are the two instances most notable in the United States. Chinese imports of American kerosene in 1913 reached the value of nearly $10,500,000, and cigarette imports jumped from a value of less than $6,500,000 in 1912 to a value of over $9,000,000 in 1913, of which the United States supplied over 11 per cent.

The principal imports into China during 1913 were under the head of cotton goods. Opium, sugar, metals, and kerosene were next in order. The list printed below shows in round figures all lines in which imports during that year reached a value of $5,000,000 or over.

LEADING IMPORTS INTO CHINA, 1913.

Cotton goods	$110,000,000	Fish	$10,000,000
Opium	29,000,000	Flour	8,000,000
Sugar	26,000,000	Coal	6,000,000
Metals	19,000,000	Paper	5,000,000
Kerosene	18,000,000	Leather	5,000,000
Rice	13,000,000	Clothing	5,000,000
Tobacco	12,000,000	Arms and ammunition.	5,000,000
Dyes	12,000,000		

Obviously the United States would not be interested to enter the competitive field for all these leading items of the China trade. Opium is at once stricken out. We could hardly compete with the sugar producers of the Dutch East Indies or the Philippines. Germany has supplied 95 per cent of the dyes. There are opportunities under many branches of the cotton goods trade, however; and several excellent opportunities exist in the less developed lines, such as, to take a few miscellaneous examples, paper, hosiery, clocks and watches, meats, and railway materials. The best and most recent technical summary of this subject is to be found in the report of Consul General Sammons, stationed at Shanghai, published in the Daily Consular Reports of the Department of Commerce, under date of November 7, 1914.

In the export field, China, though a commercialy young nation, showed a value for the year 1913 considerably below that of imports, the balance of trade having been against the country to

the amount of $122,000,000. Of the total export value for the year of $294,000,000, the United States took $27,000,000; Japan, $53,000,000; Russia, $32,000,000; France, $29,000,000, and Germany, $12,000,000. It is notable that France purchased from China over seven dollars' worth of goods for each one dollar value of French goods sold to China. On the other hand, Great Britain, the largest seller to China, took in return only a value of $12,000,000 in direct purchases, plus a portion of the $85,000,000 of exports from China by way of Hong Kong. If Great Britain took 60 per cent of Chinese exports to Hong Kong the total value of British purchases from China did not exceed $62,000,000.

The export figures of China show even more strikingly than do the import figures the comparatively undeveloped condition of the country. In 1913 Chinese exports were less than $0.80 per capitum, as compared with a per capita export average of $24.66 for the United States, $32.71 for France, $51.94 for the United Kingdom, and $203.69 for the Netherlands. Raw materials largely preponderate in China's list of exports. Manufacturing is being developed with considerable rapidity, and promises, both on account of the manual skill of the Chinese people, and the low cost of labor, to present a formidable front in the competition for the world's markets. During the year 1913, however, under the head of silk exports, manufactured goods, chiefly piece goods and pongees, reached a value of only $15,000,000 as compared with unmanufactured silk to the value of over $60,000,000. Silk and its manufactures are well in the lead of Chinese export values. The following table shows in round figures all lines in which exports in 1913 reached a value of $5,000,000 or over:

LEADING EXPORTS FROM CHINA, 1913.

Silk	$75,000,000	Metals and minerals	$10,000,000
Beans and bean cake	35,000,000	Oils, vegetable and essential	9,000,000
Tea	24,000,000	Cereals	6,000,000
Hides and skins	15,000,000	Animals	5,000,000
Seeds	12,000,000	Wool	5,000,000
Cotton, raw	12,000,000		

Having reviewed the foreign commerce of China, which is the chief basis of our economic interest in the country, it will be well to bear in mind that the Chinese themselves are in a period of transition. It is probably safe to say that the question of increasing our trade with China cannot be settled until the people have adjusted their internal differences and started forward along a road of solid creative expansion. The present government is republican in form, with President and Cabinet, Vice-President, Senate, and House of Representatives. There are also various foreign advisers, representing the leading nations of the world. Professor Frank J. Goodnow, who resigned his post as legal adviser to President Yuan Shih-K'ai several months ago to become President of Johns Hopkins, is inclined to think the new government is working satisfactorily. Dr. Goodnow, in an interview published recently in the New York "Evening Post," spoke of changes of dynasty in China, and stated that they had been followed by periods of disorder lasting from ten to fifty years. There is every reason to believe that the present radical readjustment will require time to establish itself securely in the confidence of the Chinese people.

"When I left China," Dr. Goodnow continued, "the country was, in general, peaceful and prosperous, the revision of the salt tax had proved satisfactory in placing the finances on a firm basis, and while it is true that White Wolf was still at large, and there was still talk of disaffection in some quarters, the machinery of the Government was working well."

As to whether the Chinese are ready for popular government it is difficult for an American to judge. The facts underlying their status as a nation, however, are at least partially discoverable. In the first place the area of China is easily visualized by a citizen of the United States, for it is only a little less than the combined area of the United States and Mexico. The area of China is given in the Statistical Abstract of the United States as 4,277,120 square miles. On the same authority the area of the United States is 3,627,557 square miles, and that of Mexico 767,323 square miles, a total of 4,394,880 square miles. Taking a European country for comparison, it may be said that the area of China is roughly one-half that of Russia; or from a South American point of view it is a little less that the combined area of Argentina and Brazil, Argentina containing 1,139,196 square miles, and Brazil 3,291,416 square miles, a total of 4,430,612 square miles. The nature of Chinese topography is not unlike that of the United States, in that it contains mountain ranges, broad river valleys, and large expanses of prairie. As in the United States the principal agricultural section is in the Central and Southern portions. The climate, also ranges much as does our own, from arctic to semi-tropical.

The size of China's population has been a bone of contention for a generation. Within the past two months it has been variously stated in current periodicals as 442,000,000, 437,996,300, 336,042,000 and 326,000,000. The explanation of this wide discrepancy is not far to seek; for no accurate census machinery has been developed in China. It is none the less amazing that the variation between the smallest figure and the largest should be greater than the total population of the United States. The estimate of 442,000,000 is adopted by Consul General Sammons in the Daily Consular Report above referred to. The figure of 336,042,000 is apparently taken from the Statistical Abstract of the United States. By far the most plausible authority, however, appears to be the Statesman's Year Book for 1914, which adopts the estimate of 325,000,000. In commenting on the Chinese census of 1910 as published in the Government Gazette, the Year Book makes the following observation: "In 1912, Mr. Rockhill, formerly American Minister at Peking—a recognized authority—after careful inquiry came to the conclusion that 'this document, though showing complete ignorance of the methods now nearly universally followed in vital statistical reports, throws considerable light on the question of China's population and seems entitled to more confidence than the enumerations which have heretofore appeared.' He believed that the population of China, Manchuria, and Chinese Turkestan, i. e. the Chinese Republic exclusive of Tibet and Mongolia, appeared to be in round numbers 325,000,000, new information having confirmed the opinion reached by him in former studies of the same subject that the population of China 'is much smaller than we have been led to believe, and that in the last century it has been increasing very slowly if at all.'"

Taking the estimate of 325,000,000 as correct there still remains a population in China greater by two million than the combined population of Russia, Germany, the United Kingdom, France and Belgium. Of course, if the maximum estimate is adopted the population of the United States and Mexico could be added to these, still leaving a considerable margin in China's favor. In density of settlement China ranks well up in the list of nations, though far from being, on a comparative basis, highly congested. The population per square mile in China is 78.57 as compared with an average of 27.14 per square mile in the United States. This is well above Australia, for example, with its 1.59 per square mile, or Canada with 2.00, or Brazil with 7.39; and it is considerably denser than Russia with 20.02 inhabitants to the square mile. On the other hand it is well below the French average of 191.19; the German, of 316.56; that of Great Britain, of 345.79; the Japanese, of 354.18; or that of Belgian before the present war, namely 666.40.

There is a considerable urban tendency on the part of the

Chinese people but the size of urban population is popularly overestimated. Peking, the capital, had a population in 1912 of approximately 625,000. The other cities of 500,000 inhabitants or over were in the same year, Canton, with 900,000; Hankow, 826,000; Tientsin, 809,000; and Shanghai, 651,000.

The population is notoriously diversified in character. The people of the North, for example, in many instances have nothing in common with the Southerners, not even their language. The flag adopted by the new Republic a forcible witness to the varied origin of the races that it supplants the old yellow dragon with a banner of five stripes, representing the races of which the China of to-day is made up—red for the Mongol, yellow for the Chinese, white for the Manchus, blue for the Turki (from Chinese Turkestan), and black for Tibet. The actual foreign population of the country is very small. It was estimated in 1912 at slightly over 700,000, of which number the Japanese comprised more than half, or 350,000. The remainder was made up as follows: Russians, 47,000; British, 5,000; Americans, 4,000; Germans, 3,000; Portuguese, 3,000; and all others, 2,000.

The growth of [illegible] throughout China is doing much to unify the people. The development and widespread use of a common speech will go far to simplify the problems of the Republic. Then, too, the contact with Western civilization will increasingly inculcate a desire for industrial and commercial growth, with its necessary accompaniment of sound and peaceful internal conditions. But Dr. Goodnow, in the interview already referred to, brought out very clearly that the Chinese nation has not unlearned in a generation the carefully accumulated knowledge of so many centuries, nor ceased to carry on official business in the time-honored Chinese way.

"I think," he said, "that we in this country are apt to overestimate the influence of the returned student from America and Europe in China's latest crisis. These students are comparatively few in number, and are to be found chiefly in the coast cities. Their training has led them away from the educational traditions of their own country, and this fact has lessened the influence they would otherwise exert. In China it is still necessary that a man in public life possess literary qualifications, not merely a knowledge of the classics, but facility in writing in an artificial, conventional style, which abounds in allusions to the classics. There was a time not many generations back when an Englishman addressing the House of Commons could hardly win the attention and respect of the members without interlarding his speech with quotations from the classics. China has not outgrown this stage of development, and the classics are still a power. The young student from the West who fails to master the style in which official correspondence is conducted will be judged accordingly, and he will be under the disadvantage of not fully comprehending communications he may receive.

"A student returning from Japan is more fortunate. There also the Chinese student goes to learn wisdom, and he returns to China with the evidences of [illegible] special training Japan's schools afford, and at the same time with a working knowledge of his own code.

"It would be a mistake to expect the transformation of the old Empire into a republic, reproducing American governmental ideals in so short a time. This never has been done. A system has been developed and the foundation [illegible] for development along constitutional lines, and the people and the foreign element in China are delighted with the progress that has been made."

Another vital consideration in amalgamating so numerous a people in a country of such great distances is the transportation question. The length of railway in China in 1912 was 6,123 miles. In the same year there were 6,135 miles of railway in the State of Nebraska, 8,500 miles in the State of New York, and 236,816 miles in the United States. This mileage was an average of .2 miles for each 10,000 inhabitants in China, 50.3 per 10,000 in Nebraska, 8.9 per 10,000 in New York, and 25.9 per 10,000 inhabitants of the United States. The Chinese mileage, further, was in the ratio of 1.4 miles of railway for each 1,000 square miles of area, as compared with 83 miles of railway per 1,000 square miles of area in the United States. It is obvious that railroad building is a matter of prime importance to China, and the fact that European capital has been so largely concerned in financing it must now be considered in estimating the time which will be required for China to attain her industrial maturity. In this connection an observation of Consul General Sammons in his report on China is pertinent.

"Although many contracts for new railroad lines have been signed," says Mr. Sammons, "none of them has reached the construction stage. When the surveys are completed there will undoubtedly be a remarkable advance in imports of railway materials and supplies. American manufacturers are aware, however, that contracts of this kind usually provide that materials and supplies must be purchased in the country supplying the loan money. Materials will probably be received this year (1914) for the Pukow-Sinyang line and the extension of the Shanghai-Nanking Railway to Pinghsiang, both of which are British projects."

In this suggestion of Mr. Sammons with regard to the purchase of supplies from the country making a loan is contained a very large part of the secret of the preponderance of British trade in China which has been indicated above. The United States has hardly entered the competition for the commerce of the world. Her exports have amounted to less than 5 per cent of her national output, while the principal European countries have been exporting 60 per cent of theirs. As pointed out in this paper several months ago, the United States has not been outdistanced in a struggle which was vital to her. On the contrary, this nation may fairly be said never to have entered the modern commercial arena up to this time. If present circumstances provide the inspiration for a square entrance into the struggle, it can only be in a big way. The prize is tremendous. The Department of Commerce at Washington estimates the total trade of the world at $40,000,000,000. Of this amount, the United States, in 1913, contributed four and one-half billions. Surely this is not a field to enter upon in sporadic fashion or with anything but the best equipment. To win a share in Chinese trade, the full maturity of which will only be seen in the distant future, the people of the United States must contribute their share in helping the Chinese people to their feet. As further authority for this view as to our commercial future in China, there may be quoted, in concluding this review of the facts, the statement of Mr. Willard Straight, of J. P. Morgan and Company, made in the course of a recent speech as President of the American Asiatic Association.

"If and when stable conditions are restored in China," said Mr. Straight, "and if American investors can be induced to purchase Chinese securities, it is but reasonable to hope that we may be able once again to assume a more important commercial position in the Far East.

"Numerous opportunites will without question be offered to Americans. The ordinary exchange of commodities should be greatly stimulated. Any great extension of our trade, however, must depend upon our readiness to advance funds for China's development."

INDUSTRY, COMMERCE AND FINANCE

Crop Yields in the United States for 1914.—On Monday, November 9, the Bureau of Statistics of the Department of Agriculture issued its preliminary quantitative estimate of this year's production of corn, completing thus its list of estimates of all the major crops, except cotton, for the season of 1914. The following table gives the figures for all crops, with the final figures for 1912 and 1913 for comparison:

ESTIMATED YIELDS OF THE MAJOR CROPS IN THE UNITED STATES.

	1912. Final Figures.	1913. Final Figures.	1914. Est. Figures.
Corn (bushels)	3,124,746,000	2,446,988,000	2,705,692,000
Wheat (bushels)	730,267,000	763,380,000	891,950,000
Oats (bushels)	1,418,337,000	1,121,768,000	1,139,741,000
Barley (bushels)	223,884,000	178,189,000	196,563,000
Rye (bushels)	35,664,000	41,381,000	42,664,000
Buckwheat (bushels)	19,249,000	13,833,000	17,025,000
Flaxseed (bushels)	28,073,000	17,853,000	15,973,000
Potatoes (bushels)	420,647,000	331,525,000	406,288,000
Hay (tons)	72,691,000	64,116,000	63,604,000
Tobacco (pounds)	962,855,000	953,734,000	982,715,000

In addition to the aggregate figures of the production of the several crops, the Department of Agriculture has issued supplementary statements regarding the average yield per acre and the average farm price this season, as compared with previous seasons. In condensed form, these statements are as follows:

CORN.—The average yield per acre in 1914 is estimated at 25.7 bushels, as compared with 23.1 bushels last year, and an average for the past ten years of 26.7 bushels. The average farm price of corn on November 1, 1914, was 69.7 cents per bushel, as compared with 70.7 cents last year. The estimated acreage planted to corn in 1914 was 105,067,000 acres, against 106,884,000 acres in 1913.

WHEAT.—Average yield per acre in 1914, 16.7 bushels, compared with 15.2 bushels in 1913, and a ten-year average of 14.4 cents. Farm price on November 1, 1914, 96.2 cents per bushel, compared with 77 cents in 1913. Weight per measured bushel, 58 pounds for 1914, against 58.7 pounds last year and a ten-year average of 57.9 pounds.

OATS.—Farm price for 1914, 42.5 cents per bushel, against 37.9 cents in 1913. Weight per measured bushel 31.5 pounds for 1914, compared with 32.1 pounds for 1913, and a ten-year average of 31.7 pounds.

BARLEY.—Farm price for 1914, 51.3 cents per bushel, compared with 54.7 cents in 1913. Weight per measured bushel, 46.2 pounds in 1914, against 46.5 pounds in 1913, and 46.8 pounds for the ten-year average.

RYE.—Farm price for 1914, 86.6 cents per bushel, compared with 63.2 cents for 1913.

BUCKWHEAT.—Average yield per acre in 1914, 21.4 bushels, compared with 17.2 bushels in 1913, and 19.7 bushels for the ten-year average. In 1914, the farm price of buckwheat has average 78.1 cents per bushel, as compared with 75.5 cents in 1913.

* * *

British Trade in October.—According to the estimate of the British Board of Trade, the imports during October, 1914, amounted to £51,559,000, or $257,795,000. This is a decrease of £20,171,000, or $100,855,000, as compared with October, 1913. It is an increase, however, over the amount for September, 1914, of £6,507,000, or $32,535,000.

Exports for October are placed at £28,602,000, or $143,010,000, a falling off of £18,021,000, or $90,105,000 from the figures for October, 1913. The October export total, however, shows an increase of £1,900,000, or $9,500,000 over that of September, 1914.

The chief decline in imports is shown under the head of raw cotton from the United States, which fell off $27,500,000; under that of raw cotton from Egypt, which declined $7,500,000, and under that of manufactured articles, which showed a loss of $35,000,000, as compared with the corresponding month in 1913.

The chief losses in exports were those in manufactured goods, amounting to $67,500,000; in cotton yarns, amounting to $26,250,000; in wool yarns, amounting to $6,250,000; and in coal, amounting to $10,000,000.

The following figures show the total value of imports and exports for the past five months as compared with the corresponding months in 1913, and the total value of imports and exports for the first ten months of 1914 and 1913:

BRITISH TRADE, 1913 AND 1914 (IN PART).

Imports.	1914.	1913.
October	£51,562,000	£71,732,893
September	45,056,086	61,359,086
August	42,362,034	55,975,704
July	59,383,792	61,783,683
June	58,272,042	58,309,519
Exports.		
October	£38,158,000	£56,178,843
September	33,527,877	49,277,877
August	28,631,104	52,261,228
July	52,231,296	55,475,551
June	48,626,410	51,377,685
Ten Months.		
Imports	£574,079,311	£629,518,149
Exports	465,702,569	529,304,884

* * *

Money Circulation in the United States on November, 2, 1914.—The Treasury Department's monthly statement of the money in circulation and of the total stock of money in the United States, shows that on November 2 the total amount of money in circulation was $3,715,522,306, as compared with $3,694,748,196 on October 1,—an increase of $40,774,110 for the month. The general stock of money in the United States on November 2 was $4,055,483,117, as compared with $4,037,735,626 on October 1,—an increase of $17,747,491. During the month of October there was a decrease of $26,421,966 in the country's stock of gold and an increase of $43,584,135 in the amount of bank notes (including emergency currency). The per capita circulation of money in the United States on November 2, 1914, was $37.31, as compared with $37.15 on October 1, 1914.

The following tables show the amounts of the various kinds of money in circulation and the general stock of the same on November 2, 1914, with comparisons for previous months and years:

MONEY IN CIRCULATION.

	Oct. 1, 1914.	Nov. 2, 1914.	Nov. 1, 1913.	Jan. 1, 1879.
Gold coin	$657,944,193	$665,854,219	$614,478,201	$96,262,850
Gold certificates†	931,390,259	913,347,859	1,021,451,879	21,189,280
Standard silver dollars	70,724,311	70,273,451	74,012,152	5,790,721
Silver certificates†	482,892,121	482,776,199	480,079,731	413,360
Subsidiary silver	161,565,114	162,470,390	160,486,188	67,982,601
Treasury notes of 1890	2,388,789	2,377,389	2,583,874	.....
United States notes	336,974,240	334,903,719	341,401,413	‡310,288,511
National Bank notes	$1,050,869,169	$1,083,519,080	722,616,240	314,339,398
Totals	$3,694,748,196	$3,715,522,306	$3,417,109,678	$816,266,721

TOTAL SUPPLY OF MONEY IN THE UNITED STATES.

	General Stock of Money in the United States.		*Held in the Treasury as Assets of the Government.	
	Oct. 1, 1914.	Nov. 2, 1914.	Oct. 1, 1914.	Nov. 2, 1914.
Gold coin (including bullion in Treasury)	$1,861,838,264	$1,835,416,298	$230,116,202	$222,582,210
Gold certificates†	.....	.....	42,387,610	33,632,010
Standard silver dollars	565,878,478	565,886,478	1,787,167	1,781,027
Silver certificates†	.....	.....	10,474,879	11,055,801
Subsidiary silver	183,059,092	183,644,414	21,493,978	21,174,024
Treasury notes of 1890	2,394,000	2,386,000	5,211	8,611
United States notes	346,681,016	346,681,016	9,706,776	11,777,297
National Bank notes	$1,077,884,776	$1,121,468,911	27,015,607	37,949,831
Totals	$4,037,735,626	$4,055,483,117	$342,987,430	$339,960,811

*This statement of money held in the Treasury as assets of the Government does not include deposits of public money in National Bank Depositaries to the credit of the Treasurer of the United States, amounting to $65,742,794.98. For a full statement of assets see Public Debt statement.

†For redemption of outstanding certificates an exact equivalent in amount of the appropriate kinds of money is held in the Treasury, and is not included in the account of money held as assets of the Government.

‡Includes $33,190,000 Currency Certificates Act, June 8, 1872.

§Includes additional circulating notes issued under authority of act of May 30, 1908, as amended by acts of December 23, 1913, and August 4, 1914.

INSURANCE

THE New York Workmen's Compensation Commission has adopted the popular course by announcing that the State Fund for the insurance of employers against workmen's compensation risks will pay to such employers as are insured with the Fund a premium dividend of 15 per cent upon the six months' policies expiring December 31, 1914, and promises, that there will be a further reduction of 11½ per cent from the manual rates approved by the New York Insurance Department, upon all renewal policies with the State Fund. It is to be presumed that the premium rate reduction will apply also to new policies taken out with the State Fund on and after January 1, 1914. As the premium rates adopted for the State Fund before the workmen's compensation act went into effect on July 1 last, were 8½ per cent lower than the manual rates to which the liability insurance companies must conform, under the authority of the New York Insurance Department, the new premium rates of the State Fund will be 20 per cent lower. On the face of it, this is an enormous disparity in favor of the State Fund, and no doubt the Workmen's Compensation Commission anticipates a multitude of transfers of policies from the private insurance companies to the State Fund. We may expect that this exodus will be publicly urged by Chairman Dowling, of the Commission, with all the alluring generalities about the wonders wrought by the Commission itself and by the State Fund, which have characterized his utterances from the beginning. We have already been told by him that the Commission is able to conduct its operations, despite the newness of its organization and the lack of experience of its officials, at the lowest expense ratio ever attained by any body charged with the administration of workmen's compensation in the world,—i. e. "within 7 per cent," while the best the Germans have been able to do, with large expense items met by the Government, is about 12 per cent. It is, therefore, easy to imagine with what unction he will point to the ability of the State Fund to write workmen's compensation insurance at rates 20 per cent lower than those which have been determined to be the minimum rates compatible with safety which the liability insurance companies may use. And he will, of course, add that by means of the system of schedule rating which the Commission is putting into effect for the State Fund, the premiums required will undergo a further large reduction for those employers whose plants are provided with approved safety devices. Thus all will tend to show the unapproachable superiority of the State Fund as a carrier of workmen's compensation insurance in the State of New York.

It is impossible to foretell what effect these representations and the [illegible] of the Commission will have upon the minds of New Yorkers [illegible]. Nor is it known what steps, if any, will be taken [illegible] insurance companies to meet conditions [illegible] from bearing out as justified [illegible]. But it is extremely difficult for a [illegible] compensation the world over [illegible] of a public body [illegible] most important [illegible] and disregard of the [illegible] matter. It has been [illegible] that [illegible] rates lower, and with the [illegible] that the [illegible] whatever [illegible] of the claimants [illegible] rates which are adequate to meet them. It is [illegible] that it is possible [illegible] by [illegible] that [illegible] to arrive at the actual cost to itself of the reported and adjusted accidents of the first six months of its existence. The New York State Fund, for example, has undoubtedly attempted to determine actuarily the total cost of such accidents as it has been called upon to compensate from July 1 up to the present time; and it is on the basis of this calculated cost that a dividend of 15 per cent has been declared as returnable to the Fund's policyholders. But the truth is that whatever actuarial computation has been made has necessarily involved pure assumptions of the most far-reaching kind. Thus, a factor that must very greatly affect the ultimate cost of accident compensation, under a law like that of New York, is the expectancy of remarriage on the part of widows of victims of fatal accidents. But who knows what the remarriage rate will prove to be in the State of New York? There is absolutely no statistical experience on the subject in this country,—the only extensive data available being the remarriages of widows of Civil War and Spanish War soldiers and veterans as shown by the records of the Pension Office, which data, however, have never been studied from an actuarial point of view. The New York Commission has adopted in this connection remarriage tables compiled by the Dutch governmental insurance authorities; but there is every reason to believe that marriages and remarriages, unlike deaths and accidents, vary widely in their averages from country to country. Social customs and standards of popular morality may obviously have a very great influence. In the Scandinavian countries, for example, where the illegitimacy rate is the highest to be found anywhere in the civilized world, it is to be expected that the remarriage rate would be low, because of the lack of social disgrace in the working classes attending irregular unions and the strong motive for irregularity in the continuing pension itself. Now, the illegitimacy rate in Holland is far lower than it is in the Scandinavian countries,—indeed, compares favorably with that in countries like England, France and Germany, and it may be presumed that the Dutch remarriage rate is not materially affected by an exceptional standard of popular morals with regard to irregular unions. But the body of Dutch workers is in all kinds of ways different in social and economic conceptions from the body of American workers. It must, therefore, long remain a matter of assumption pure and simple that, in an actuarial calculation of the ultimate cost of the accidents occurring among American workers, the Dutch remarriage rate will prove to be dependable. It is, doubtless, the best guide we as yet have, but all that can be said of it is that, in default of actual American experience, it may be used with a wide margin of error.

The illustration just given is only one out of many that might be given of the extensive element of assumption that necessarily finds a place in workmen's compensation cost calculations under a new, untried and in many essential points uninterpreted act like that of New York. It is a rule so general that it may almost be called a law that early estimates of the cost of workmen's compensation are invariably far too low; and this is especially true where the estimators are public officials with political instincts and a desire to magnify their achievements in the public eye. In all the States in the Union in which workmen's compensation has either been made a public monopoly or been entrusted in part to the management of public officers the same phenomena have presented themselves—premature acceptance of the early and still incomplete experience as final, triumphant comparison of the cost results of this experience with the mature and of course far higher cost results of private insurance carriers, and efforts to seduce business from these private insurance carriers on the ground of their unnecessary and extortionate charges. It is a condition of things which only time, with its unerring finger, can set right.

THE INAUGURATION OF THE CASUALTY ACTUARIAL STATISTICAL SOCIETY OF AMERICA

MORE than a mere incident of temporary interest and importance, the first meeting of the new-formed Casualty Actuarial and Statistical Society of America has taken its place on the records of solid insurance achievement, of constructive work well done. The first meeting of this society was held at the City Club, New York City, on Saturday, November 7. The transactions of this meeting are chronicled here, both because of their probable,—almost certain,—future historical interest and because they indicate a mile post along that endless road of development upon which liability insurance has entered, recently as compared to many other branches of insurance, to be sure, but which must be followed to its ultimate conclusion.

A society such as the present organization was first suggested by Mr. Stanley L. Otis some years ago, but at the time did not receive sufficient support to warrant its formation. Thus it was not until last June that the organization committee, consisting of Dr. I. M. Rubinow, Chief Statistician of the Ocean Accident and Guarantee Corporation, Temporary Chairman; C. E. Scattergood, Assistant Secretary of the Fidelity and Casualty Company, Temporary Secretary; J. F. Mitchell, Secretary of the Maryland Casualty Company; B. D. Flynn, Assistant Secretary of the Travelers Insurance Company; E. Scheitlin, Statistician of the Globe Indemnity Company; and Frank R. Mullaney, of the Statistical Department of the Fidelity and Casualty Company, began their work of securing memberships and preparing for the first meeting. On July 27 the committee sent out membership invitations to those whom they knew to be interested in casualty actuarial and statistical work, and asked them to suggest the names of others interested in the same lines of work. In this manner the charter membership was secured. The list is as follows:

CHARTER MEMBERS.

W. C. Archer
W. M. Amerine
F. S. Baldwin
Roland Benjamin
S. Bruce Black
William Breiby
Richard Brodin
George B. Buck
W. A. Budlong
E. E. Cammack
R. V. Carpenter
Charles T. Conway
J. A. Copeland
W. G. Cowles
A. H. Craig
J. D. Craig
J. M. Craig
Thomas F. Daly
Samuel Davis
A. B. Dawson
M. M. Dawson
E. H. Dearth
E. H. Downey
L. I. Dublin
Lester Egbert
S. Epsteen
David P. Fackler
E. B. Fackler
E. S. Fallow
Henry Farrer
F. M. Fitch
B. D. Flynn
Charles S. Forbes
C. H. Franklin
Harry Furze
T. E. Gaty
E. S. Goodwin
W. H. Gould
W. J. Graham
R. E. Grandfield
W. W. Greene
R. C. L. Hamilton
H. P. Hammond
C. M. Hansen
R. J. Hillas
R. J. Hoage
S. Milligan
C. G. Reiter
David Miller
F. L. Hoffman
Charles Hughes
B. A. Hunt
Arthur Hunter
W. I. King
Edwin W. Kopf
Frank E. Law
J. R. Leal
T. A. Lehmann
William Leslie
D. G. Luckett
W. N. Magoun
W. B. Marsh
G. F. Michelbacher
J. F. Mitchell
George D. Moore
W. S. Moore
James Morrison
A. H. Mowbray
Henry Muir
F. R. Mullaney
C. L. Newmiller
L. A. Nicholas
E. Olifiers
R. K. Orr
Stanley L. Otis
J. J. Pallay
E. B. Phelps
C. H. Remington
I. M. Rubinow
H. E. Ryan
A. F. Saxton
C. E. Scattergood
E. Scheitlin
Leon S. Senior
J. W. Smiley
Edwin Starkey
R. J. Sullivan
John L. Train
A. W. Whitney
L. J. Wolfe
S. H. Wolfe
H. R. Woodward
J. H. Woodward
William Young
E. C. De Ray
J. S. Thompson
J. F. Larkin

The meeting was called at three o'clock in the afternoon, and, after an introductory address by Chairman Rubinow, a constitution and by-laws were adopted, subject to later modification, according to suggestions from a committee appointed by the chair. The constitution and by-laws included the following provisions:

"The Casualty Actuarial and Statistical Society of America has for its object the promotion of actuarial and statistical science as applied to problems of casualty insurance, by personal intercourse, the presentation and discussion of appropriate papers, the collection of a library on subjects pertaining to these problems, and such other methods as may be found desirable. For the purposes of this organization casualty insurance shall consist of lines of insurance covered by the miscellaneous annual statement uniform blank at present in use and approved by the National Association of Insurance Commissioners.

"Those eligible for fellowship are persons who are or shall have been in charge of actuarial or statistical departments of casualty insurance companies, or of organizations or associations connected with casualty subjects. In this class shall also be included those who have made valuable contributions to actuarial science or statistics as related to casualty subjects. Those eligible for associate membership are persons in actuarial or statistical departments of casualty insurance companies or any other persons who evince a desire to study actuarial science or statistics as related to casualty subjects.

"The Council shall establish a system of examinations for the admission of associate members to fellowship. Associate members and fellows who have qualified through the passing of such examinations shall be admitted by the majority vote of the members at a regular meeting.

"The Council shall have power to admit without examination to either class of membership, but a two-thirds vote of members present at a regular meeting shall be necessary for admission to such members."

The officers elected consist of President, Dr. I. M. Rubinow, Chief Statistician of the Ocean Accident and Guarantee Corporation; Vice-Presidents, B. D. Flynn, Assistant Secretary of the Travelers Insurance Company, and A. H. Mowbray, Actuary of the Massachusetts' Employees Insurance Association; Secretary-Treasurer, C. E. Scattergood, Assistant Secretary of the Fidelity and Casualty Company; Librarian-Auditor, W. W. Greene, Assistant Actuary, New York Workmen's Compensation Commission; members of Council; J. D. Craig, Assistant Actuary, Metropolitan Life Insurance Company; Robert K. Orr, Manager State Accident Fund, Lansing, Mich.; F. L. Hoffman, Statistician, Prudential Insurance Company, and A. W. Whitney, Manager, Workmen's Compensation Service Bureau.

After the formalities of organizing were completed, the meeting was addressed by Mr. A. R. Marsh, of THE MARKET WORLD AND CHRONICLE, who laid emphasis on the broad scope and possible value of the society, both to the companies and to the public at large, and complimented the members collectively on recognizing the necessity for such an organization. The meeting then proceeded to the reading of papers by Dr. I. M. Rubinow on "Scientific Methods of Computing Compensation Rates" (given in full on other pages of this issue); by Mr. A.H. Mowbray on "How Extensive a Payroll Exposure is Necessary to Give a Dependable Pure Premium"; by Mr. D. W. Greene on "Valuation of the Death Benefits Provided by the New York Compensation Law"; and by Mr. C. E. Scattergood on "Reserving Under Workmen's Compensation Insurance by a Method of Pure Premium Losses." It is the purpose of the Society to publish in its "proceedings" papers accepted by the Council and presented at the meetings, the "proceedings" to be issued from time to time. Arrangement will be made for exchanges of proceedings with other organizations interested in statistical work.

The meeting was then adjourned and the members dispersed until seven o'clock, when dinner was served at the City Club. The President-elect, Dr. I. M. Rubinow, called upon one representative of each of the different varieties of work represented on the occasion to speak. The first was Mr. Arthur Hunter, former Vice-President of the Actuarial Society of America, who assured the Society of the friendly interest of the older organization. Then followed Mr. F. L. Hoffman on "Statistics in General"; Mr. M. M. Dawson on "Various Aspects of Social Insurance"; Mr. Charles Hughes on "State Insurance Departments"; Mr. Frank E. Law, as one of the earliest casualty actuaries; Mr. J. H. Woodward on "State Insurance Funds"; Mr. Elmer H. Dearth on "Mutual Compensation Insurance Companies"; Mr. Stanley L. Otis, as one who some years ago conceived the idea of such a society; Mr. C. E. Scattergood on "The Present Plan of Securing and Compiling Statistics by the Workmen's Compensation Service Bureau"; and Mr. E. B. Phelps, as the representative of the insurance press, on the value of accumulated statistics as a means of educating public opinion as to the truth about insurance. The meeting then came to an end.

Thus, almost at one stroke the machinery has been established for the scientific carrying on of the business and study of liability insurance. The work of the Workmen's Compensation Service Bureau, described in the issue of this paper for October 31, has provided for the gathering of data and the organization of this new Society has provided for the use of that data with the greatest possible efficiency. The scope of the Society is even larger than that of the Bureau, however, since it includes all branches of liability insurance. The machinery having been provided, the future is now in the hands of those whose task it is to keep the complicated mechanism running smoothly, and on them rests the responsibility of developing it to its highest usefulness.

SCIENTIFIC METHODS OF COMPUTING COMPENSATION RATES

By I. M. Rubinow, M. D., Ph. D.*

Chief Statistician, Ocean Accident and Guarantee Corp., Ltd. President, Casualty Actuarial and Statistical Society of America

THEORETICALLY the problem of compensation rates does not differ from that of rates in many other forms of insurance. The formula for premiums on any classification appears as $\frac{\text{losses}}{\text{payroll}}$ plus any loading for commissions and expenses agreed upon or found necessary. There is only one difficulty about this formula—we do not know the enumerator of this fraction, under which condition it is not quite an easy matter to compute its value.

The same formula is the basis of liability insurance, and time is relied upon to furnish the necessary volume of exposure, without which the results of the fraction are likely to be purely accidental and subject to violent fluctuations. That a large exposure is necessary to produce a true average, or in other words, that the fluctuations will be in inverse proportion to the size of experience is a truth which does not require any proof before a body of insurance men. It is quite evident, therefore, that it will take a long time under compensation experience before that necessary volume of exposure shall have been gathered.

It is obvious, however, that compensation rates must be quoted as soon as a compensation goes into effect, and for some time after that while the necessary volume of experience is being accumulated. This presents the first difficulty.

It is true that the United States is not a pioneer in compensation insurance. In various countries experience has been accumulating for many years, up to as long as thirty years in Germany. The question is often asked by many persons outside of the insurance circles why the result of European experience in regard to pure cost cannot be utilized in this country. There are a good many reasons for this. The one that is mentioned first of all is perhaps the least important one. It is argued, and with a good deal of justice, that industrial conditions in Europe and in this country are not similar, that accidents happen more frequently in the United States, and, therefore, the pure premiums would not be equal. While this is undoubtedly true in a great many industries, it is by far not the greatest difficulty. More important are the differences in the compensation scales, of which the losses are results. And finally, there is the greatest handicap which statisticians will especially appreciate.

European statistics are seldom published, or even prepared in such detail as to give the necessary data for each separate classification. We have in our manual approximately 1,500 different classifications, and their number is rapidly growing. This results from the praiseworthy effort to do justice to each line of industry, to charge it no more than its hazard requires. It is almost impossible to oppose this tendency towards fine distinctions, for if rough grouping were insisted upon, the way would be open to the competitor to select the least hazardous subdivisions of each classification, and underbid on them. It is useless to look in European statistical sources for the pure premiums on any of the subdivisions of "Concrete Work" or "Masonry" or such odd classifications as "Military Good Mfg."

Proceeding from the formula Pure Premium $= \frac{\text{Losses}}{\text{Payroll exposure}}$, therefore, we seem to be thrown back upon our resources, upon the the necessity of compiling our own experience which requires time before the necessary experience is accumulated. At first glance, it would seem that the greatest difficulties are already behind us.

In New Jersey, compensation is nearly three and a half years old; in Illinois, some two and a half years old; in Massachusetts, twenty-eight months, and so on.

But that only slightly relieves, and does not altogether abolish all difficulties. As against these two or three States, we have States like New York, or Iowa, where compensation is only four months old, Maryland, in which the compensation went into effect a week ago; Kentucky and Louisiana, where January 1 is the fateful date, and about a score of States in which the compensation acts are in various stages of preparation or contemplation. In all of these States compensation rates have to be quoted to-day, or to-morrow, or in the very near future. And yet no experience exists. It is not too much to say that no other country in the history of the compensation movement presented a problem of similar complexity, since none had an avalanche of compensation acts, no two alike, no two coming in at the same time. As a result while the situation becomes somewhat simplified in some States, because of the accumulation of experience, it arises in all its difficulties in other States, and relief is not yet in sight.

Moreover, there remains the greatest, most fundamental difficulty in applying this method, which even years of experience may not eliminate. Because of the existing division of the country into some fifty independent legislative units, the possible exposure on one classification will be insufficient in one State to produce an average, except in so many years, that meanwhile conditions may entirely change, and make the accumulated experience entirely useless. That unfortunately is true of the greatest number of

*An address before the first meeting of the Casualty Actuarial and Statistical Society of America.

classifications. Of course, there are exceptions, in States as well as in classifications. New York, industrially, is an empire of itself. The exposure on most classifications will be so large that in comparatively few years a true average will have been obtained. In other smaller States, the exposure may be sufficiently great in a few industries, for which the State may be famous. Massachusetts does not need the aid of other States to obtain a true broad experience on boots and shoes. The same may be true in cotton spinning and weaving in South Carolina, or beer brewing in St. Louis or Milwaukee.

But how about the vast majority of diversified industries? The readiness to go by a small volume of experience is one of the peculiar errors of early underwriting in this country. When the Massachusetts Insurance Department compiled and published its famous schedule Z, for 1913, showing the compensation experience for separate classifications, it very wisely decided that below a certain minimum of exposure the experience was not worth presenting. The accepted minimum was very small—only $500,000, and yet only 134 out of the possible 1,500 were able to pass that test. But such an exposure is hopelessly inadequate to produce even an indication of an accurate rate.

The average pure premium in Massachusetts was some 36 cents. Let us assume that an ordinary fatal accident would cost $2,400. One fatal accident, therefore, in a certain classification represents a pure premium of 48 cents on half a million of exposure, 24 cents on a million of exposure. One fatal accident, therefore, may double the pure premium on many a class. The purely accidental fact that between two fatal accidents in two different classifications, one happened to a married employe, and another to an unattached bachelor, may produce a wide margin between the two costs and two premiums. Only then may we begin to speak of a dependable experience when at least one accident will not seriously disturb the average pure premium. If a certain classification has a pure cost of $1, then an exposure of $10,000,000 may be sufficient, because one $2,000 or $3,000 loss will not affect the pure premium more than 2 per cent or 3 per cent. But in less hazardous occupations, where the pure premium may be ten or twenty cents, a very much larger exposure will be necessary to produce results that are actuarily dependable. And if that is so, how long will it take some of the smaller States to accumulate such volume of experience? For instance: When will Nebraska be able to determine its pure premium on "suspenders without buckles," or Rhode Island on "butcher's supplies"? And yet rates must be quoted for either, and moreover they must be adequate and equitable.

Some two years ago I pointed out this difficulty in an article in THE MARKET WORLD AND CHRONICLE, and suggested the necessity of grouping the numerous classifications. In fact, I had the temerity to announce that in my leisure hours, and after burning a good deal of midnight oil, I had prepared a tentative grouping of classifications. Immediately numerous requests from State Departments and casualty companies arrived for copies of this grouping. The State of Wisconsin adopted it with some modifications.

The Massachusetts Insurance Department now very anxiously urges such grouping into some 150 groups according to similarity of hazard. The Bureau has recently adopted this suggestion, and a tentative grouping of classifications has been prepared by several members of its Statistical Committee which finds expression in the mysterious classification numbers found in the Basis Manual. The need for such grouping is well illustrated by the fact that the Chief of the Federal Bureau of Labor Statistics has expressed his anxiety to publish it as an official document. Nevertheless, too much reliance must not be put on it in the beginning. Its aim is to group together classifications of similar hazard—but what do we know of exact measurements of hazard? That is the very thing that experience must in the future produce. For hazard is not to be measured by the likelihood of producing accidents, but by the actual causation of such hazards. Theoretically, equal hazard is to be defined as the factor which produces the same number of accidental injuries, and also the same distribution of accidental injuries per equal exposure in different classifications. At present the measurement of hazard is only an opinion, euphoniously called underwriting judgment, while actuarial science as well as sound business requires that rates be based on *facts*. The grouping of classifications must, therefore, be tested by actual experience, and again a sufficient volume of exposure is necessary for such testing.

The conclusion is inevitable, therefore, that some method of combining experience of different States is absolutely necessary, if we are to arrive at scientific rates within a reasonable time. That is true even after compensation has been written for some years. And in the beginning it is doubly necessary that some method be devised other than that of actual experience under each separate act, so that some use be made of every scrap of information both American and European.

I hope that I shall not be charged with undue pride for stating that nearly two and a half years ago I outlined the elements of such a method, which was further developed by such well known actuaries as Professor A. W. Whitney and Mr. A. H. Mowbray, and though it met with a considerable opposition in the beginning, succeeded in becoming the foundation upon which all the present compensation rates are built. In an article published in THE MARKET WORLD AND CHRONICLE (June 22, 1912), I indicated that the compensation pure premium for any classification resolved itself into three factors: first, the accident rate; second, the distribution of accidents according to gravity, or according to the nature and duration of the injury, and third, the compensation scale. Knowing these three factors, we could compute the cost of a hundred or a thousand accidents, or what amounts to the same, the average cost of an accident, and apply it to the accident frequency for each classification.

This is the bare outline of the plan as suggested at the time. The compensation scale is known—it is stated in unmistakable terms in the law. American students approaching the problem usually assumed that there were no definite data in regard to the other two factors, accident frequency and accident gravity. It appeared then to me that the problem was not an impossible one. The insistence of American casualty companies upon receiving reports of all accidents to employes if assured is well known. Accidents are reported in this country to casualty companies very much better than, for instance, in England, as personal enquiries have convinced me. An evidence is the very much smaller proportion of claims to accidents in this country than in England. I hoped at the time that perhaps casualty companies might see their way to undertake such an investigation in their files. It has never been done, and, therefore, this part of the plan has a purely historical interest at present. But since it was argued at the time that such an investigation was altogether impossible, I want to point out that it is being done now on a very much smaller scale every day in the compilation of experience for merit rating, and will be done at the very much greater rate from now on.

It was argued at the time that liability accident reports were worthless even for obtaining accident frequency only, but now they are being used for accident gravity as well.

The main contribution of my plan was contained in the suggestion that European experience might be utilized for the purpose of

distributing accidents into groups according to gravity. Though an extremely simple and almost obvious suggestion to any one who has made any study at all of foreign accident statistics and could not fail to be struck by the identical results in all countries, it appeared like a new scientific clue to many actuaries who were groping for some practical method of computing the cost of compensation. Professor A. W. Whitney was the first, I believe, to apply it. Mr. A. W. Mowbray tested it critically and found a good deal of evidence to corroborate what he was kind enough to designate as "Mr. Rubinow's hypothesis." I believe for some time it was even good naturedly referred to as 'Rubinow's law."

While both these students could not use the methods outlined for the purpose of computing actual rates (because the necessary factor of accidental frequency was lacking) they both, entirely independently of each other, utilized it for a somewhat more modest purpose of measuring the comparative costs of different compensation acts and bills. Justice requires me to state, therefore, that the Rubinow hypothesis became a workable instrument of actuarial science only after the application made by Professor Whitney and Mr. Mowbray.

The first official sanction was given to the method by the New York Insurance Department in the work of establishing the basis for New York compensation rates. No one interested in compensation matters need be reminded of the brilliant work done so recently by Mr. W. W. Greene. The disputable question as to final differential need not be gone into here, lest this peaceful meeting break up in a riot, but the final triumph of the method used by him (of measuring the comparative values of compensation scales by applying a standard table of accident gravity) cannot now be disputed.

The material which Mr. Greene and the department was forced to use for lack of time was not the very best. The Massachusets distribution of accidents was highly unsatisfactory, the Austrian figures used, without any correction, may have been somewhat one-sided, nevertheless it was the first large effort in the preparation of law differentials.

The problem which the New York Insurance Department had to solve was that of differentials only. But the casualty companies and the assured needed something vastly more difficult—they needed actual rates. The methods by which they were computed are recent history, and need not be described in any great detail. The formula used was:

Basic Pure Premiums x loading for underestimates x law differential x loading for expenses . 1 x 1.08 x 2.00 x 1.50 = 3.24.

The basis pure premium was obtained from the original formula $\frac{\text{Losses}}{\text{payroll}}$, but since the payments had not all been made, and there was reason to believe that the estimates on outstanding payments were somewhat inefficient, these were loaded by an arbitrary amount. The law differential and the expenses for loading were equally matters of conjecture.

Our judgment of the value of the former must be entirely independent of our opinion as to accuracy of the individual factors. It clearly appeared that some such formula was necessary so long as rates had to be made for States in which such experience did not exist at all, or was altogether [illegible]

In this process of ascertaining the proper law differential was of paramount importance. At this juncture Professor Whitney conceived the fruitful idea of appointing a differential committee to devise a method of [illegible] and actually to compute such differentials [illegible] to all because of their evidence of [illegible] if not absolute accuracy.[1] How successful this proposal was can be proven by the remarkable fact that the differential committee was able to make unanimous reports of all differentials which they prepared including some fifteen States. As compared with acrimonious discussions following the New York law differential this represents a noteworthy achievement. It may be designated as the first victory of the principle upon which this society is built—the principle of unbiased scientific inquiry applied to casualty problems.

Law differentials had been used before in the preparation of compensation rates, but represented rather crude guesses or estimates. It is a comparatively easy problem to measure the comparative provisions of the law in regard to a certain group of accidents. If, for instance, the New Jersey Act grants 50 per cent and the New York Law 66⅔ per cent in certain cases, then they will cost one-third more in New York than in New Jersey.

The difficulty arises in trying to measure the differential for all the provisions of the law, when each particular difference must be carefully weighed. Evidently this will depend upon the distribution of accidents according to gravity or severity. The statisticians of the Wisconsin Industrial Commission, who have endeavored to compute a few law differentials, recognize this, and use the distribution of accidents in Massachusetts and in Wisconsin adding the data together, and obtaining a total of some 115,000 accidents. But while the results obtained were fairly satisfactory this method suffers from all the shortcomings of the statistics used. Massachusetts included all notices; Wisconsin, largely only accidents over seven days' duration. The systems of distribution were different in the two States, and unsatisfactory in either; especially in regard to accidents resulting in permanent disability, are these data faulty, because the condition of permanency cannot be ascertained in the short time within which both Massachusetts and Wisconsin data were compiled. Furthermore, in regard to several problems, such as the number of dependents or the influence of limits, no information at all was available.

At this point the usefulness of the "Rubinow hypothesis," or "Rubinow Law" came in. Briefly, it may be stated thus:

Given a sufficiently variegated industrial activity, the distribution of accidents according to their physical results will be fairly uniform anywhere.

With the help of this hypothesis, the following method for computing law differentials was agreed upon:

Construct a standard accident table, showing such distribution by severity in all necessary details. Compute the value of compensation for this standard series under any law, and the ratio of this cost will be the law differential. As the basic premiums were thus obtained from Massachusetts experience, the Massachusetts value of the table was the basic for computing differentials.

The first step in this method was the construction of the standard table, a duty which I was fortunate enough to be entrusted with.

Popular fancy is a very mysterious thing. One never knows what may or may not please it. The 100,000 accidents of the Standard Table have quite unexpectedly for its author acquired quite a little reputation for themselves. Both the roundness and the bigness of the number seemed to impress popular imagination. In his article in the "Survey," Mr. Benedict speaks of them as 160,000 accidents actually gathered from European experience. As a matter of fact, that is not accurate. The 100,000 is simply an extension of the percentage method. It seems preferable to use whole numbers rather than decimal fractions, carried out three

[1] The Committee consists of Mr. B. D. Flynn, Assistant Secretary of the Travelers Insurance Company; Mr. Stanley L. Otis, Actuary of the Workmen's Compensation Service Bureau; Mr. C. E. Scattergood, Assistant Secretary of the Fidelity and Casualty Company, and the writer.

places beyond the decimal point. The large number seemed necessary in order to permit their distribution in sufficient detail. The entire statistical material used in its preparation is too voluminous for presentation here. It is hoped that it will be possible to publish it in some other form. Moreover, the details are of purely statistical and of slight actuarial interest. It is sufficient to state that statistics of accidents in Germany, Austria, France, Belgium, Italy and Russia, in Massachusetts, Washington, California, and other States was utilized in this connection. The total number of accidents included in the data analyzed literally runs into millions. The following questions require an answer (in each case per 100,000):

1. The number of fatal accidents.
2. The number of cases of total permanent disability.
3. The number of dismemberments, distributed according to their exact nature.
4. The number of cases of permanent partial disability, other than dismemberments.
5. Their distribution according to degree of impairment of earning capacity.
6. The number of cases of total temporary disability.
7. Their distribution according to duration of disability (by weeks intervals).
8. The duration of total temporary disability in cases which result in dismemberments, or in other forms of permanent partial disability.
9. The number of fatal cases leaving total, partial or no dependents.
10. The number of widows, children, or other dependents surviving in those States where the death compensation is made dependent upon the number or kind of dependents surviving.

Briefly the standard table accepted by the committee embodies the following facts:

Fatalities	932
Total permanent disability	133
Dismemberments	2,300
Other permanent partial disability	2,442
Total temporary cases	94,193

Before any criticism of this distribution is offered, it is very important to remember that almost for the first time in American statistical literature, it has been based upon a very definite interpretation of an accident. This definition adopted by the Statistical Committee of the Bureau, and promising to become the standard definition through the United States, excludes all accidents where the injured person loses no time except on the day of injury; and according to the Massachusetts report, some 40 per cent accidents reported are of such trivial character. Naturally this increases the proportion of the serious accidents in the table.

To return to the actuarial problems. The standard table, or the 100,000, were taken through the mill of the compensation law of each State. Since the benefits almost universally are stated in proportion to week's wages, it was found convenient to utilize week's wages as a unit of measure rather than dollars and cents. It is but fair to add that in this the Committee utilized the precedent established by Mr. Greene. In a few cases where the benefits are measured in money units, it was therefore necessary to recomverse these into week's wages by an assumption of an average weekly wage. That was true of funerals and medical aid. Where long term payments are granted it was decided to utilize commuted values in the computation. Since a true differential between States was required, it did not seem scientific to disregard the factor of computation, especially because in certain acts and for certain benefits the facts of mortality had to be taken into consideration. Annuities certain were used where the provisions of the law made probable that the total benefits would be paid to dependents even if one of them died during the time. Term annuities were used in most cases; life annuities where life pensions were granted, and deferred annuities in a few cases where the benefits consisted of a preliminary larger, and a deferred smaller annual amount. The effect of limit was measured by obtaining statistics of wages of injured persons and computing the cost of compensation both with and without limits.

For the computation of the cost of medical aid, no theoretical method presented itself, but fortunately experience data as to proportion between compensation and medical cost were available for a few States, and from these fairly reasonable estimates could be made for other States with slightly different provisions. The methods as thus recited appear complex. The Committee would readily admit that they are not simple. While the computation of the first State differential took nearly a week, recently two differentials were computed in one day, and that, we feel, is a record that cannot be very much improved upon. Are the rates based upon these differentials absolutely right? That is the question that is most likely to be asked. No one is so little inclined to make this claim as the Committee. Yet I am sure that I voice the conviction of all its members in stating that barring possible individual errors, the rates are, on the whole, the most scientific that ever were compiled in this country, and the best that could be compiled with the material as yet available.

While I am willing to stand by this claim, I am equally convinced that they are temporary only, and that possibly in two or three years, a complete revision, or readjustment will be necessary, and also possible, if meanwhile accurate statistical data are accumulated by the casualty companies.

Let us, therefore, frankly, though briefly, enumerate the elements of weakness in the method of rate computation:

1. The Basic Rate. It is a trite observation that a chain is no stronger than its weakest link. As I have explained earlier in this paper, one year's experience in one State is not enough. When the Massachusetts experience, under the older law is revised for the entire period, July 1, 1912-October 1, 1914, substantial changes will be made in most, if not all pure premiums, and further changes may become necessary if the experience of the States are combined.

2. The Law Differential. This may have to be changed somewhat because of errors found in the Standard Table. As soon as records of a few hundred thousands of accident records are carefully studied in this country, the necessity for a hypothetical standard table will have vanished. Personally, I cherish the hope that the errors disclosed will not be very essential. Naturally, I cannot believe that the "Rubinow Law" is all wrong. Yet there are factors in it that are not altogether physical, such as the determination of degree of disability. The California schedule for instance differs materially from the schedules used in Europe, and similar differences between States may develop.

3. The construction put upon certain provisions of the laws may not have been altogether accurate. In a few cases, the Committee was not altogether certain of its interpretation, especially in cases where the Act had not yet gone into effect. It is necessary to add, however, that the members of the Committee carefully watch decisions of commissions and courts as to such interpretations.

4. A bigger problem, however, is the fundamental accuracy of applying the same law differential to all classifications. As already explained, the law differential depends upon the distribution of accidents as to severity. But while such distribution must be

uniform, on the whole, as between one State and another, it differs materially, as between industries. The proportion of accidents resulting fatally, for instance, will be greater in a coal mine than in a clothing shop. Theoretically different standard accident tables should be compiled for each classification, or at least, for each large industrial group. But altogether outside of the enormous labor involved in such an undertaking, there are no data from which such tables could be constructed. We may feel that we have accomplished a good deal in achieving justice as between one State and another, without claiming equal justice between classifications.

5. The Question of Comparative Accident Frequency. That the physical and moral hazard is not equal throughout our great country any one will readily admit, but no one has prepared the necessary material for a convincing measure of the extent of such differences. Most extravagant statements, as to these differences, are often made. It is almost impossible either to prove or to disprove them. In a very few cases small allowances were made for them in establishing rates. To some extent the methods of schedule rating and experience rating recently established will tend to discount these differences. But nothing less than trustworthy accident statistics can settle this question to the satisfaction of all. If errors have been made, their cost is but the inevitable price of obtaining valuable business experience.

6. Finally, we must come back to a point mentioned earlier. The basis of a true rate is the basic pure premium, and yet for most classifications no one State can ever expect to have sufficient experience to produce a true pure premium. Compensation rates throughout the country cannot indefinitely be depended upon Massachusetts pure costs. Moreover, compensation rates in Nebraska cannot depend upon pure costs in Nebraska only, nor rates in Maryland upon Maryland costs. For each classification the experience of the entire country will have to be utilized. In so far as this experience is physical, and expressed in terms of accident frequency and severity, it will be adopted to universal use. And in so far as that experience is expressed in dollars and cents, the methods of law differentials will enable us to bring together accidental losses in all States, make proper allowances for the differences in the law, deduct a basic pure premium from them, and from that basic pure premium, derive pure premiums for each State which may differ materially from the actual costs in these States, and yet represent a truer measure of hazard.

Time does not permit me to go into the further details of this larger plan, which is premature at the present moment, anyway. But the statement cannot be made too emphatic that while the present rates may be the best that could be, their subsequent improvement depends entirely upon the development of accident statistics. The Bureau's careful and comprehensive plan, recently adopted, is well known. We actuaries and statisticians, we all look forward to its realization. Perhaps the casualty companies do not quite realize it yet. The plan may call for a study of 500,000 accidents annually, and that represents a comprehensive statistical undertaking requiring a substantial force and an efficient statistical office. But it annually more than repays the results, and no other body is likely to furnish them. We hope that the industrial commissions and bureaus of industrial English these data has been cherished by many. But a careful analysis of the reports as yet turned out by Massachusetts, Wisconsin, California, Washington, Ohio and other States shows the same, at least for some time. Each one of these reports is interesting and to some extent valuable, but an effort to bring them together produces a maze of dissimilar data, absolutely barren of any tangible actuarial results. Given the political organization of our country, a statistical union of casualty business is as yet the only hope of valuable statistics. It should be the function of our young organization to see that the qualitative results of such co-operation should be worthy of the effort and expense required in its realization.

THE INVESTMENTS OF LIFE ASSURANCE COMPANIES

By P. C. Crump, F. I. A.*

(Continued from Page 592)

THE amount of money invested in British Government securities reached its highest point in the year 1902, when it approximated to 2½ per cent, as against 1⅛ per cent at the present time. The actual decline in the gross figures during the same period is about a million sterling, but I think it can be safely said that a very large portion, if not the major portion, of this reduction is due to the automatic writing down of book values to bring them more into line with market quotations. It is, of course, dangerous to prophesy, but at the same time it does seem as if this percentage is destined to fall still further in the near future, and the reason is not far to seek. Even at their present low level, Consols yield but £3 9s. 0d. per cent, and other British guaranteed stocks only a little more. In the present state of competition, and the public demand for substantial rates of bonus, it is difficult to see how a company can afford to purchase any appreciable amount of such comparatively unremunerative securities. Formerly, Consols were largely held because they partook of the nature of liquid securities, and it was one of the generally accepted canons of investment that a certain amount of the funds should be invested so that they could be readily realizable, i. e., command a free market. Unfortunately, as has been pointed out by more than one authority, Consols have largely lost this attribute, and nowadays, except on special occasions, such as when the Government broker is buying for the purposes of the Sinking Fund, it is not by any means an easy thing to sell a large block without disturbing the market price.

Indian and Colonial Government stocks recorded their highest percentage of 7½ per cent about the year 1894, and then gradually dropped to about 5½ per cent in 1906. Since that date, however, there has been an upward tendency and the present proportion is 8 per cent. It is not the custom of the Board of Trade to discriminate between Government and Provincial securities in the published returns, and to this fact I think the improvement can be assigned. There has been a very large increase in the amount of loans raised by the Canadian Provincial authorities in the last few years, and, as the interest yield is about 10s. per cent in excess of that of the direct Government issues, such investments have naturally proved rather the more attractive. Moreover, an extra two or three shillings per cent can be obtained if an unquoted dollar issue is purchased; e. g., quite recently $250,000 4 per cent bonds of the province of Ontario were being offered in London at about 91 per cent, at a time when the 4 per cent Registered Stock quoted in the Official List stood at 94 net. These unquoted bonds are, of course, quite suitable for large investors such as insurance companies, but unsuited to private individuals of limited means.

The percentage of funds invested in Foreign Government Securities has shown a steady and continuous increase for the past 25 years, and at the present time it stands at over 6 per cent. Compared with some groups, the totals are still rather small, but the constant demands for capital by the various governments, and

A paper read before the Insurance Institute of Sheffield. It should be borne in mind that some months have elapsed since this address was delivered, and that the advent of the war in Europe has materially altered the actual financial situation, although the fundamental value of the article is unimpaired.

the very remunerative rates offered, have proved too attractive to be resisted, and there seems no doubt that in the future the percentage will continue to grow. The costly wars of the last fifteen years are largely responsible for this feature, but in addition the general levelling of credit has to be taken into account. It is not so long ago that the securities of the South American republics were looked at askance by most companies, but now the loans of such States as the Argentine, Brazil and Chili are largely bought. Well over 5 per cent can now be obtained from these countries, and, provided the sums so invested are limited, no undue risk is incurred. Some companies, I believe, apply a certain portion of the interest (i. e., over a certain specified rate) to writing down their ledger values; at any rate, such a course has frequently been advocated.

Debentures represent a somewhat cosmopolitan group, and consist of prior charge stocks and bonds of almost every section of market securities. Among those included are Home, Foreign and Colonial Railway Debentures, American Railway Gold and Sterling Bonds, Commercial and Industrial Companies' Debentures, and all forms of Public Utility Bonds; and it is, of course, due to the large variety of investments, having little or nothing in common with each other, which are brought together under this one head, that its progress has been so marked. Between 1890 and 1911, the percentage to the total has risen from 10 to 24, a remarkable appreciation when the increase in the total amounts invested during the same period is remembered, and one which has had the effect of making this the largest section required to be separately set out for the Board of Trade returns. It is the custom of a large proportion of trading companies who are in want of money to raise capital by means of an issue of debentures secured on the freehold or leasehold property owned, instead of by way of an ordinary mortgage as was formerly the case. The result is that there are a very large number of industrial marketable debentures to be had, as compared with relatively few, say, 25 or 30 years ago, and loans which would have helped to swell the mortgages figures have undoubtedy been diverted into securities coming under the present section.

The proportion invested in Stocks and Shares attained its maximum of 12½ per cent about the year 1899, since when there has been a steady fall to less than 10 per cent, although the actual amounts so invested have continued to increase. There is, of course, a fairly strong opinion that the funds of a life office should not be employed in buying securities bearing a fluctuating rate of dividend, and the days when Home Railway Ordinary Stocks were regarded as ideal investments for this purpose have long since passed. Included in this group, however, are Guaranteed and Preference Stocks, and it is probably due to the purchase of these that the gross figures have continued to advance in recent years.

As regards Property and Ground Rents, the proportion has now risen to as much as 9 per cent, but I think most of the purchases during the last few years have been on account of money spent in the erection of new head and branch offices for the companies' own businesses. The notorious Finance Act of 1909-1910, and possibly the fear of future legislation, has had a very decided effect on investments of this nature, and incidentally on the rate of interest to be obtained therefrom. Unfortunately, most of the increased rate of interest on new purchases will, I should imagine, have to be used—indirectly, at any rate—for the purpose of writing down the ledger values of the old ones.

There are two other sections to which some reference should be made, although it is impossible to make any comparison with the past, as it is only within the last year or so that the figures have been shown separately in the Board of Trade returns. The groups in question are Colonial and Foreign Municipal securities. Undoubtedly the last few years have witnessed the investment of enormous sums of money at highly remunerative rates in this direction, and a similar tendency will, I believe, continue to manifest itself in the future, as the borrowings by such authorities seem endless, and it is only the present condition of the stock markets which has prevented an even greater flood of new issues than that which we have recently experienced. A very good idea of the way in which capital, originally invested in this country, now goes abroad, can be formed from a comparison of the amounts of new issues floated on the London market during the last three years. The figures, which I have obtained from the "Investors' Monthly Manual," are as follows:

TABLE E.

	1910.	1911.	1912
United Kingdom	£60,000,000	£26,000,000	£45,000,000
British Colonies	92,000,000	65,000,000	72,000,000
Foreign	115,000,000	110,000,000	93,000,000

It will thus be seen that in 1910 only 22½ per cent of the money so raised remained in this country, while in the following year the proportion had sunk to 13½ per cent; in 1912, however, there was a recovery to 21½ per cent, but even this figures is less than half of that attributable to foreign countries, who, it may be argued, have no moral claim on our money.

A second reason for the rise in the interest rate is, I am convinced, largely due to what for lack of a better phrase, I may call "better buying." The time has gone when insurance officials bought as a matter of course whatever their recognized brokers brought to them, and at a price approximating to the top quoted limit, in much the same way as a private individual with a few hundreds of pounds invested his money. Much greater knowledge now exists as to the intrinsic value of investments, and that knowledge is employed to the best advantage. The system now in vogue is much less hackneyed than hitherto, and assurance companies rightly use the strong position they hold, as probably the largest investors in the world, in dictating to some degree the terms on which they are prepared to lend the funds which they hold in trust for their members' benefit. In addition, it is most important to know the best sources from which to purchase; it is no uncommon thing to have the same security offered from several different quarters at widely varying prices, and this is particularly noticeable in the case of American Railway Bonds. Many of these are quoted both in London and New York, and a careful comparison of the two markets must be made before accepting an investment of this nature. Bonds offered at New York terms by various brokers as often as not exhibit a discrepancy, and the advantage of dealing with a number of firms is thus made apparent, as by so doing an office has the best possible opportunity of investing its funds in the most remunerative way and at the lowest prices. I speak from a very considerable experience on this matter, and it is no exaggeration to say that in the course of a year I have come across hundreds of such cases as those to which I have referred. The existence of the middle man has, of course, a good deal to do with it, and, although he is in most cases a very necessary agent, he requires careful looking after, as both in quality and information he varies considerably. To illustrate this, it frequently happens that a large parcel of bonds is offered at what appears to be an attractive level, but it may be that it is due to the holder having notification that a new issue is shortly to be made and wishing to unload so that he can reinvest at the lower figure at which the new bonds will have to be issued. It is essential that this information should also be known to the prospective investor, and the broker, i. e. his agent, should be in a position to supply it;

but very frequently the reverse is the case, with the result that the new holder of such bonds will have the doubtful pleasure of witnessing others subsequently getting in at a lower price than himself. Again, underwriting of new loans by insurance companies has greatly increased in recent years. It is now generally recognized in the market that no better class of underwriters exist, as on the failure of an issue the amount necessary to be taken up is almost invariably held as an investment, and not sold at the first favorable opportunity: this fact naturally has a steadying influence on the market quotation and helps to preserve the credit of the borrower. Where the issue is successful, that is, fully subscribed by the public, the underwriting commission received can then be advantageously employed in writing down the ledger values of similar securities or carried to "Profit on Investments account." If a proper selection is made of the securities offered on underwriting terms, and due regard paid to existing holdings and market conditions, substantial profits can be earned in this direction, and it is but seldom, even in event of a loan being a failure, that the price at which the amount allotted stands in the office books, after deduction of the full commission received, will exceed the market quotation. It is a very good rule, nevertheless, not to underwrite a security which it would be inadvisable to hold as an investment, although such a course is not, I believe, invariably followed by some companies.

I have already briefly dealt with the changes which have taken place in the proportionate amounts held of the respective groups of investments, and the increase in the rate of interest thereby produced. I should like now to refer to a few special classes of security which have contributed to this end.

(1) Mortgages without the United Kingdom.—Although loans on property situated in this country have remained practically stationary, and in many individual cases have actually decreased, there has been a decided tendency for loans in foreign countries and the Colonies to move in the other direction. Such advances are by no means universal, but some companies have made quite a feature of them, particularly as regards such places as Canada. In that country, as is well known, there is a very great demand for capital, and this is largely obtained by means of mortgages. A considerable amount of caution is required in investigating the security for the advance, and it is advisable to have experts on the spot to make independent valuations, if this class of business is to be carried on successfully.

(2) Short Term Securities.—Until comparatively recently it was considered inadvisable for insurance companies to invest any material part of their funds in securities having a short duration, it being held that, as the income was practically always more than sufficient to meet both expenditure and the payment of claims, the available surplus each year should be applied to the purchase of permanent or long term investments, so as to ensure a definite and ascertainable fixed rate of interest. This opinion was almost general and certainly appeared a sound one, but, in view of the falling prices of the last few years, any one holding a contrary view would now be justified in enjoying a quiet chuckle to himself. Those companies which took advantage of attractive offers of short-dated securities, say from one to five years, must have been amply repaid for the course they pursued, — by so doing capital depreciation has to a large extent been avoided, and the money received at redemption has been available for reinvestment at the low prices now ruling. Further than this, the interest yield on this type of security is usually appreciably higher than that on permanent or long term stocks and bonds, so that investments of this nature made during the last ten years or so have been doubly remunerative. The constant fall in prices has, however, somewhat modified the opinions formerly held, and I think there is little doubt that short term investments are now frequently made by insurance offices. The supply, latterly has been abundant, owing to the desire of borrowers to postpone the issue of loans, if possible, until more favorable market conditions have arisen, and consequently only temporary advances have been sought at the existing high rates of interest. Even Colonial Governments have been forced to adopt this method of finance in order that they might subsequently take advantage of any improvement in the markets and to avoid meanwhile impairing their credit. I am afraid that in this case, at any rate, temporary borrowing has not proved altogether successful, and more recently a resumption has been made of the practice of issuing long term inscribed stocks, at prices which but a few years ago would have been considered almost impossible. Another type of this class of investment is that of American Railway Equipment Notes. As the name implies, these are issued for the purpose of paying for locomotives, freight cars and other sorts of equipment, up to a certain percentage of the cost price, generally 80 or 90 per cent. The notes mature, as a rule, serially, a certain proportion being paid off each year, and the maximum period seldom exceeds ten years. As the equipment gradually wears out, so the notes outstanding against it are automatically reduced. At the present time the rate yielded is from 5 to 5½ per cent, which is, of course, highly attractive considering the security pledged, viz., the equipment itself and the obligation of the railway company.

(3) The next group to which I would like to call your attention is that of Foreign and Colonial Municipal Securities. I have already said that it is only in recent years that the Board of Trade returns have shown these classified separately, a fact which suggests their increasing popularity. The obligations of the chief Continental cities provide excellent security and most attractive rates, and many of such bonds are now placed directly on the English market in sterling denominations. Repayment, instead of being at a fixed date, as is generally the case with English municipalities, is in the case of Foreign corporations nearly always by means of a sinking fund applied to periodical purchases in the market, or drawings by lot, so that it is most important to carefully study the exact terms of such redemption in estimating the effect on the interest yield. Colonial corporations approach more nearly to the English variety, except that they are more often in the form of bonds than of stock. Owing to the rapid development of Canada and the ever growing population, towns in the Dominion have been rather frequent borrowers lately, with the result that the rates of interest at which they can borrow have been greatly increased. It has been no uncommon thing for the securities of thriving and well known townships of from, say, 20,000 to 50,000 inhabitants, to be bought to yield as much as 5⅜-5½ per cent, while a case was brought to my notice only a few weeks ago of a block of short term securities yielding as much as 8 per cent. Just at present it is a particularly difficult operation for a Canadian city to place a loan at almost any figure on the London market. Even places like Montreal, Toronto, Vancouver and Ottawa have to pay nearly one per cent more for accommodation than they did two or three years ago.

(4) Finally, I should like to make a short reference to Public Utility Bonds, which for some time past have been attracting increased attention from both the English and American investor. There are several factors contributing to the progress of companies transacting Public Utilities, which are due in some part to the economical and social developments which are taking place.

(Continued on Page 636 of this issue.)

FINANCE AND COMMERCE

Financial and Commercial Review.
Banking Situation at Home and Abroad.
Statistics of Cotton and Coffee.
Market Prices of Securities and Commodities.

THINGS have begun to happen this month in the world of finance, important things, and for the most part auspicious for American affairs. November is likely to pass into history as a landmark in the economic situation which the European War created. Before the end of the month the Interstate Commerce Commission should hand down its decision in the Eastern rate case. By that time the cotton exchanges will apparently have been restored to normal working order and the Federal Reserve Banks will have been operating for a fortnight. A great deal of moment attaches to the inauguration of the reserve banking system scheduled for next Monday, and it would not be surprising if the enlarged financial facilities thereby afforded make a great contribution to a movement for reopening the stock exchanges.

This, however, is a matter which banking interests are as yet reluctant even to talk about, although all the signs of the securities market to-day are propitious for a resumption of more or less regular dealings. Prices have been recovering in the irregular street market for listed stocks. Ever since the election provided an impulse to reviving confidence, investment transactions under official scrutiny have broadened at an improving level of quotations. The market for short time notes is on a basis of yield ranging from about 4½ per cent for the new issues of New York City to 5½ and 6 per cent for the obligations of railroads and industrial corporations. In the past week the Stock Exchange authorities have decided that they could safely remove the embargo on price restrictions for trading in unlisted stocks, the principal markets for which is represented by the Broad Street curb organization, and the stronger quality of financial sentiment was strikingly indicated by the lifting of the ban on the publication of prices made in the market for unlisted shares.

It is far too early to say that the great problem presented by the menace of foreign liquidation of securities is so clearly in the way of being solved that the early reopening of the stock exchanges can be predicted. Nevertheless, recent occurrences have all suggested that the automatic processes by which the financial world has been regaining its equilibrium may conduce to a complete restoration of the financial machinery in all departments. There is great danger of course that a mere rebound of relief from the excessive strain may be mistaken for a definite trend of values, and unless prudence controls financial action a reaction may be invited which will be extremely depressing. Words of truth and soberness were uttered by the Federal Reserve Board when, in putting out its general regulations to govern the rediscount operations of the reserve banks, it said: "No one can estimate the duration of the war, nor predict what will be the financial or commercial conditions when peace will be restored."

It is so difficult for us to realize at our distance from the seat of conflict what a terrific tragedy economic and otherwise the war is that we are overmuch inclined to consider our prospect as though Europe's calamity lacked dire significance for ourselves. If it is kept in mind that the whole world, neutral or not, is engaged in the ruin which is being wrought abroad, our American optimism will be tempered as it should by a recognition of the fact that for a long time to come the prosperity which we can achieve must be necessarily relative.

We may, however, find reasons for a reasonable optimism in the latest events. So far as the war itself is concerned the military situation seems increasingly adverse to Germany, and despite the counsels of neutrality, the prevailing conviction here is that our interests lie in the direction of Allied ascendancy along with our preponderant sympathies. Whether or not the outlook is for a shorter duration of the war than has been counted upon is a question, but the British Prime Minister would not be apt to speak as Asquith did the other day when he uttered doubts of a prolonged struggle unless he had weighty facts on which to base his conclusions. It may be indeed that Germany has already begun to fight only for a foothold in the eventual peace negotiations, and it is not improbable that developments in the war are more than anything else responsible for the salient occurrence of the past week, the violent decline in all forms of foreign exchange remittance quoted in the Wall Street market.

While Secretary McAdoo and Sir George Paish have been conferring about no one knows what and have been causing by their discussion a preposterous emission of Washington despatches relative to projects for fixing up the international financial position, the money market has been taking care of itself in its own way. It may be that Sir George Paish has been conducting negotiations only with regard to the time when foreign exchange should turn so strongly in our favor that we could make a great demand on Great Britain for the export of gold back to us. He may have had in mind only the advantage which could offer then if British finance were able to say that one good turn deserved another, and to point to the moderation exercised when our affairs were in a most difficult stage in the first three months of the war and the magnitude of our foreign indebtedness was keeping our bankers and business men awake o' night.

Whatever Sir George Paish and Mr. McAdoo have been talking about, forces have been working without any artificial interference and as a result sterling exchange is almost at a normal level. No longer can it be said that gold commands a premium in our market because of the pressure of foreign creditors for payment at the principal centres where American external obligations fall due. French exchange is also practically at the normal, while all other varieties of continental remittance, German marks, Austrian and Danish kronen and Italian lira are profoundly weak. The great weakness of German and Austrian exchange denotes a consensus of financial judgment that the cause of the two Kaisers is hopeless and finance apparently endorses military judgment about the portents of the war.

All of these turns of foreign exchange in our favor have been in prospect for several weeks past. Foreign exchange bankers began to be satisfied two months ago, when our export trade started to recover under the heavy purchases for belligerent and neutral countries alike, that it would be only a question of time before American finance would hold control of the international money market. There is only to be guarded against now the risk that exchange may turn too strongly in favor of the United States. An abnormally low level for foreign remittance would have disrupting and deranging effects in the banking and business community quite as far reaching as, though less serious than abnormally high rates for remittance. Among other things it would accelerate foreign liquidation here both of goods and commodities and complicate our export trade situation.

Headway at last made by the British and Allied naval forces in clearing the seas of German commerce destroyers has been reflected in a fall in marine insurance charges. Great Britain has also avowed a disposition to encourage trade between neutral countries, and our export trade prospect is brighter again. With the restora-

loss of the future market for cotton the shipment of this great staple of American commerce must make a further recovery toward [illegible] proportions. Incidentally it might be noted that the approach toward the opening of the cotton exchanges seems practically to have killed the project known as the cotton loan fund, which was never at any time an indispensable requisite to the rehabilitation of the cotton market. Domestic trade is still greatly contracted, the depression being impressively evinced by the surplus of idle freight cars which, according to the latest report, is the largest for this season since 1907. Still the feeling is spreading in business circles that for the time being, anyway, the bottom of depression has been pretty nearly reached, and that business in the near future is likely to mend somewhat.

In anticipation of the larger capacities for credit which will be afforded with the opening of the Federal Reserve Banks, the domestic money market has in every direction given signs of increased relaxation. This is shown more by the liberal disposition of bankers to grant credit than by the change in quoted rates and for that matter it is to be hoped that the reserve banking system will not induce any great money market weakness. It will not, if the policy of the Federal Reserve Board is effective.

This policy was enunciated in the rules framed to govern the rediscounting business of the Federal Reserve Banks, and the statement which the Federal Reserve Board issued on this subject is a remarkably encouraging document. It shows among other things that the Treasury conceptions of finance under the McAdoo administration are not subscribed to by the Board, which has set its face sternly against any idea that what is wanted is cheap credit and plenty of it. The regulations which the Board has framed are obviously intended to make a beginning of the conversion of the American commercial paper market from one of accommodation paper to one of real bills of exchange and the warning given by the Board against processes which will make the money market too easy, implies that efforts will be made to prevent anything resembling monetary inflation. If the Federal Reserve Board has its way the new banking system will increase the country's financial strength, but not by any contrivances to promote a hectic and artificial display of strength.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Oct. 3, 1914—			Week Nov. 7, 1914—		
	Banks	Trust Cos.	Both.	Banks	Trust Cos.	Both.
[illegible]	[illegible]	2,175.2	1,751.5	623.1	2,144.1	
Deposits (net)	[illegible]	1,151.6	166.3	1,922.9		
[illegible]	[illegible]	1,023.2	857.5	1,700.0		
Reserve ratio (%)	[illegible]	[illegible]	16.1	23.1		

Actual Status.

	Week Nov. 7, 1914—		
	Banks	Trust Cos.	Both.
[illegible]	[illegible]	2,078.7	
Deposits (net)	[illegible]	1,001.5	
[illegible]	[illegible]	411.5	
Reserve ratio (%)	[illegible]	21.5	

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	Week Nov. 7, 1914—
[illegible]	[illegible]
[illegible]	555.1
[illegible]	[illegible]
[illegible]	[illegible]
Reserve ratio (%)	[illegible]

Aggregate Statement Actual

[illegible]

[illegible] Clearing House for [illegible] present has omitted [illegible] the actual [illegible] returns of the banks and trust companies.]

PHILADELPHIA BANKS STATEMENT.

[illegible]

BOSTON BANKS STATEMENT.

	1914—			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.8	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913.	1914		
	Oct. 21-22.	Jan. 13-14.	June 30.	Sept. 12.
Loans	700.4	66[illegible].2	701.2	704.7
Deposits	1,003.2	997.4	1,024.3	964.4
Cash, other reserves	449.5	470.2	335.2	311.9
Reserve ratio (%)	44.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914			
	Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,175.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week Ending	New York.	Outside.	Total.	New York.	Outside.	Total.
November 7	1,511	1,898	3,409	1,096	1,493	2,589
October 31	1,906	1,446	3,358	1,212	1,300	2,513
October 24	1,611	1,860	3,471	1,052	1,625	2,678

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week of—	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
November 14	4	5	5¾	5½	6	6
November 7	6	4¾	5¾	6	6	6
October 31	10	4¾	5¾	7	7	7

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914—			
	Oct. 22.	Oct. 29.	Nov. 5.	Nov. 12.
Deposits	168,822	151,730	156,743	156,535
Circulation	34,799	35,113	35,530	35,518
Gold	60,062	61,872	69,474	69,280
Securities	132,862	124,295	122,108	122,094
Reserve ratio (%)	27.52	29.79	33.42	33.55
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914—			
	July 16.	July 23.	July 30.	Oct. 1.
Deposits	1,218.9	1,343.5	1,331.0	2,117.0
Circulation	6,067.0	5,911.9	6,683.1	9,299.0
Gold	4,092.6	4,104.3	4,141.3	4,092.0
Silver	639.7	664.6	625.3	319.0
Discounts, etc.	1,606.8	1,611.8	2,444.2	4,476.0
Coin to notes (%)	77.9	80.6	71.0	58.1
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914—			
	July 17.	July 25.	Aug. 15.	Oct. 1.
Gold and silver	1,681.6	1,722.7	1,590.2	1,737.4
Loans and discounts	867.3	801.0	4,750.0	4,786.3
Circulation	1,994.5	1,890.8	3,881.9	4,490.8
Discount rate (%)	4	4	6	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914—			
	June.	July.	August.	September.
Loans on call	204.5	193.9	166.7	159.5
Loans, current	925.5	927.0	883.8	867.8
Deposits, demand	355.0	346.8	338.9	348.2
Deposits, other	737.7	766.9	755.1	759.3
Circulation	99.1	94.8	114.5	120.3
Cash reserves	114.2	113.3	159.7	176.2

THE COUNTRY'S COMMERCE

	August		September	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$139,000,000	$[illegible]	$171,084,843	$139,204,267
Exports	187,909,107	110,337,100	218,240,001	156,188,790
Specie.				
Gold—Imports	5,803,753	3,094,824	4,626,748	2,761,590
Exports	1,194,657	18,125,617	496,037	21,887,202
Silver—Imports	3,401,235	2,162,095	3,098,348	1,864,213
Exports	4,907,806	3,627,337	5,856,197	5,389,981

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	[illegible]	49	48¼	47⅝		
London	[illegible]	22⅞	22½	22 5-16	22⅛	

COTTON

November 14, 1914.

INTERMISSION of trading in contracts for the future delivery of cotton upon the great cotton exchanges is approaching its term. Since July 1 there has been no buying and selling of cotton for future delivery, at public outcry, under the rules of the exchanges, until the present week. Some private transactions have taken place, with the exchange rules governing the contracts made between individual members, but of general trading there has been none. This week the Liverpool Exchange has inaugurated general trading in all deliveries from May-June, 1915, on, with the single restriction that sales must not be made below 4.25d. per pound. That market acted well on the whole and until the end of the week prices ruled well above the stipulated minimum. The volume of transactions is reported to have been surprisingly large, considering the long interregnum and the inability of most Continental customers even to reach Liverpool with orders. On this side of the water, the members of the New York Cotton Exchange have been wholly absorbed during the week in completing the arrangements for re-opening on Monday, November 16. Ample provision has been made by unselfish co-operative effort to safeguard the interests of all the members, and to take care of the considerable amounts of contracts left open on July 31 for the account of customers at home and abroad whose financial condition was weakened by the stunning blow of the outbreak of a general war in Europe. The leading bankers of New York, and indeed still other leaders of the entire financial district of New York have participated in the work of reconstruction and reorganization. Hence, the New York Cotton Exchange will be able to reopen for normal business on Monday next, without fear of disturbance and distress. It is understood that the New Orleans Cotton Exchange will resume business on the same day. Perhaps no more interesting document can be quoted in this connection than the notice issued yesterday by the Board of Managers to the members of the New York Cotton Exchange. It is as follows:

New York, November 13, 1914.

To the Members of the New York Cotton Exchange:

Dear Sirs:—The Board of Managers has ordered that the Exchange be re-opened for business on Monday, November 16th, at 10 o'clock a. m.

In connection with the re-opening of the Exchange, the Board of Managers desires to call to the attention of members that the recent changes in the By-Laws and Rules have provided for a new style of contract based on the existing Government Standard. Trading in the "new style" contract will be for January delivery and later months only.

The Inspection Bureau is now prepared to certificate cotton under the new standard, and the Board of Managers considers it for the best interest of the membership that our stock of cotton based on the old standard should not increase. The Board of Managers, therefore, asks that each member will discourage the bringing to New York for delivery on the old standard any cotton excepting in fulfilment of sales already effected, and it further asks that members will accept no orders in the "old style" contracts excepting in liquidation.

Trading on calls until further notice, will be in the following order:

NOVEMBER.....Old Style Contract
DECEMBER.....Old Style Contract
JANUARY.....New Style Contract
JANUARY.....Old Style Contract

and so on until May, inclusive, after which only "new style" will be called. All trades, excepting on call, will be presumed to be in "new style" contracts, unless otherwise specifically stated. In order that there may be no question as to a contract conforming to the provisions of the United States Cotton Fuures Act, members will please see that all their contract slips for "new style" deliveries beyond January are stamped "and subject to the United States Cotton Futures Act, Section 5." Please instruct your clerks to be sure that this wording is on all such contracts before they are signed; also, to avoid confusion, mark your "old style" contract slips distinctly.

In accordance with the Rules of the Exchange the Board of Managers has designated the following banks and trust companies as depositories for margins:

Corn Exchange Bank	Bankers' Trust Co.
National City Bank	First National Bank
Central Trust Co.	Hanover National Bank
Bank of New York	Chase National Bank
Mechanics and Metals National Bank	National Bank of Commerce
Bank of America	Guaranty Trust Co.
Bank of Manhattan Co.	National Park Bank
	American Exch. National Bank

Yours very truly,
ELWOOD P. McENANY,
Secretary.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	7.75	7.75	7.75	7.75	7.75	7.75
January—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
March—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
April—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
May—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:15 a. m. on July 31.

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
December—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
January—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
March—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
May—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
June—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
July—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
September—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
October—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

Exchange operations suspended at 11:30 a. m. on July 31.

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery, on Friday, July 31, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May-June—						
Opening	4.39	4.37	4.36	4.36	4.28	4.27
12:30 p. m.	....	4.37	4.36	4.36	4.28	4.26½
Close	4.31	4.35	4.35	4.32	4.25½	4.26½
June-July—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
July-Aug.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Aug.-Sept.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Sept.-Oct.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Oct.-Nov.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Nov.-Dec.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Dec.-Jan.						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Jan.-Feb.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Feb.-Mar.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Mar.-Apr —						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Apr.-May—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon	Tues.	Wed.	Thurs.	Fri.
New York	....	....	....	....	....	....
New Orleans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Galveston	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mobile	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Savannah	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Charleston	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wilmington	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norfolk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Baltimore	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Augusta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Memphis	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
St. Louis	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Houston	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Little Rock	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	5.72	5.72	5.72	5.62	5.62	5.62
Good middling	4.97	4.97	4.97	4.97	4.90	4.90
Middling	4.66	4.66	4.66	4.66	4.58	4.58
Low middling	4.05	4.05	4.05	4.05	3.97	3.97
Good ordinary	3.36	3.36	3.36	3.36	3.28	3.28
Estimated spot sales	8,000	10,000	10,000	8,000	10,000	7,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Fully good middling	....	....	....	.....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	456,235	570,419	491,246	342,138
Overland to mills and Canada	43,687	49,099	54,290	48,040
So. mill takings, est., exclusive of takings from Southern ports.	90,000	90,000	90,000	75,000
Gain of stocks at interior towns	38,864	26,624	61,210	92,420
Brought into sight for week	628,786	736,142	696,746	557,598
Total Movement—				
Port receipts	4,737,659	4,712,604	4,736,609	2,019,191
Overland to mills and Canada	210,962	209,036	283,073	185,860
Southern mill takings	832,032	805,873	844,796	498,000
Stocks at interior towns in excess of Sept. 1	595,587	445,495	445,897	803,711
Brought into sight thus far this season	6,376,240	6,173,008	6,310,675	3,506,762

The total crop movement is respectively for 109 days, 107 days, 106 days and 105 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	159,766	1,641,235	247,212	147,731	949,818	360,568
New Orleans	95,135	480,537	197,090	48,391	224,951	161,481
Mobile	16,994	189,101	56,286	6,148	44,679	34,197
Savannah	79,719	1,072,359	231,041	59,922	345,266	148,244
Charleston	22,902	289,330	87,443	15,848	93,466	63,586
Wilmington	24,383	240,189	41,443	10,384	48,018	33,422
Norfolk	31,523	206,246	34,874	16,566	89,470	41,719
Baltimore	5,026	40,288	9,835	3,611	12,668	8,378
New York	300	524	36,440	50	519	71,615
Boston	1,063	3,911	3,449	534	3,389	3,113
Philadelphia	.....	74	4,748	51	443	3,454
Newport News	2,986	14,086	.....	2,681	19,811	.....
Brunswick	7,000	178,150	32,403	5,075	14,200	.....
Pensacola	12,257	57,006	.....	3,925	3,925	.....
Port Arthur	193	8,793	.....	.....	400	.....
Pacific ports	9,149	86,379	.....	5,863	55,439	.....
Texas City, etc.	21,162	214,458	9,839	13,972	98,875	36,807
Jacksonville, etc.	1,688	14,843	1,174	1,386	15,845	755
Georgetown	.....	.....	.....	.....	.....	.....
Totals	491,246	4,736,909	994,832	342,138	2,021,191	970,453

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	1,163	23,979	709	1,921	741	9,078	652	6,005
Dallas	5,982	38,203	6,396	8,756	7,641	50,385	7,844	8,750
Shreveport	10,125	80,730	9,491	23,710	8,846	73,306	1,827	64,331
Little Rock	10,869	68,697	8,290	36,932	8,633	59,178	4,836	35,409
Helena	4,551	27,237	1,710	15,524	5,176	27,953	2,623	19,903
Vicksburg	1,511	10,353	719	6,065	1,906	12,611	700	8,847
Columbus, Miss.	2,178	19,097	1,615	5,911	1,486	9,411	111	6,950
Natchez	1,293	8,395	1,043	3,893	1,059	11,070	400	9,327
Memphis	71,005	345,868	47,517	125,885	58,095	341,997	30,643	210,531
Nashville	544	5,530	.....	1,011	.....	532	.....	.....
Selma	6,768	89,634	5,137	14,089	5,522	66,148	3,448	43,115
Montgomery	6,206	106,536	4,371	28,544	7,176	102,226	4,027	71,557
Eufaula	806	15,882	215	3,514	1,037	13,732	263	10,032
Columbus, Ga.	2,385	29,232	1,725	7,378	4,940	42,711	1,175	31,851
Macon	2,236	28,573	1,790	2,911	2,478	24,862	902	20,641
Albany	1,129	23,746	618	3,048	1,063	22,874	568	18,477
Atlanta	14,152	133,314	10,400	24,806	9,537	19,803	6,840	14,468
Rome	3,370	35,798	2,650	7,379	3,859	24,329	2,336	8,287
Augusta	15,492	204,082	9,715	54,078	24,579	204,824	10,908	137,398
Columbia	2,480	31,078	2,180	.....	2,585	41,595	2,585	.....
Newberry	626	13,012	626	.....	691	5,771	691	.....
Charlotte	840	7,231	840	.....	398	2,708	398	.....
Raleigh	512	7,395	600	327	400	1,699	400	234
St. Louis	26,229	118,979	26,451	9,657	33,274	116,395	28,135	26,940
Houston	127,632	1,417,258	117,410	171,354	14 265	821,857	131,789	132,869
Meridian	1,691	12,175	821	7,059	1,562	9,236	378	8,411
Cincinnati	11,670	36,497	7,877	11,272	7,819	37,926	6,695	4,302
Yazoo City	2,105	15,748	1,494	10,724	2,862	19,562	771	16,683
Totals	336,170	3,061,274	272,710	587,748	345,970	2,331,777	251,945	916,318

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	218,895	136,881	73,507
France	22,220	55,085	12,380
Continent	144,862	149,508	51,330
Mexico	200	3,262	2,343
Japan	18,992	10,049	20,566
Totals	405,169	354,745	160,126
Great Britain	1,486,927	1,218,405	404,284
France	481,384	565,724	34,387
Continent	1,206,399	1,419,246	261,981
Mexico	453	16,221	18,289
Japan	55,638	90,769	114,673
Totals	3,230,801	3,310,365	833,614

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	500,000	430,000	.....
Since September 1	3,053,692	3,488,333	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	9,500	54,669	6,250	64,840	.....	.....
To Manchester	8,500	58,491	8,000	55,676	.....	.....
To Continent	10,000	58,845	9,250	85,323	.....	.....
To America	6,000	17,514	800	4,274	.....	.....
Total exports	34,000	189,519	24,300	210,113	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year		
	Week.	Season.	Week.		Season.
Receipts	46,000	276,000	.....	.....	.....
Exports to Great Britain	1,000	3,000	.....	.....	.....
Exports to Continent	7,000	170,000	.....	.....	.....
Exports to Japan and China	22,000	102,000	.....	.....	.....
Afloat in harbor	10,000	.....	.....	.....	.....

Exchange, 1s. 4⅜.

Receipts exclusive of ——— American this week, ——— this season; ——— this week last year, 2,000 last season.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	651,000	452,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses	54,000	29,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	3,000	.....	.....
Bremen	252,000	247,000	.....	.....
Havre	170,000	164,000	.....	.....
Other ports—Continent	47,000	38,000	.....	.....
Alexandria	299,000	.....	.....	.....
Bombay	108,000	.....	.....	.....
U. S. interior towns	587,848	587,848	.....	.....
U. S. ports	994,832	994,832	.....	.....
Afloat for—				
Liverpool	470,000	401,000	.....	.....
London	.....	.....	.....	.....
Continent	891,000	792,000	.....	.....
Afloat in Bombay harbor	10,000	.....	.....	.....
Coastwise to New York	25,000	25,000	.....	.....
Exports to-day	.....	.....	.....	.....
Toals	4,851,362	3,735,362	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 250,486. Increase in American visible supply for the week, ———, against 245,486 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	6,310,675	.....
Total supply	7,642,815	.....
Less visible supply, American, to-day	3,734,646	.....
World's takings, American, to date	3,908,169	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	790
Receipts at United States ports to date	4,736,909	2,019,191
Total supply at ports	4,898,198	2,273,182
Deduct.		
Stocks at ports to-day	993,898	967,340
*Exports to date	3,337,365	855,634
Southern mill takings from ports	19,107	40,008
Burnt at ports	.....	.....
Totals	4,350,370	1,862,982
To Northern mills from ports	547,828	410,200
Overland to Northern mills	283,073	185,860
Total Northern mill takings	830,901	596,060
Southern mill takings	863,903	538,008
Total American mill takings, including Canada	1,694,804	1,134,068

*Includes ——— in transit between Southern ports and New York, against 25,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	207,212	1,694,804	.....	.....
Great Britain	90,881	892,405	.....	.....
Continent	158,593	1,213,970	.....	.....
Mexico	3,262	16,221	.....	.....
Japan and China	10,049	90,769	.....	.....
Totals	469,997	3,908,169	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	41,000	61,000	55,000	58,000
Sales, American	29,000	45,000	37,000	45,000
Sales, speculation	3,000	5,000	1,000	1,000
Sales, exports	3,000	1,000	2,000	2,000
Forwarded	105,000	105,000	60,000	69,000
Imports, all kinds	218,000	182,000	35,000	.....
Imports, American	197,000	143,000	35,000	.....
Actual exports, all kinds	80,000	8,000	6,000	5,000
Stock, all kinds	741,000	651,000	724,000	734,000
Stock, American	608,000	452,000	442,000	454,000
Afloat for Great Britain, all kinds	645,000	473,000	234,000	.....
Afloat for Great Britain, American	559,000	405,000	197,000	.....

BRITISH BOARD OF TRADE OFFICIAL EXPORT FIGURES

The preliminary figures for the October exports of cotton yarns and cloths from Great Britain have been received by cable by the New York Cotton Exchange. We give them below, with the completed figures of the months since October 1, 1913:

	Yarns, Pounds.		Cloth, Yards.	
	Month.	Since Jan. 1.	Month.	Since Jan. 1.
1913.				
1913—October	19,959,100	174,720,800	630,937,100	5,981,216,300
1912—October	22,515,500	207,614,800	666,185,300	5,789,310,200
1913—November	18,247,000	192,968,400	563,650,100	6,544,866,100
1912—November	18,025,000	225,640,000	568,945,600	6,358,255,800
1913—December	17,207,100	210,175,500	530,692,300	7,075,558,400
1912—December	18,314,300	243,954,300	554,370,000	6,912,625,800
1914.				
1914—January	19,056,000	19,056,000	688,105,100	688,105,100
1913—January	19,093,300	19,093,300	648,912,700	648,912,700
1914—February	18,074,100	37,130,100	583,451,600	1,271,556,700
1913—February	16,761,100	35,854,400	563,606,400	1,212,519,100
1914—March	19,824,300	56,954,400	590,375,000	1,861,931,700
1913—March	17,212,600	53,067,000	560,905,000	1,773,424,100
1914—April	18,992,500	75,946,900	531,908,600	2,393,840,300
1913—April	18,578,600	71,645,600	587,552,800	2,360,976,900
1914—May	20,234,300	96,181,200	572,913,100	2,966,753,400
1913—May	17,776,700	89,422,300	606,254,300	2,967,231,200
1914—June	17,233,000	113,414,200	498,504,900	3,465,258,300
1913—June	16,986,700	106,409,000	615,557,600	3,582,788,800
1914—July	19,866,300	133,280,500	628,770,100	4,095,028,400
1913—July	16,620,200	123,029,200	638,971,100	4,221,759,900
1914—August	8,046,800	141,327,300	313,074,600	4,408,103,000
1913—August	15,998,100	139,027,300	579,546,500	4,801,306,400
1914—September	10,000,000	151,327,300	374 000,000	4,782,103,000
1913—September	15,734,400	154,761 700	548,972,500	5,350,278,900
1914—October	8,000,000	159,327,300	371,000,000	5,153,103,000
1913—October	19,959,100	174,720,800	630,937,100	5,981,216,000

* * *

The Price of Cotton in Germany as Affected by the War.—The United States Department of State is in receipt (November 3) of a cablegram from the American embassy at Berlin stating that the supply of cotton is about sold out in Bremen, which is the principal cotton market of Germany. Small quantities of good middling are being quoted at 85 pfennigs per half kilo (18.352 cents per avoirdupois pound). Two weeks ago the figure was 72 pfennigs (15.546 cents per pound), and four weeks ago 68 pfennigs (14.682 cents per pound). A price of 57 pfennigs per half kilo (12.307 cents per pound) is offered for new-crop fibre, but quotations will naturally be influenced by the quantity arriving. At Hamburg spot cotton is quoted at 90 pfennigs (19.432 cents per pound) and 85 pfennigs (18.352 cents per pound) offered for later delivery, with a drop in price likely should new cotton arrive in quantity.

In the interior of Germany—at Stuttgart and Munich—the price is 1 mark per half kilo (21.591 cents per pound); at Magdeburg, 72 pfennigs (15.546 cents per pound); at Coburg, 60 to 65 pfennigs (12.955 to 14.034 cents per pound) for cotton coming by way of Genoa or Swedish ports; at Cologne, 78 pfennigs (16.841 cents per pound) delivered at Cologne; at Dresden, 75 pfennigs (16.193 cents per pound), this being the quotation on October 17. In Leipzig prices range from 66 to 107 pfennigs per half kilo (from 14.25 to 23.102 cents per pound), free Leipzig, according to quality.

For comparison it may be stated that on approximately the same date (November 2), the average price of spot middling cotton in the twelve principal active markets of the United States was 7.02 cents per pound, while in Liverpool the price for middling spot was 4.80 pence per pound.

* * *

FOURTH COTTON GINNING REPORT OF THE SEASON.

On Monday, November 9, the Bureau of the Census issued its fourth report of the season on cotton ginned from the American crop of 1914-1915. The figures cover the period from the beginning of the season up to November 1. The following table gives the returns by States, with comparisons for last year and for the large crop year, 1911:

COTTON GINNED FOR SEASON TO NOVEMBER 1.

States.	1911, Bales.	1913, Bales.	1914, Bales.
Alabama	1,083,737	1,015,788	1,068,596
Arkansas	444,401	431,522	574,982
Florida	56,070	47,315	56,645
Georgia	1,908,764	1,605,506	1,763,240
Louisiana	232,245	222,464	297,910
Mississippi	584,199	568,005	668,756
North Carolina	597,940	384,260	428,362
Oklahoma	554,933	536,303	658,211
South Carolina	1,022,614	846,468	910,403
Tennessee	211,128	174,379	172,718
Texas	3,211,572	2,950,444	3,170,025
All others	58,302	46,942	58,847
United States	9,970,965	8,830,396	9,828,695

The amount of cotton ginned from October 18 to November 1, inclusive, was 2,207,114 bales, as compared with 2,212,284 bales ginned in the same period in the season of 1911-1912, or practically the same. Included in the figures for this year were 22,976 round bales (taken as half-bales), as compared with 61,577 last year, 54,539 in 1912, and 68,313 in 1911. Sea Island cotton included

(Continued on Next Page.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28-in. 64 x 64s	3	3
Gray goods, 38½-in. standard	4	4
Brown sheetings, standard	6¾-7	6¾-7
Denims	13½-17	13½-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	18½	18½
Southern 2-ply skeins, 6s	42	42
Southern single skeins, 20s	16	16
Southern single chain warps, 20s	16	16
Southern 2-ply chain warps, 20s	16	16
Standard frame cones, 8s	16¼-16¾	16¼-16¾
Southern frame cones, 8s	18½-19	18½-19
Eastern carded cops, 20s	19¾	19¾
Eastern carded cops, 30s	23¼	23¼
Eastern carded peeler warps, 30s	25½	25½
Eastern carded peeler warps, 50s	40	41

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 7..	1.17½	1.16⅞	1.17⅜	1.23⅞	1.23¼	1.23¾	.....	.....	.....
Nov. 9..	1.17¾	1.16¾	1.17	1.24¼	1.23½	1.23¾	.....	.....	.....
Nov. 10..	1.17	1.15⅝	1.15⅞	1.24	1.22¼	1.22⅝	.....	.....	.....
Nov. 11..	1.16⅜	1.14⅜	1.15¼	1.23⅜	1.21⅛	1.21⅞	.....	.....	.....
Nov. 12..	1.16	1.14⅛	1.15¾	1.22¾	1.21	1.22½	.....	.....	.....
Nov. 13..	1.16½	1.14	1.14¾	1.22¾	1.20¼	1.21⅛	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 7..	70⅜	70	70⅜	73¼	72⅞	73⅛	....	....	....
Nov. 9..	70⅝	69⅜	69⅝	73⅜	72⅜	72⅝	....	....	....
Nov. 10..	69⅜	68⅜	68½	72½	71½	71⅝	....	....	....
Nov. 11..	68¾	68	68⅜	71⅞	71⅛	71½	....	....	....
Nov. 12..	69¼	68⅛	69¼	72¼	71¼	72¼	....	....	....
Nov. 13..	69⅛	68¼	68⅝	72¼	71⅜	71¾	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 7..	50¼	50	50⅛	54⅛	53¾	53⅞	....	....	....
Nov. 9..	50⅝	49¾	49⅞	54⅜	53¾	53⅞	....	....	....
Nov. 10..	50	49	49¼	53⅞	53	53⅞	....	....	....
Nov. 11..	49⅝	48⅞	49¼	53¼	52⅞	53¼	....	....	....
Nov. 12..	49⅞	49¼	49¾	53¾	53⅛	53¾	....	....	....
Nov. 13..	50⅛	49¼	49⅜	54	53	53½	....	....	....

LARD.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 7..	....	....	....	10.55	10.40	10.42	10.75	10.62	10.62
Nov. 9..	....	....	....	10.42	10.35	10.40	10.65	10.50	10.60
Nov. 10..	11.25	11.15	11.15	10.40	10.27	10.30	10.52	10.47	10.50
Nov. 11..	11.40	11.30	11.40	10.45	10.40	10.45	10.62	10.57	10.62
Nov. 12..	11.40	11.40	11.40	10.60	10.50	10.57	10.70	10.62	10.70
Nov. 13..	....	....	11.52	10.55	10.45	10.47	10.65	10.60	10.60

RIBS.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 7..	....	....	....	10.55	10.40	10.40	....	....	....
Nov. 9..	....	....	....	10.42	10.32	10.35	10.65	10.60	10.62
Nov. 10..	....	....	....	10.32	10.17	10.17	10.67	10.50	10.50
Nov. 11..	....	....	....	10.27	10.20	10.25	....	....	....
Nov. 12..	....	....	....	10.35	10.22	10.35	....	....	10.65
Nov. 13..	....	....	....	10.37	10.17	10.25	10.65	10.52	10.57

PORK.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 7..	....	....	....	20.05	19.75	19.75	20.30	19.97	20.00
Nov. 9..	....	....	....	19.55	19.50	19.50	19.90	19.80	19.85
Nov. 10..	....	....	....	19.50	19.15	19.17	19.82	19.55	19.57
Nov. 11..	.....	....	....	19.35	19.12	19.22	19.72	19.52	19.62
Nov. 12..	....	....	....	19.40	19.17	19.40	19.80	19.57	19.77
Nov. 13..	....	....	17.50	19.25	19.02	19.20	19.75	19.50	19.65

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.50	5.30	5.33	5.25	5.28	5.35
November	5.50	5.30	5.33	5.25	5.30	5.35
December	5.55	5.42	5.44	5.39	5.38	5.39
January	5.65	5.55	5.56	5.57	5.55	5.55
February	5.71	5.67	5.65	5.65	5.65	5.70
March	5.87	5.79	5.83	5.86	5.84	5.82
April	5.90	5.87	5.86	5.90	5.89	5.92
May	6.07	5.99	6.05	6.08	6.06	6.07
June	6.10	6.05	6.10	6.10	6.10	6.12

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.
July	....
August	6.56
September	6.70
October	6.80
November	6.90
December	7.00
January	7.06
February	7.12
March	7.19
April	7.25
May	7.30
Spot	6⅜

amounted to 43,331 bales, compared with 42,084 bales last year, 28,887 bales in 1912, and 56,563 bales in 1911.

The average quantity of cotton ginned prior to November 1 in the last seven years was 8,050,715 bales, or 63.5 per cent of the average of the seven crops.

NEW YORK COTTON EXCHANGE TO HAVE A CLEARING ASSOCIATION

AFTER the closing of the New York Cotton Exchange on July 31, by reason of the demoralization of business caused by the European War, the members of the Exchange found that not only had they to provide measures of relief and insurance against further harm in connection with the great mass of outstanding commitments left hanging in the air, so to speak, but that there were also important changes and readjustments which should be made before the Exchange resumed operations. As is well known, one of these changes was that of the form of contract employed between members, in order that the provisions of the new United States Cotton Futures Act (Lever Act) might be met,—it being desirable that when this Act goes into effect on February 18, 1915, the trading on the Exchange should already be in essential conformity with the terms of the statute. The work of making this change has been substantially completed, and would have been actually completed, if definitive rulings on numerous points had been made by the Secretary of Agriculture and the Secretary of the Treasury. Even so, it is believed that the form of contract put into effect for all new business, when the Exchange opens (probably on Monday, November 16), will require only the slightest changes when the Government decisions have been arrived at.

A second important change, whose desirability was brought home to members by the events of the last days before the closing of the Exchange, is in respect of the clearing of contractual obligations between members. Heretofore, neither of the American cotton futures exchanges nor the Liverpool Cotton Association has had a Clearing House for members' contracts, in the proper sense of that term. The two important exchanges on the Continent of Europe, Havre and Bremen, have had clearing houses, or liquidation bureaux (*caisses de liquidation*); but the method of organization and operation of these institutions has seemed somewhat foreign to the commercial habits of English and American cotton merchants, who have been solicitous of preserving their direct contractual relations, one with another, and have been averse to having a third party, the clearing house, intervene. The nature of a clearing house for contracts for future delivery is necessarily widely different from that of a stock exchange or bourse clearing house, inasmuch as those purchases and sales of securities which are cleared are for immediate delivery, and the clearing is not essentially different from that of a bank clearing house. Where, however, there is no immediate delivery, but the trading is in contracts for future delivery, so that the consummation of the contracts is spread over many months in the future, the clearing arrangements must be such as to preserve the identity and validity of these contracts until their maturity. Hence, a clearing house for future contracts requires much more complicated machinery than a stock exchange clearing house, and implies an entirely different legal status. The only adequate method to pursue in the contract clearing house is to have the clearing house itself, through substitution, become a party to all contracts entered into between members of the exchange. On the other hand, great advantages to all members are derived from such an arrangement, particularly in the matter of the insurance of solvency which comes from the ability of the clearing house to deal singly and directly with any member inclined to over-extension of his operations.

The members of the New York Cotton Exchange, at a meeting held on Wednesday of this week, agreed to a tentative plan for a Clearing House Association and requested the Board of Managers of the Exchange to proceed at once to the reduction of the plan to workable shape in detail, and to its speedy adoption. The matter is of such importance, not only to the members of the Exchange, but also to all those who deal with them,—i. e. customers, bankers, etc. —that the tentative plan, as approved at Wednesday's meeting, is here given in full.

* * *

TENTATIVE PLAN FOR NEW YORK COTTON EXCHANGE CLEARING ASSOCIATION.

1. **Name:** The name of the Association to be the New York Cotton Exchange Clearing Association.

2. **Object:** The object of the Association shall be to facilitate the clearing of contracts for future delivery of cotton between the members of the New York Cotton Exchange and the furnish protection to the individuals and firms which carry such contracts.

3. **Form of Corporation and Capitalization:** A corporation of 200 or more shares at $10.00 par value for each share, one share to be owned by any member of the New York Cotton Exchange desiring to clear contracts through the Association and agreeing to abide by all of its rules and regulations.

4. **Management:** The management to rest in five directors elected by the shareholders, two to serve one year, two to serve two years, and one to serve three years, and at the expiration of the various terms successors to be elected for a period of three years. Any vacancy caused by resignation, death or otherwise, to be filled by the remaining directors for the unexpired term.

In order that the control of the Association shall continue to rest in the hands of only those members who clear contracts, each shareholder to assign his share in blank to the directors of the Association, and to agree in writing that the directors shall sell his share at par at such time as he may:

(a) Discontinue clearing and withdraw his guarantee;

(b) Form a partnership with another shareholder or shareholders, in which case one of the shareholder members of the firm shall be designated as the member of the Association, and the remaining share or shares shall be disposed of through the directors;

(c) Discontinue for any reason his membership in the Exchange.

5. **Membership:** Membership in the Association shall be open to any member of the New York Cotton Exchange who is in good standing, or to any firm one of whose general partners is a member in good standing of the New York Cotton Exchange, who or which shall have a business office within one-half mile from the New York Cotton Exchange building, and shall deposit with the Association a certified check for $15,000 in New York Funds; and shall buy from the directors one share of stock at $10.00 par value per share, provided he or they agree to comply with all the rules of the Association.

6. **Guaranty Fund:** A deposit of $15,000 from members shall be made and kept in New York City depositories approved by the Directors and shall constitute a fund to secure prompt payment of claims arising by reason of the failure of any Clearing Association member, pending the determination and collection of such failed member's indebtedness, and for the general purposes of the Association.

7. **Method of Clearance:** All contracts for future delivery of cotton made between members of the Association and recognized by the New York Cotton Exchange shall be cleared through the Asso-

ciation, which shall become a party to such contracts by assuming the position of buyer to each seller and seller to each buyer, always, however, retaining the integrity of the original contract and the ultimate responsibility of the original contracting parties until the final completion and fulfilment of the contract. Members shall make daily reports to the Association in accordance with rules prescribed by the Association, and shall accompany such reports with such check or draft as may be necessary to mark outstanding contracts to the last closing bid prices, and with check for original margin as hereinafter prescribed.

8. Fees: Fees shall be charged to members on the basis of 10 cents for each contract cleared. This rate shall be subject to change by the Directors.

9. Surplus: The earnings of the Association shall be used to defray its expenses, and any balance remaining after such expenses have been paid shall be placed in a Surplus Fund.

10. Original Margins: (a) Each member shall maintain a deposit as original margin upon his net interest with the Association (either bought or sold, as may appear each day) in amount not less than is prescribed in the following schedule:

Upon a net interest of 50,000 bales or less.....	$3.00 per bale
Upon a net interest in excess of 50,000 bales, but not over 100,000 bales, upon such excess.....	4.00 per bale
On all contracts in excess of 100,000 bales.....	5.00 per bale

When, in the opinion of the Directors, additional margin is deemed desirable, they shall, upon twenty-four hours' previous notice, declare that all members shall keep with the Association an original margin of not less than $5.00 per bale on their total net interest with the Association. When once declared, this $5.00 marginal basis shall remain in force until withdraw by the Directors.

(b) In addition to the margin required above on the net position of each member with the Association, an original margin of 50 cents per bale on each month will be required on all straddles between months.

When the Directors consider that any increase in a member's commitments with the Association might be hazardous or against the best interest of the Exchange, the Directors may, after examination, fix a maximum beyond which such member shall not be allowed to extend his open contracts with the Association; or it may require an additional margin of not over $10.00 per bale on all excess over said maximum, as it may deem wise,—subject to the right of appeal to a proper committee within twenty-four hours.

Original margins, as provided above, shall be deposited in any of the banks or trust companies approved by the Directors. Checks for such margins shall be made payable to the selected depository and shall be attaced to the Clearing Sheet. The Association shall then deliver such checks to the respective depositories and shall receive and hold until released, margin certificates payable to the order of the Association or the depositor, as the Superintendent of the New York Cotton Exchange may direct. Receipts for such margins shall be given to the depositor by the Association.

Margins which are no longer required shall be released by the Association.

11. Variation Margins: The Directors may, in their discretion, require additional deposits with the Association, to meet variations in the market at any time during the day, under such regulations as they may establish.

12. Defaults: Any member who fails to meet his obligations to the Association, or whose suspension has been announced from the rostrum, shall be considered in default, and the management of the Association shall cause all open contracts of such member with the Association to be promptly closed on the floor of the Exchange. If such member in default is unable to meet immediately any deficit to the Association resulting from the closing of his contracts as above, advice of such inability shall be immediately communicated in writing to the Superintendent of the Exchange. Any loss to the Association resulting from the closing of a member's contracts, as above, shall be paid, as far as possible, out of the available surplus of the Association, and any additional loss shall be assessed against the members of the Association as follows: Fifty per cent thereof shall be assesed pro rata against each member of the Association; the remaining 50 per cent shall be assessed against members of the Association in the proportion that the net amount of their contracts originally made with the failed member, not fulfilled or settled in months not yet matured, bear to the total amount of contracts liquidated at a loss; but, only members shall be assessed whose net contract interest is on the opposite side of the market from that interest liquidated at a loss for the account of the failed member. If it has been necessary to assess members as above provided, the Directors shall impose an additional clearance fee, to be levied on all clearances and to be credited to a special surplus account. From this special surplus account shall be paid: (1) amounts contributed pro rata by members of the Association, and (2) the amounts contributed by members on the basis of their original net contract interest. As soon as this total amount has been raised, the additional clearance charge shall be discontinued.

13. Transferable Notices: Whenever a member desires to deliver a transferable notice against a contract to which the Association is a party, he shall obtain from the Association the name of the member to whom such notice shall be delivered.

THE INVESTMENTS OF LIFE ASSURANCE COMPANIES

(Continued from Page 628.)

These may be summarized as follows: (1) The towns in both countries, but especially in America, where the population of the average city doubles itself in from twenty to thirty years. (2) The higher standard of living: this is reflected in the greater consumption of gas and electric light per head, the former of which was at one time in great danger of being superseded by the latter; but the coming of the incandescent burner and the more general use of gas for cooking purposes have, of course, brought about quite a different state of affairs. Further, there is the greater tendency than previously to ride instead of walk. (3) The great improvements in the machinery of production and distribution, particularly as regards electricity, and this has probably more than counterbalanced the increased cost of labor and material. Indeed, it is very largely owing to the extension of electricity for commercial purposes that these corporations have made such rapid progress. The supply of cheap power in certain countries such as Scandinavia and America is practically inexhaustible, and this can be transformed into electric energy at remarkably low rates. To illustrate this I will refer to an article in the "Economist" which appeared a short time ago, in which the writer gives the estimated theoretical power of the streams in the United States as 230,000,000 horsepower, and the amount actually in use as only 6,000,000 horsepower. Further, the quantity really available is about 37,000,000 horsepower, enough to "operate every mill, drive every spindle, propel every train and boat, and light every city, town and village in that country."

Public Utility companies enjoy a more secure position than the majority of industrial companies, since they supply the people with what are practically necessities of modern life, viz., water, gas, electric light and power, telephone service, and means of trans-

port, and these are required and must be supplied every day, whether the times be good or bad. In illustration of this point, it is a fact that the volume of business done by this type of company is very nearly the same in periods of great trade activity and flourishing conditions generally as it is in times of severe depression. The stability of earnings naturally makes the bonds and prior charge stocks an attractive form of investment, and particularly so with those of the United States and Canada, where the interest yields obtained are appreciably higher than those of British corporations. Operations are nearly always carried on under franchises granted by the local authorities, the terms of which it is most important to examine. It is desirable that these should be free from irksome restrictions and be either perpetual or run for a long period. It is not necessarily essential that the term of the franchise should exceed that of the bond under consideration (although this is an advantage), as the franchise can usually be extended on a reasonable basis, and there is a law in the United States, I believe, in this connection, which prohibits the confiscation of property. Gas and electric light companies are almost invariably in competition with each other in this country, but abroad the same company frequently supplies both commodities, a factor which makes for stability of earning power. In America, Public Utility companies are frequently placed under special State enactments—California, for example, being subject to the Railroad Commission of that State.

A few figures taken from the "Commercial and Financial Chronicle" may help to show the enormous growth which has taken place in the earnings of electric tramways and street railways in the United States. About 300 of such companies obtained an increase in 1911, as compared with 1910, of $27,000,000, representing over 6 per cent of the total, and this was at a time when the ordinary railroads showed a decrease in earnings of about the same amount. Again, the United States Census Bureau collected statistics covering the period 1902-1907 (excluding gas companies, for which the figures have had to be estimated), and from these it would appear that the total capital thus invested approximated to $10,000,000,000 or about £2,000,000,000 sterling. The relative importance of this is obvious when it is remembered that the figures for steam railroads are estimated at less than $20,000,000,000, or about £4,000,000,000 sterling.

Now, dealing with the figures of the three years, 1910, 1911 and 1912, nearly $700,000,000 of new capital was invested in the bonds of public utility companies, and in addition about $100,000,000 was raised by the means of the issue of stock.

Incidentally, I may mention that a few years ago Poor's Manual, a book very similar to our own Stock Exchange Official Intelligence, included within its scope particulars of public utility companies doing business within the United States. In 1911, however, it was found necessary to issue a separate volume for these and industrial securities, while this year a further expansion took place and a book of over 2,000 pages is now devoted to setting forth the essential facts of public utility companies alone.

There is no doubt that the market for this type of bond is rapidly growing, particularly in this country, where, until a short time ago, comparatively little attention had been given to such a remunerative class of investment. From 5 to 5½ per cent can now be obtained with reasonably good security, but considerable discrimination and judgment in picking out the best bonds is required. In addition to examining the franchises, as already pointed out, the capitalization must be thoroughly investigated, and this should bear a satisfactory relation to the physical value of the property. Enterprises which have not arrived at a mature condition—that is, are still in the construction state—should be left severely alone.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Fire Losses for October.—The fire losses of the United States and Canada for the month of October, as compiled from the records of "The Journal of Commerce," show a total of $14,004,700, a considerable reduction from the 1913 figures. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912, together with the monthly record for the balance of those years:

	1912.	1913.	1914.
January	$35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
April	16,349,400	16,738,250	17,700,800
May	21,013,950	17,225,850	15,507,800
June	16,103,450	24,942,700	29,348,000
July	15,219,100	20,660,900	17,539,800
August	14,158,800	21,180,700	11,765,650
September	13,779,300	17,919,300	14,383,050
October	13,651,650	14,932,750	14,004,700
Total ten months	$191,163,300	$193,389,300	$190,711,450
November	16,172,300	15,207,600	.....
December	17,967,000	16,126,450	.....
Total for year	$225,320,900	$224,723,350	.....

* * *

The Rôle of Congenital Diseases in Infant Mortality.—Under the above title Dr. Jacob Sobel, of the New York City Bureau of Child Hygiene, gives some most interesting facts and conclusions drawn therefrom in a recent number of the Monthly Bulletin of the New York City Department of Health. We quote as follows:

"Sanitarians the world over have come to realize that any further appreciable reduction in infant mortality must come through concerted effort directed against deaths from the congenital diseases, which are increasing annually, and which claim about three-quarters of the thirty-seven per cent of children that die during the first month, and nearly one-third of all children who die during the first year. In this city during the past ten years, the number of deaths under one year of age from diarrhoeal, respiratory and contagious diseases, and all other causes except congenital diseases, has declined. The number of deaths from congenital diseases has increased from 4,740 in 1903 to 5,495 in 1913, while the death rate from these diseases during 1911, 1912 and 1913, has been 39.2, 40.4 and 40.7, respectively, or in other words, practically stationary. In fact, of all the disease groups causing infant deaths, congenital diseases at present occupies the non-enviable first place, superseding diarrhoeal diseases which for many years was the leader. It has been estimated that of all deaths due to congenital diseases in New York City—prematurity, congenital debility, convulsions, malformations, injuries at birth—about thirty per cent die on the first day of life, and about fifty per cent during the first week, while in the registration area of the United States eighty per cent of all deaths due to these diseases occur during the first month of life; furthermore, statistics show that of all children dying during the first month of life in the registration area of the United States, almost two-thirds die during the first week, and about two-fifths on the first day. It is clear that such deaths bear no relation to hygienic or dietetic errors, and that this mortality must be attributed to conditions arising before, at, or directly after birth. This being the case, the need for prenatal instruction, that is for advising and guiding expectant mothers in all matters bearing upon their own health and that of their offspring, is apparent, and there is no doubt at all that this work must eventually be taken up by municipalities, if it

is hoped to effect any further considerable reduction in the infant mortality rate.

"The New York Milk Committee early recognized the importance and possibilities of this problem, and in 1911 took up prenatal guidance as part of its infant mortality work. The work was continued through 1912 and 1913, a special corps of trained nurses and physicians devoting their attention to it. Naturally, the Department of Health afforded every assistance to this committee through its Infants' Milk Stations, the nurses of which enrolled all expectant mothers with whom they came in contact at the stations or in the homes. In this way, and by receiving tentative reports from the committee, the Department of Health was able to keep informed concerning the progress of the new work. It was realized that despite the pronounced reduction in the city's infant mortality rate during the past ten years (152 in 1903 to 101.9 in 1913), this reduction had been largely among babies over one month of age, whereas the death rate of children under one month had varied but slightly.

"This is well shown by the following analysis of infant mortality in the City of New York, 1906-1913 (the figures are rates per 1,000 births):

	Death Rate, Children Over 1 Month, Under 1 Year.	Death Rate, Children Under 1 Month.
Average 1906-1910	95.0	40.8
Year 1911	72.4	39.2
Year 1912	67.1	38.2
Year 1913	64.2	37.7

"Analyzing the cause of death and comparing the five-year period of 1908-1912, inclusive, with the year 1913, we find the infant death rate, in New York City, based upon 1,000 births, as follows:

Diseases.	1908-1912 (Average).	1913.	Decrease Per Cent.
All causes	120.0	101.9	15.0
Congenital	41.3	40.7	1.5
Respiratory	25.8	23.5	8.9
Diarrhoeal	33.4	22.5	32.6

"This demonstrates how all methods heretofore adopted for the control of infant mortality have left uninfluenced the deaths from congenital diseases; it indicates that any future infant mortality reduction must come about mainly through the control of this group of diseases."

* * *

Cotton Fires in the Southern States.—The fatality which appears to make increasing fire losses regularly coincident with business depression, large stocks, slow sales and low prices in any department of commerce, seems to be making itself felt in the way of an uncommonly large number of cotton fires in the South. The October fire loss statistics of the New York "Journal of Commerce" enumerate the following conflagrations:

Sudler, Texas, cotton gin	$10,000
Waco, Texas, cotton warehouse	80,000
Moultrie, Ga., cotton warehouse and contents	200,000
Florence, Ala., cotton warehouse	14,000
Nacogdoches, Texas cotton oil mill	15,000
Austin, Texas, cotton shed and gin	12,000
Beleress, N. C., cotton gin and others	40,000

Upon this experience, the "Journal of Commerce" comments as follows: "The frequency of cotton losses in the South has been commented upon by underwriters, and it would seem that there must be some new hazard that needs investigation. One special agent has advanced the theory that the present process of ginning cotton has probably introduced features which cause sparks to ignite the loose cotton, which, being hastily baled, conceals for the time the smoldering fire. Tightly packed cotton may be on fire for days, it is said, before the flames break out. If this be true, the subject should be investigated by the rating association of the South."

It is, of course, always possible the "new hazards" may arise in connection with any commodity or property which is insured against fire; and the mere suspicion of such "new hazards" warrants careful investigation of the matter. It may, however, safely be predicted that such an investigation in the present case would show that present methods of ginning cotton are far less hazardous, from a fire point of view, than any heretofore known. The rapid introduction of all-steel gins, installed in gin-houses of concrete and all-steel and iron construction, has materially diminished the gin-hazard; and the warehousing of cotton in the South is as a rule much more careful, in respect of exposure to fire, than was the case a few years ago. Hence, if an investigation were had of the unusually high proportion of cotton fires this season, it seems improbable that it would result in the disclosure of a "new hazard" in these directions. On the contrary, it might show that the "new hazard" is simply the old friend (or enemy) of fire underwriters,—i. e. "moral hazard."

INSURANCE NEWS IN THE WEST

The Illinois Insurance Federation.—The Illinois Insurance Federation completed its organization at a meeting held in Chicago on Tuesday evening. The preliminary organization work has been going on for several weeks and the Federation starts with about 1,000 members, of whom over 750 already have paid their dues. Harve J. Badgerow, of Chicago, who volunteered to act as secretary during the organization period and in that capacity contributed much to the good start made, was elected president. The officer on whom the most work will fall will be the secretary, who is to be on salary and exercise managerial authority. He is to be chosen by the executive committee and appointed by the president. Upon him will devolve the work of organizing the insurance men in each of the fifty-one senatorial districts of Illinois and appointing a chairman for each district. It is the intention of the officers to organize the State on lines similar to those of the political parties, so that the entire insurance strength of the State can be called upon when necessary. As many insured as possible will be secured as members also.

At the meeting on Tuesday one of the members stated that it had been reported to him that there is already drafted at Springfield a bill intended to put Illinois on the State fund monopoly plan as regards insurance of workmen's compensation. Superintendent Potts has been talking of the effort he will make to have a law enacted providing for compulsory State fire insurance. Hence the feeling prevails that the insurance people would better be looking closely after their interests.

* * *

Proposed Extension of Chicago Fire Limits.—The proposed ordinance to extend the fire limits of Chicago was under consideration by a subcommittee of a city council committee again this week. This question has been up for months. The ordinance has strong forces behind it, including architects, underwriters and others. The lumber interests have been strong enough, however, to prevent action up to this time. Underwriters have recognized for years that Chicago is subject to an immense conflagration hazard in the residence district. This is the chief excuse of any value for the continued holding up of dwelling rates in the city and county

to a point so much above the rates prevailing in other parts of the State.

* * *

The Organization of the Universal Fire of Chicago.—Cook County field men are reported as wrought up over the organization of the Universal Fire of Chicago. This is really quite unnecessary, as the danger they scent is afar off; but it gives them something to worry about. Gerald A. Rolfes is organizing the company. The plan is to have a million of capital and an equal amount of surplus. That is considerable money to raise in times like these. Mr. Rolfes is said to have had some experience as a promoter and he is very well spoken of. Associated with him in the venture are about half a dozen class 2 Chicago agents. He insists that the company will be strictly orthodox and will join either the Western Union or the Western Insurance Bureau when it is ready for business; but some of the field men in the county have the idea that it is being organized as a protest against the expense reduction programme of the established companies, as a result of which class 2 agents have suffered some shrinkage of income. To those who figure on the length of time likely to elapse before such a pretentious proposition is actually put over, this fear of trouble is amusing.

It is announced that the cost of promotion is to be held down to 20 per cent. In other words, after the stockholders had paid in the $2,000,000 proposed, the company would have $1,600,000 of assets. What some people cannot figure out is, why anybody should want to pay $200 for this stock when he can buy stock of established companies, with a plant, business, reputation and fully as large a surplus in proportion to capital for less than $200. Those who cannot figure this out are the ones that cannot see why the Cook County field men should be worrying.

* * *

Kansas Fire Rates to Be Restored.—The old rates that were effective in Kansas before the reductions ordered by Superintendent Barnes at the time the rating law became effective will be restored on December 1. The Supreme Court ordered their restoration by a decree entered last week, but the companies agreed with Superintendent Lewis that it would require about three weeks to get out necessary instructions and make preparations.

* * *

Postponement of Potts Anti-Trust Suit.—The suits started by Superintendent Potts, of Illinois, against the fire insurance companies, both those to stop the operation of annexes and those under the anti-trust law, have gone over by agreement until December. It is understood that any court action on the companies' Federal injunction suit to prevent interference by Judge Potts with the business of companies operating annexes, will also go over till next month, although depositions will be taken in the latter case in Chicago next week.

* * *

New Illinois Insurance Superintendent Possible.—Considerable doubt is felt in some quarters in Chicago whether Rufus M. Potts will continue as Superintendent of Insurance of Illinois much after the first of the year. He was appointed to the office after the last Legislature adjourned and has therefore never been confirmed. The Senate in the recently elected Legislatiure is almost evenly divided politically. It is believed to be by no means certain that it will confirm his nomination. It will be remembered that there was a warm contest for the position when Mr. Potts was appointed, but nothing that his competitors or enemies could do seemed to move Governor Dunne in the least. This gave rise to the belief that his appointment had been agreed to before others entered the field and that the Governor could not go back on the agreement. While Mr. Potts has had the approval of many local agents in the State for his fight on fire insurance annexes, he has incurred the ill will of many of them by his anti-trust suits. Neither is his attitude on licensing inter-insurance exchanges pleasing to representatives of the stock casualty companies. Of course, the fire insurance companies do not like his attitude towards them generally. Hence, with an almost evenly divided Senate and two factions in the Democratic side, there is ground for doubt whether enough opposition to him will not develop to prevent his confirmation.

* * *

Election Results in the West.—The new administration in Oklahoma will go into office under a platform pledge to enact a workmen's compensation law. The Democratic platform does not specify the nature of the law to be passed, but the State Labor Commissioner-elect, it is stated, will work for a State fund bill along lines desired by the State Federation of Labor.

In Kansas it is possible that there will be no State fund legislation. The Labor Commissioner was one of the active advocates of this plan and he will go out of office, the Governor who appointed him having been defeated for re-election.

Chicago, November 13, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

Two important decisions as to the extra-territorial effect of State workmen's compensation acts were handed down during the week. The first was delivered by Justice Swayze in the New Jersey Supreme Court on November 9, in the suit of the widow and posthumous child of John A. Rogge, Jr., against the American Radiator Company. Rogge was killed while acting as a traveling salesman for the company. The company claimed that the contract of service was made in New York, and that therefore the New Jersey act did not apply. Justice Swayze held that, if the contention were good, New Jersey would be deprived of its right to regulate its own industries. The company was ordered to pay the widow $10 a week for 300 weeks.

The second decision was rendered by the Connecticut compensation commission in the case of F. P. Welton, a director and treasurer of the Waterbury Rolling Mill Company, who was injured while on a visit to Canada in the service of the company. The Globe Indemnity Company put in an objection on the ground that the accident, occurring in Canada, did not come under the compensation law. Welton, however, was awarded $10 a week for eight and a half weeks with his doctors' expenses.

A financial report has been issued covering the operations of the California State Insurance Fund for the nine months January 1 to September 30, 1914. The report shows moneys received, (including a State appropriation of $100,000, premiums written and interest) amounting to $567,017. The fund paid out and has outstanding liabilities and unearned premiums amounting to $342,936. There were 2,478 accident cases handled, and medical payments amounted to $52,523. Estimated cost of outstanding compensation and statutory medical payments is put at $110,456, in which the statutory reserve of 72 per cent of earned premiums less losses and loss expenses paid for outstanding payments is not included. This item would bring the amount up to $167,456. The total surplus, made up of the State appropriation of $100,000 and the accumulated surplus, is $224,020.

In a letter accompanying the report, Mr. C. W. Fellows, manager of the Fund, writes that "On January 1, 1915, barring any unusually serious and unexpected calamity, we will be prepared to allow to policyholders a return premium of from 5 to 25 per cent of premiums earned, the amount of return depending on experience in the various hazard groups. The total return will equal, however, 15 per cent of the total premiums earned. This return will not affect minimum premiums.

"We are able thus to advise employers because of our low operating cost, the California insurance laws requiring the setting aside of claim reserves equaling 72 per cent of all earned premiums, less losses and less expenses paid. This reserve must be maintained for five years and, as our experience does not show the possibility of losses and loss expenses equaling that percentage, we can then taken down the difference between the reserve and the actual value of claims. This may then indicate a further return premium to 1914 policyholders after a fair catastrophe surplus is set aside. * * * Aside from the surplus accumulation and the policy provision regarding return of premium, our Inspection Department has made careful inspection of plants insured. To many of these plants the merit classification is now being applied, the merit inspection thus far made resulting in rate reductions of from 1 to 40 per cent, or a net average reduction of 10.08 per cent."

During the three-year period ending September 30, there were 43,321

FOREIGN EXCHANGE QUOTATIONS

	Saturday	Monday.	Tuesday	Wednesday	Thursday	Friday
Sterling—						
Cables	4.91¼	4.91⅛	4.90⅜	4.89½	4.87⅝	4.88¼
Demand	4.90¾	4.90⅜	4.89⅝	4.89	4.87	4.87¾
Sixty days sight	4.88	4.87½	4.87½	4.87	4.85¼	.....
Ninety days sight	4.86½	4.86	4.86	4.85½	4.83¾	.....
Francs—						
Cables	5.10½	5.11	5.11	5.12¾	5.15⅜	5.13¼
Demand	5.11	5.12	5.11½	5.13¼	5.16	5.13½
Reichsmarks—						
Cables	88¼	88	87⅝	87⅜	86⅛	86¾
Demand	88⅛	88	87½	87⅛	86	86⅞

industrial accidents reported to the Industrial Insurance Commission of the State of Washington, according to the "Insurance Post," of Chicago. This is an average of 1,200 per month for the three years. The accidents reported the first year were 11,896; the second year showed a very marked increase, 16,336 industrial accidents being reported; while the third year there was a decrease of over 1,000, the accidents totaling 15,089. This decrease is attributed by the Industrial Insurance Commission to the safety campaign being conducted among the State's industrial plants, but decreased industrial activity probably was an important factor in the reduction. The decrease in the number of accidents is particularly noticeable during the nine months of the present calendar year, when only 11,196 accidents were reported as compared with 12,723 for the corresponding nine months of 1913, a decrease of 12 per cent. Each month of this year has shown less accidents than the corresponding month of 1913. Since the first of this year the industrial insurance department, in co-operation with the State Labor Department, has been actively engaged in a "safety first" campaign in an effort to reduce the increasing accident rate shown by the second year under the law. Shop safety committees of employes have been organized and are working actively toward accident prevention in most of the large industrial plants of the State.

At its recent annual convention, the Michigan Federation of Labor adopted resolutions calling for a number of changes in the workmen's compensation law of that State. The changes advocated were that victims of occupational diseases be allowed compensation the same as victims of industrial accidents; that payments to injured employes commence eight days after disablement instead of fifteen days afterwards, as at present; that insurance adjusters before they be permitted to work in that State pass an examination before the industrial commission; that general contractors be made responsible in case the employe of a sub-contractor is injured, and that the Attorney General's department be required to represent injured employes, in the event that their cases may be appealed from the industrial accident commission to the Supreme Court.

Complete returns are not available even yet showing the results of the election on November 3. Partial results were given in these columns last week, and it is now possible to say with some assurance that the State insurance workmen's compensation act in Montana has been defeated. Returns received up to Thursday of this week indicated that the referendum on the workmen's compensation law in Nebraska was going in favor of the law. Seventy-six counties out of nlnety have been heard from giving the compensation law a majority of 1,500. It is believed that when the votes in the remaining fourteen counties are counted the majority will be increased. Thirty-eight counties out of ninety gave 41,604 votes for the law and 41,607 against it.

It is reported that the work of the New York State Fire Marshal's office for the remainder of the year has been stopped because of the wording of the bill appropriating money to maintain the bureau. The bill provided that after October 1 any unexpended balance of the appropriation must be used only to pay salaries of the officers.

Attorney General Parsons held that the Fire Marshal must abide by the wording of the statute and all of the inspectors of the bureau have stopped work. There remains $50,000 of the original appropriation and only about $9,000 will be required for salaries until January 1.

The wording of the appropriation bill was the result of an agreement between the Assembly and Senate at the extra session of the Legislature, when the Republicans wished to abolish the office. Now it appears that Governor-elect Whitman is determined to abolish the office entirely as soon as he takes his place in Albany, believing that the position is entirely useless and is merely a charge upon the State.

Press notices and dispatches as collated by the Bonding Department of The Fidelity and Casualty Company of New York, indicate, for the month of September, 1914, the following defalcations:

Banks and trust companies	$241,333.62
Beneficial associations	31,970.18
Public service	14,717,51
General business	208,272.64
Insurance companies	65,465.00
Transportation companies	3,834.87
Miscellaneous	31,525.43
Total	$597,119.25

The Texas Commissioner of Insurance and Banking has issued a ruling under which insurance companies doing business in Texas are allowed to carry five bales of cotton as admitted assets. A number of companies have purchased cotton in furtherance of the much discussed "buy-a-bale" movement. It will be remembered that the New York Insurance Department issued a contrary ruling some time ago.

Bound Volumes

of

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ON Monday of this week actual operation of the Federal Reserve Banks of the United States was inaugurated. The member banks at once began paying into the Reserve Banks of the twelve districts the approximately $243,000,000 of reserves which they are estimated to be required by the Federal Reserve Act to carry with the latter, and some part of the $84,000,000 which may be carried either in the member banks' own vaults or with the Reserve Banks. The member banks had already, on November 2, paid in to the Reserve Banks one per cent of their capital and surplus, as the first contribution called for by the Federal Reserve Board towards their subscriptions to the capital stock of the Reserve Banks, and 2 per cent more is required to be paid in immediately, making a total of three per cent of capital and surplus as the compulsory contribution of the member banks towards the capital proper of the Reserve Banks. On the basis of the March 4, 1914, consolidated statement of the National banks of the United States (and these alone are as yet member banks), this three per cent of capital and surplus would amount to not far from $53,500,000. An additional three per cent may be required by the Federal Reserve Board to be contributed for this purpose, should the needs of the business or some exigency make this additional capital desirable for the Reserve Banks. As the matter stands to-day, however, the amounts compulsorily paid into the Reserve Banks by the member banks will be approximately as follows: (1) Contributions of member banks to capitalization of Reserve Banks, $53,500,000; (2) reserves required to be carried with the Reserve Banks, $243,000,000,—or a total of not far from $300,000,000. Reserves optionally carried with the Reserve Banks may be from $20,000,000 to $30,000,000 more. In other words, the twelve Reserve Banks are beginning their career with resources in hand of nearly $325,000,000, to which may quickly be added some $53,500,000 more (additional contributions to capitalization), in case the Federal Reserve Board should so determine. Naturally, all growth in the aggregate capital and surplus of the National banks of the country will immediately be reflected in larger resources of the Reserve Banks; and, more important still, the admission of State banks and trust companies to the Federal Reserve System, should a general movement of this kind develop, would add rapidly and largely to those resources. There is, moreover, still another way in which the funds of the Reserve Banks may be considerably increased, i. e. through deposits of member banks, over and above the reserves required of them, maintained with the Reserve Banks for the facilitation of the free collection of checks and other credit items drawn either upon Reserve Banks or upon other member banks, as provided by the Federal Reserve Act. It is as yet altogether a matter of speculation both how rapidly this system of domestic exchanges will be developed and how large the aggregate of deposits of member banks with Reserve Banks, to take care of it, will prove to be.

Under the new law, it is a function of the Federal Reserve Board to "review and determine,"—i. e., to establish,—from time to time the rates of discount (or rediscount) to be charged by the Reserve Banks of the several Reserve Districts. On Saturday last the Federal Reserve Board announced its first set of rates of rediscount, for use in the twelve Districts until further notice. These rates were as follows:

	Paper Maturing within 30 days. Per cent.	beyond 30 days. Per cent.	All Maturities. Per cent.
New York and Philadelphia...	5½	6	..
Boston, Cleveland, Richmond, Chicago and St. Louis.....	...	..	6
Atlanta, Minneapolis, Kansas City, Dallas and San Francisco	6	6½	..

At this writing there has appeared no publication of the rediscount rates actually adopted by the directors of each of the Reserve Banks, although it was speedily reported from Dallas that officials of the Reserve Bank there intended to make the rate for all maturities not higher than 6 per cent and perhaps as low as 5 per cent. Whether this intention has been carried out is not yet known through any published statement; and similar action on the part of other Reserve Banks, if such has been taken, is likewise unknown. Perhaps a suggestion of cross-purposes between the Federal Reserve Board and the Dallas Reserve Bank at least, made itself apparent in the reported determination of the latter thus to adopt a rate materially lower than that established for the Dallas District by the Board. According to the press despatches, the Dallas officials regard the rate established by the Federal Reserve Board merely as a *maximum* rate, with the discretion left to them to adopt such lower rate as the local conditions may in their opinion justify. This view, however, is scarcely in accord with the policy disclosed by the statement of Governor Hamlin, of the Federal Reserve Board, made simultaneously with the announcement of the rates for the several districts, that "it was felt [by the Board] that the adoption of rates of rediscount which would adequately safeguard the resources of the various institutions will be the wisest policy at the beginning, particularly in view of the considerations already set

forth in the Board's Circular No. 13." In other words, it is apparently the purpose of the Board to keep for itself the decisive voice as to the rediscount rate which each of the Reserve Banks shall charge, and through this means to regulate the flow of capital and credit from one section of the country to another. The Dallas officials, on the other hand, would seem to be bent upon making their rediscount rate, within a maximum prescribed by the Federal Reserve Board, fit what they conceive to be the financial and commercial interests of their district, without much regard to the effect of their rate upon the ebb and flow of money between their district and other districts. Obviously, this is a matter of vital importance to the whole future of the Federal Reserve system, as that has been worked out in the statute. We have no means of knowing whether the present indicated disagreement between the Federal Reserve Board and the Dallas Reserve Bank has been accommodated without real friction; but it is certain that the same difficulty is going to present itself again and again, and that it is more than likely to give rise to feeling from time to time on the part of the Reserve Bank officials and the commercial community of this or that reserve district. It is, of course, clear that the way of drawing money from districts where it is abundant and easy to those where it is relatively scarce and in active demand is to make the rediscount rate in the former low and in the latter high. But the obverse of this is that borrowers look only to the rate which they are themselves called upon to pay and have slight interest in considerations reaching beyond themselves. Hence it may be assumed that borrowers in districts for which the Federal Reserve Board fixes relatively high rediscount rates will look enviously and rebelliously from their own to those other districts where borrowers are getting money at the relatively lower rates. Their feeling will be reflected by the local Reserve Bank officials; and it will be no small problem to prevent intersectional jealousy from running riot. It is not meant by this to imply that the problem is an insoluble one, provided always that the Federal Reserve Board is allowed to deal with it judiciously, yet firmly. If, however, the Secretary of the Treasury, a political officer, undertakes to participate actively in the management of the Board, it may be taken as a foregone conclusion that serious complications will develop at this point.

Although the Reserve Banks have been in operation less than a full week, it has become apparent that still another perplexity is making itself felt. The Banks now have at their command the great sum of over $300,000,000 mentioned above, and naturally their officials are desirous of undertaking some of the actual business for which the Banks are intended. But reports from Washington on Thursday indicated very considerable disappointment at the small amount of paper which is being offered by member banks to the Reserve Banks for rediscount. The conclusion of the Federal Reserve Board is reported to be that the discount rates fixed preliminarily for the different districts are too high and must be reduced. The truth is that such rediscounts as have as yet been sought, have all the appearance of being purely complimentary in character and not indicative of a normal business use of the rediscount facilities by member banks. No actual figures of the amount of paper turned in for rediscount have been published,—indeed, it is too early to expect such figures. But everything points not only to an entire absence of pressing demand for rediscounts, but even to an almost complete absence of any real demand at all. Naturally, this is disquieting, even if unnecessarily so, to the officials of the Reserve Banks and to the Federal Reserve Board. They would like to be able to announce quickly that they are in the full flow of business, unquestionably filling an imperative need hitherto incapable of being met.

The hard fact, we suspect, has now to be faced that the period of enthusiasm is past and that the Reserve Banks must go about getting business exactly as other banks do, i. e. by "buying it," as the phrase is. We mean by this that they must induce the member banks to come to them in substantially the same manner as the member banks induce persons to become their customers. This would not be true, of course, if we were in panic times, with a fierce demand for short-time money and with the member banks so pressed to give accommodation and so uneasy about their own situation that they would turn eagerly in any direction in which relief was promised. Under such circumstances there would be no problem in the getting of paper for rediscount at almost any rate. At the present moment, however, there is no pressure anywhere in the country for money for short-time use; on the contrary, there is really a plethora of such money. Capital for fixed investment is hard to get, to be sure; but the volume of ordinary trade is relatively small, the prices of commodities have declined severely, pay-roll requirements are unhappily much below normal and consequently the banks generally are amply supplied with resources of their own for taking care of the ordinary business turnover. If they rediscount their prime short-time commercial paper they are simply giving away profits which they have in hand and which they need without diminution for the repair of the inevitable losses of the period of trouble through which we have been passing.

It is hard to see, then, how there can be a speedy flow of commercial paper in quantity for rediscount with the Reserve Banks. Many persons have had a vague notion that an immediately consequence of the opening of these banks would be the retirement of the outstanding Aldrich-Vreeland emergency currency and the rediscounting of the collateral against such currency with the Reserve Banks. The latest report of the Comptroller of the Currency upon the amount of the emergency currency in circulation, issued on November 14, showed that all told $377,912,190 had been taken out, of which $58,228,540 had been retired, leaving outstanding on the date of the report the amount of $319,683,650. If all this could be rapidly transferred to the Reserve Banks by means of rediscounts of the collateral, those banks would have almost from the start a very respectable volume of business on their books. But, unhappily, it is known that only an exceedingly small part of the collateral which has been accepted by the Treasury Department under the Aldrich-Vreeland Act is of a character to be rediscounted, under the Federal Reserve Act and under the regulations governing discountable paper which have recently been published by the Federal Reserve Board. The retirement of the Aldrich-Vreeland currency is going to be a very slow and laborious process, in which the Reserve Banks can help but little. Indeed, if real use is made of the so-called Cotton Pool Fund of $125,000,000, whose completion has been announced this week by Secretary McAdoo, we shall speedily have more, and not less, emergency currency in circulation and must look forward to a longer, rather than shorter,

period before we can get rid of this ready remedy for panics (and credit strains generally), and can look to the normal operation of the Federal Reserve System for the efficient regulation of our credit and currency.

Finally, it must be stated that the rigidity of the definitions of rediscountable paper promulgated by the Federal Reserve Board are likely to restrict very greatly the amount of that paper which member banks could offer for rediscount, even if it were for their profit so to do. By these definitions a truly enormous part of the business of the country is removed entirely from the field of rediscount. By way of illustration, what a vast amount even of short-time paper is rendered undiscountable by the provision that the note of a buyer of a tool or implement for his own use is not commercial paper, within the provisions of the law. A dealer in plows or mowing machines can, of course, give notes to the manufacturer which may be rediscounted; but if a farmer who buys a plow or mowing machine gives his three-months' note for it, the note cannot get beyond the original bank which discounts it for the dealer. As the definition runs: "'Agricultural, industrial or commercial purposes' cannot, therefore, be held to include investments in land, plant, machinery, permanent improvements, or transactions of a similar nature." Even in the commerce in commodities the restrictions of the definitions must severely reduce the amount of rediscountable paper. Thus: "The purchase of commodities for purposes which are merely speculative and not connected with an intimate process of manufacturing or distribution would constitute a 'mere' investment, and bills covering such investments are accordingly not eligible for rediscount." So a cotton merchant who believes that cotton is now cheap and will six months from now be higher and who would like to buy a stock of cotton to be held in warehouses until the higher price is realized cannot give notes, however ample his financial responsibility, which the lending bank or banks, however great the emergency or however near maturity the notes might be, could rediscount with a Reserve Bank. It is impossible to estimate how far-reaching this restriction will prove to be; but it is certain that a vast volume of commercial transactions will be affected by it. And with these heavy handicaps the Reserve Banks must somehow get business enough to justify their existence, in normal or even in dull times. Like other banks, they must "buy" this business,—i. e. make it profitable for the member banks that are their customers to enter into it. The problem is a large and complicated one. Mere adjustments of the rates of rediscount will not solve it.

Arthur Richmond Marsh

HARMONIZING PUBLIC AND PRIVATE INTEREST IN THE SOLUTION OF OUR PUBLIC UTILITY AND CONSERVATION PROBLEMS.

By Andrew J. Frame*
President, the Waukesha National Bank, Waukesha, Wis.

BEFORE discussing the subject of my paper, permit me to say that I refrain from criticism or comment as to the causes of the present depression in security values, but shall confine myself to constructive suggestions, with the hope of helping to substitute stability and confidence where instability and distrustful pessimism seem now to prevail. Further, for fear my motives may be misconstrued, I will say that I am not a promoter and have no interest in watered stocks or bonds of any nature. My whole purpose is to broaden and stabilize progress.

The American people are now wrestling with the great question of how to deal justly with and equitably settle the vexed and complex public utilities problem; and how at the same time to conserve our natural resources in the interest, not of the classes, but of the masses as a whole.

True progress is brought about, not through special privilege, nor through unbridled radicalism, nor under a socialistic régime. On the other hand, I am fully convinced that all history proves the truth of the declaration of that great statesman, Thomas Jefferson, to-wit: "Agriculture, manufactures, commerce and navigation,—the four pillars of our prosperity,—are most thriving when left most free to individual enterprise."

Individual initiative; the ownership of one's own home, "sweet home"; the right to enjoy the fruits of one's own labors,—these lift even the lowest man to the right of kinship, energise his activities, and thus insure the greatest possible progress to any nation. The result of individual freedom in the United States is the most shining example of progress the world ever knew.

State Socialism, born, in most cases, of philanthropic intent, is destructive to human progress, because the knowledge that the State will care for us blights the energies of the few who are born with broad powers of initiative. The masses grow indifferent if the State will care for them. To abolish poverty is, alas, beyond the power of man. For proof, read that Book of Books, the Bible, "The poor ye have always with you"; read the parable of the ten talents; read the three thousand proverbs of Solomon. Refutation seems impossible.

The temporary pyrotechnic displays of progress through inordinate expenditures under Socialistic theories, blind many who do not study history broadly. These flights of economic debauchery result generally in inordinate taxation and staggering public debts, as well as blighted human energy.

The best authorities agree that the differences between private and public ownership and management of any utility or enterprise approximates 20 per cent in favor of individualism. This 20 per cent alone spells human progress, as against public decay. Government ownership is a pure monopoly and destroys individual initiative and opportunity, and thus hampers progress. Public property under constant political changes of control is in a large measure considered public plunder, but under individual ownership, the watchful eyes of the owner compel better management and greater progress. I, therefore, firmly believe that our greatest progress lies in individual ownership and management of public utilities, railroads, etc., but subject to governmental supervision. Let us never forget, on the other hand, that such supervision must permit of reasonable profits, because profit enlarges and loss blights all progress. And labor, quite as much as capital, is interested in the maintenance of progress. Doubtless on such a middle ground lie our greatest progress and our purest advantage. The great bulk of the masses desire justice; therefore, let us reason together a little.

It may appear to be a broad claim, but I profoundly believe, after mature deliberation—coupled not with theory alone, but with actual experimental proof—that the solution I am about to suggest deals equitably with capital and the people alike. All honest men and all true reformers crave such a result.

A few years before Chicago granted the present Electric Railway Ordinance, I gave an address at a bankers' club meeting in Chicago, outlining those ordinances practically as they were later granted. I have reason to believe that the publication of that ad-

*An address delivered before the convention of the Investment Bankers' Association of America, at Philadelphia, Pa., November 13, 1914.

dress had something to do with shaping those ordinances. The result has proved eminently fair, both to the many owners of the securities of the Chicago street railways, as well as to the people of Chicago, in a just division of the profits.

Permit a brief outline of a plan based upon this Chicago railways plan, as a suggested solution of the general question, for adoption generally throughout the United States. I offer it in the hope and firm conviction that, if adopted, it will solve the knotty problems equitably. It will also substitute optimism in place of halting pessimism and general satisfaction will reign. The following covers, in practical outline, what I have in mind:

Public Utilities.

First. They should be under the control of the United States Corporation Bureau or the Interstate Commerce Commission for interstate enterprises; and under State Commissioners for State enterprises.

Second. In any public utility corporation hereafter organized, the issues of stocks and bonds allowed by the commissioners having jurisdiction should be limited to the actual values of all moneys or properties at fair values turned into the corporation; also cost of incorporation and interest on money or property advanced up to the day of opening the corporation's business. To this should be added a percentage of stock to cover reasonable risk. This might be graded down to not over 10 per cent in the case of corporations promising quick returns. In no case should the amount allowed by the Commissioners have the taint of "watered stocks." Bonds should be limited to not over 75 per cent of total costs. All securities in excess of this 75 per cent should be stock issues, which would cover good faith of promoters and owners.

Third. Non-competitive charters should be granted for not less than twenty years, with rates of service likely to pay to investors an annual net profit of 6 to 8 per cent according to the risk involved. The low limit of 6 per cent set by the United States Supreme Court in the New York City Gas Case, is not a fair criterion, because this is clearly a first class risk. That rate, to cover increased risks in more hazardous undertakings, in cities of the second, third and fourth class, must be increased to tempt capital.

In arriving at the profits, deduct:

(a) For salaries and labor bills.

(b) In order that the innocent holders' investments in stocks and bonds be not jeopardized, compel the corporation, by adequate depreciation charges to maintain the up-keep of the property to its normal condition out of earnings; and also make reasonable reservations to cover accidents and extraordinary risks to which the enterprise may be subject. In short, create a surplus.

(c) Pay the interest on the bonds and other indebtedness; also pay dividends of 6 to 8 per cent on the outstanding stocks, as may be agreed upon when charters are granted, keeping always in mind that the rate of dividend paid should cover the variable risks involved. Doubtless, in some ventures even 8 per cent may be too low to tempt capital.

To encourage capital to develop promptly our public utilities and natural resources for the benefit of present, as well as future generations, make such dividends cumulative, as many new enterprises do not pay in their incipiency.

(d) After all the above are provided for, should any net profits remain, divide them equally between the city, State or Nation entitled to the same and the corporation stockholders.

Fourth. For any permanent improvements or enlargements of present utilities or those hereafter incorporated, additional stocks or bonds should be allowed to be issued only on the approval of the Commissioners, as indicated under the second head.

Fifth. In our search for justice, to the end that present innocent holders of stocks in existing corporations—whose stocks may not be fully paid up—be not wronged by legal enactment, allow present outstanding stocks to remain, the same to be equitably adjusted by the Commissioners whenever the corporation asks for an increase of stock, all of which, it granted, must comply with the new corporation rules. Under this process in a few years practically all wrongs would be righted without doing violence to innocent investors.

Sixth. Extensions of charters should be granted every twenty years, and rates readjusted for service, basing the new rates upon the average annual profits for the past twenty-year period. Wherever profits are large, this readjustment will reduce rates in the interest of the people as a whole and still maintain justice to all.

The average for the twenty-year period is equitable, because every intelligent economist knows the maxim that waves of prosperity follow those of adversity; therefore, net profits and consequently stock values are always fluctuating. Stability of profits and stock values are practically an unknown quantity. To illustrate: The Chicago "Tribune," in 1904, gave a compilation of 120 railroad and industrial stocks, showing fluctuations as follows:

November 1, 1902, market values totaled 8,000 millions of dollars;
November 1, 1903, market values totaled 6,000 millions of dollars;
November 1, 1904, market values totaled 7,500 millions of dollars;

showing a loss of 2,000 millions of dollars between 1902 and 1903, the year of our depression, with its reduced profits. On the other hand, from 1903 to 1904 these same stocks increased in value 1,500 millions of dollars, because of a return of confidence and prosperity, bringing increased profits.

Again, from January 1, 1907, to January 1, 1908, a total of 141 stocks showed a loss of 3,240 millions of dollars, or about one-third their aggregate par value. This was practically recovered in 1908-1909 from the same causes as in 1903-1904.

But in 1910, the year when Nature was most generous in her gifts to the farmer and stocks ought to have risen, 100 of the great corporate stocks showed a loss of 950 millions of dollars, and general business was in a halting mood, doubtless caused by distrust.

Since 1910 Nature has been wondrously kind in her gifts to us, yet savings and other banks, trust and insurance companies—also millions of private investors in legitimate securities—have suffered losses in the vast declines of stock and bond values, far in excess of those of panic periods. These facts have staggered the confidence of investors generally to the extent that capital hesitates, and therefore the wheels of commerce have slowed down.

These facts, together with the daily newspaper quotations, indicating not one stock in a hundred quoted at par, show conclusively to any intelligent mind that to keep stock, or even bond values at par, whether fully paid or not, is purely mythical. The great natural laws of supply and demand; also the rise and fall of confidence, which breeds depression or prosperity; together with the genius of successful business management, or lack of it, causing increased or decreased profits,—these are what practically govern the rise and fall in values, not of stocks and bonds alone, but of all property. Attempts to regulate prices by law exploded as a ridiculous theory even in Diocletian's reign. This Emperor, about 301 A. D., issued an edict stipulating that prices on some 800 articles of necessity, including prices of labor, must not exceed certain limits. Infractions of the law made the participants subject to the death penalty. The law was soon repealed, because the application of it proved that the laws of supply and demand were stronger than statutory enactments.

As the high cost of living is a "live issue" these days, and is

continually brought into the discussion of this very subject, permit me a moment's digression to illuminate this subject by quoting a few extracts from "The Common People of Ancient Rome," by Professor Frank Frost Abbott, of Princeton University.

Here is a table, compiled by Professor Abbott, of Diocletian's maximum prices, 301 A. D., as compared to ours in 1906:

Articles of Food.

	301 A. D.	1906.
Wheat, per bushel	33.6 cents	$1.19
Rye, per bushel	45.0 cents	.79
Barley, per bushel	74.5 cents	.55
Fresh pork, per pound	7.3 cents	14-16 cents
Beef, per pound	4.9 cents	9-18 cents
Mutton, per pound	4.9 cents	13-16 cents
Ham, per pound	12 cents	16-25 cents
Fresh fish, per pound	7.3 cents	12-15 cents
Butter, per pound	6.9 cents	26-32 cents
Cheese, per pound	7.3 cents	17-20 cents
Eggs, per dozen	5.1 cents	25-30 cents
Milk (sheep's) per quart	6 cents	(Cow's) 6-8 cents

Wages Per Day.

	301 A. D.	1906.
Unskilled workmen	15 cents	$1.20 to $2.25
Mason and bricklayer	29 cents	3.70 to 6.50
Carpenter	29 cents	2.50 to 4.00
Painter	43 cents	2.75 to 4.00

Professor Abbott says: "For the urban workman, then, in the fourth century, conditions of life must have been almost intolerable, etc." From this we may fairly exclaim that we thank God we live under the Stars and Stripes in this twentieth century of history. And if we are not workmen, but engaged in the professions, we have all the more reason for such thankfulness. For here are the wages of professional men in Diocletian's time:

Professional Wages.

Elementary teacher, per pupil, per month	21.6 cents
Teacher in arithmetic, per pupil, per month	32.6 cents
Teacher in writing, per pupil, per month	21.6 cents
Teacher in Greek, Latin, Geometry, do	37 cents
Lawyer, for presenting a case	$1.09
Lawyer, for finishing a case	4.35

Probably the teachers and professors of to-day might rebel at Diocletian's edict, but the people would shout for joy over the lawyer's fat fees. Jarndyce vs. Jarndyce would not long survive under such limitations. I will not quote further, however, except to say that freight transportation in 301 A. D., by wagon or camel, approximated in cost fifteen times our average railway rates of to-day.

A comparison of our wonderful general prosperity with the conditions of the early centuries, would seem to indicate that our wails of woe are rather far-fetched. In this enlightened age, we must also heed the warnings of that old Kaffir proverb, that: "He who will not profit by the experiences of the past, gets knowledge when trouble overtakes him." Let us not be carried away by the sophistical preachments of many well intentioned but superficial argufiers. "Truth crushed to earth will rise again." The wrongdoer can be punished, but prices, either of products or of securities, cannot be kept from fluctuations.

But it is time to return to the subject under discussion. The City of Chicago, under such a plan as that described for handling its street railways,—i. e. division of net profits in excess of fixed charges on stipulated total valuations of its street railways, has received over ten millions of dollars in the past seven years as its share of profits on a straight five-cent fare.

This, of course, is not a criterion of what to expect from all public utilities, because large profits come only in great cities of the first class, moderate profits in cities of the second class, and very small profits or net losses from operations in small cities of the third and the fourth class. Excessive corporation profits —except in rare cases of superior management—are a popular fallacy. As conclusive evidence of this fact, the report of the Commissioner of Internal Revenue, for the year ending June 30, 1913, shows that the net profits of 305,336 corporations in the United States were but 3.9 per cent on the par value of their securities. After paying interest on the bonded debts, the stock dividends approximated but 3 per cent. We must not forget that thousands of corporations paid no dividends whatever. In cases where no dividends were declared, evidently labor received its reward and capital none. The Statistical Abstract of the United States indicates the average dividends paid to stockholders of all railroads in the past twenty-five years to have been only 2½ per cent. Over 60 per cent of the total mileage went into receivers' hands and was sold under foreclosure of mortgage. It would seem—if wrongs have been done, right them, but do not punish the millions of innocent stockholders. Those cases are cited to show the equity of the plan of dividing with the municipality or State, after capital development receives its just reward as an encouragement to progress. Capital halts under distrust. Confidence of reasonable protection ensures progress. We are in a halting mood. Clarify the situation and progress is assured. Progress gives full employment to labor and abolishes the public soup house.

Sound Conservation of Natural Resources.

Seventh. Apply the solution just outlined, not alone to public utilities, but with equal force to undeveloped water powers, coal mines, etc., belonging to the State or Nation. In cases of public utilities, non-competitive, time charters seem necessary; but in the case of conservation of natural resources, with the necessity for improvements of a permanent charter, only absolute ownership with a share of net profits to the State and corporations, as indicated, will command and ensure quick development.

Leasing of them prevents borrowing to develop and certainly would materially retard progress. Leasing would be like landlordism in Great Britain. Ownership upbuilds. Leasing retards development.

To illustrate our wonderful possibilities, the developed water powers of the United States are now estimated at 7,500,000 horsepower. The steam, gas and others, say, at 6,500,000 more. The possibility of further water power development is estimated by the great expert engineers at 50,000,000 to 150,000,000 horsepower. Unharnessed water power is annually running to waste and all other powers are consuming forever our natural coal supplies by at least 100 millions of tons annually, as well as other fuel resources.

Eminent authorities claim that, if we should develop from our water powers now running to waste, even ten millions of horsepower above present development, the saving of coal would approximate 25 per cent of our total annual output. The value of this saving can fairly be estimated at 25 per cent of our National Debt of one thousand millions of dollars. Would not such immense coal saving be true conservation? Is it worth while to save $250,000,000, annually now going to waste?

Under such an increased development, the people would save annually vast sums in reduced cost to them of water power as compared to steam power, and the promoters would receive but a fair return upon their invested capital. If profits exceeded the stipu-

lated limitations, those who have risked their capital would receive but half of the excess, and the city, State or Nation the other half. If profits seemed excessive in particular cases, the horsepower rates could be reduced in the interest of the people as a whole.

Further, the tax income to each locality would be materially increased because of the building of the plants, including the vast developments which naturally follow in the wake of such cheapened power. We must not forget, however, that all water powers do not make millions for their owners. We can name several large developments that are in the bankruptcy court, by reason of great floods and other unfortunate conditions. Risk can never be eliminated from any enterprise; therefore, is it not the part of wisdom to encourage all possible development of water power resources on lines as indicated, to the end that the present, as well as future generations, may thus conserve our natural resources? Also, to the end that the dense smoke and begrimed, cinder laden atmosphere, engendered by the use of coal and other combustibles in making power may, as far as possible, be supplanted by electricity generated by water power, which brings more sunshine, better health and happiness. If so, why hamper present development? We need it now; and future generations under this plan are fully protected. May we quickly open the floodgates of opportunity to individual initiative, and thus will a more abundant progress await all our combined interests.

To sum up: Under the plan proposed herein, doubtless capital would be encouraged. Quick development would not be palsied. Stock and bond issues would be more stable and innocent holders' rights protected. Manipulation would be reduced to a minimum. Capital and the people's interests would be yoked together in one common interest. Eternal wrangling would largely cease. General confidence, that great bulwark of all progress, would be uppermost. In the just division of profits, equity would reign supreme. Is this not a righteous solution of these complex problems?

THE PRODUCTION, THE CONSUMPTION AND THE PRICE OF THE MINOR METALS IN THE LAST TEN YEARS

By Édouard Payen

Translated from "L'Economiste Français"

IN a previous article* appearing in these pages the course of the production, consumption and prices of copper and lead were dealt with. This article will deal with zinc, tin, aluminum and nickel from the same point of view. These metals, occupying as they do a considerable place in the industrial field, are well worth examining as to their position on the eve of a conflict which involves most of the great industrial countries of the world and, consequently, almost all those which were the chief consumers of the metals in question.

ZINC.

The world's production of zinc made considerable progress in certain years of the last decade. Although last year the increase was only 20,000 tons, or 2.5 per cent, it reached 75,800 tons in 1912, or 8.4 per cent, as compared with the preceding year and 85,000 tons, or 10.5 per cent, in 1910. The production suffered a set-back in only one of the last ten years, 1908, and, since 1909, an amount of zinc markedly greater than in 1907 has been produced. The countries which participated in the increase of the past year were: the United States, Germany, Holland, Great Britain, Austria, Italy and Norway. The American production amounted to 165,850 tons in 1904 and 320,283 tons in 1913, as compared with 314,512 tons in 1912. The decline in the world's production pointed out in 1908 was due to the United States, where the output fell off from 226,838 tons, in 1907, to 189,941 tons in 1908, but recovered to a figure of 240,446 tons in 1909. In 1907, the United States wrested from Germany first rank among the zinc producing nations with 226,838 tons, as compared with a German production of 208,707 tons. This position was lost again in 1908, with the moderate production which has been indicated, but was regained in 1909 with 240,446 tons, as compared with a German production of 220,080 tons, and the United States now seems definitely fixed in first place. The German production increased from 191,060 tons in 1904 to 271,064 tons in 1912 and 283,113 tons in 1913. This total production was divided almost entirely between Rhenish Westphalia, with a share of 92,852 tons in 1913, against 65,388 tons in 1904, and Silesia (170,119 tons in 1913, against 125,672 tons in 1904). Holland has witnessed an increase in output from 13,099 tons in 1904 to 24,323 tons in 1913, which compares with 23,932 tons in 1912. The production of Great Britain jumped from 46,216 tons in 1904 to 59,146 tons in 1913, as compared with 57,231 tons in 1912. The larger figure of the decade was 66,956 tons, in 1911. The Austro-Italian output shows notable development. It has increased from 9,248 tons in 1904 to 21,707 tons in 1913, compared with 19,604 tons in 1912 and 16,876 tons in 1911. The Norwegian production, which was 6,680 tons in 1904, reached 8,128 tons in 1912 and 9,287 tons in 1913.

The countries in which the zinc production fell off in 1913 are: Belgium which, after having increased its output from 139,982 tons in 1904 to 200,198 tons in 1912, fell off to 197,703 tons in 1913; France and Spain whose production advanced from 49,082 tons in 1904 to 72,161 tons in 1912, and declined again to 71,023 tons in 1913. The Russian output shows no progress, the highest figure of the decade being for 1904 (10,606 tons) and the lowest that for 1913 (7,610 tons), which compare with 8,763 tons in 1912 and 9,936 tons in 1911.

The two largest zinc producers of the world are also the two largest zinc consumers. In 1904, the United States and Germany were about equal, the former absorbing 157,100 tons and the latter 151,600 tons; but the consumption of the United States has developed much more rapidly and the figures for 1913 show a consumption for the United States of 313,000 tons and for Germany of 232,600 tons. The balance in favor of the United States, which was in 1904 only 5,500 tons, is now 81,300, which shows clearly the progressive activity of the United States from the industrial point of view.† The consumption of Great Britain, which was 129,100 tons in 1904, reached 185,200 tons in 1912 and 194,600 tons in 1913; that of France has increased from 67,200 tons in 1904 to 82,000 tons in 1912 and 81,000 in 1913; that of Belgium from 52,000 tons in 1904 to 77,200 tons in 1912 and 76,400 tons in 1913; that of Austria-Hungary from 25,300 tons in 1904 to 46,800 tons in 1912 and 40,400 tons in 1913; that of Russia from 23,500 tons in 1904 to 27,900 tons in 1912 and 33,300 tons in 1913; and that of Italy from 5,100 tons in 1904 to 10,900 tons in 1913, having more than doubled in a decade.

In 1912 the average annual price of zinc was the highest in many years. It is necessary to go back to 1873 to find an average price anywhere near analogous, it being in that year £26 3s. 6½d. sterling per ton of 1,016 kilograms [2235.2 pounds]. For a period of forty-six years (that is, since 1868), the average annual price has twenty-two times been below £20 sterling,—namely, in 1870 and 1871 (a little above £18 sterling); from 1877 to 1889 inclusive

*See THE MARKET WORLD AND CHRONICLE, issue of September 5, 1914.

†For the production and consumption of zinc in the United States, see article by M. Pierre Leroy-Beaulieu, "L'Économiste Français," February 7, 1914.

(in this period came the lowest average price in forty-three years, that of £13 19s. 11d. in 1885); and from 1893 to 1897 and in 1901 and 1902, the prices quoted in the last two years being £17 0s. 7d. and £18 19s. 11d., respectively. A few days before the actual crisis at the end of July, 1914, zinc was quoted at £21 5s. 8d.

In the following table are given the general figures for the last ten years:‡

THE PRODUCTION, CONSUMPTION AND AVERAGE PRICE OF RAW ZINC DURING THE LAST TEN YEARS.

	1904.	1905.	1906.	1907.	1908.
World's production (in tons of 2,200 pounds)	625,400	658,700	702,000	738,400	722,100
Consumption	629,300	663,800	705,200	743,200	730,500
Average annual price at London pounds sterling)	£22-11-10	£25-7-7	£27-1-5	£23-16-9	£20-3-6
Value of the production (in thousands of marks)	284,000	336,000	382,000	353,600	297,200
	1909.	1910.	1911.	1912.	1913.
World's production (in tons of 2,200 pounds)	783,200	816,600	902,100	977,900	997,900
Consumption	798,900	827,000	911,400	996,900	1,012,700
Average annual price at London (pounds sterling)	£23-3-0	£23-0-0	£25-3-2	£26-3-4	£22-14-3
Value of the production (in thousands of marks)	348,800	377,700	456,400	514,000	455,700

TIN.

Tin is a metal the production of which is not very ample and the price of which rules very high if compared with that of the three metals previously discussed. The production of the entire world, in 1913, was only 128,900 tons, against 103,100 tons in 1904. The mines of the Detroit region in 1913 produced 65,640 tons of 1,000 kilograms [2,200 pounds], 63,466 tons of which were absorbed in Europe and America, and 2,174 tons in the British Indies and in China. Great Britain gets its tin from its own ores (about 5,300 tons in 1913), and from foreign ores which comes from Bolivia. These latter ores furnished 16,700 tons of 1,000 kilograms in 1913, against 13,600 tons in 1912 and 7,450 tons in 1904. England's total production in 1913 was, thus, about 22,000 tons, as compared with 11,500 tons in 1904. Germany also refines the ore, mostly from Bolivia, and its output has increased from 5,000 tons in 1904 to about 11,000 tons since 1911. The sales of "Banka" tin, in Holland, amounted to 11,735 tons in 1904 and 15,173 tons in 1913, compared with 16,111 in 1912 (the last is the maximum figure of the decade, while the minimum figure was that for 1906, 9,450 tons). The sales of "Billiton" tin, in Holland and Java, are considerably less important, being about 2,200 tons annually. Australia produced 5,300 tons in 1904, and 4,870 tons in 1913, as compared with 5,130 tons in 1912; the largest output of the decade was in 1906 (7,400 tons). China exported, in 1912, 8,782 tons of tin. It is estimated that the figure for 1913 was less sizeable and may, perhaps, not have exceeded 6,000 tons.

The United States, which does not appear in the table of the producers of tin, is the largest consumer of this metal, which is indispensable to the great industrial nations. The consumption of it in the United States has increased from 37,400 tons in 1904 to 51,700 tons in 1912, falling to 45,000 tons in 1913. The other countries which, along with the United States, have witnessed a decline in consumption during 1913 are: Germany, with 19,300 tons, against 20,200 tons in 1912 and 16,400 tons in 1904; and Austria-Hungary, with 3,200 tons, against 3,800 tons in 1912 and 3,400 tons in 1904. England has a greater consumption of tin than Germany, although ordinarily it is exceeded by the latter country in the consumption of metals, particularly in zinc, copper and lead. This pre-eminence on the part of Great Britain is explained, in part, by the fact that that country is a large manufacturer of tinned sheet iron. The English consumption has risen from 18,600 tons of 1,000 kilograms in 1904, to 21,000 tons in 1912 and 24,400 tons in 1913. The French consumption, which has always stayed above 7,000 tons annually (except in 1907, when it fell to 6,700 tons), reached 8,300 tons in 1913, as compared with 7,500 tons in 1912. The Belgian consumption increased from 1,500 tons in 1912 to 2,300 tons in 1913.

‡This table, as all figures cited in this article, are taken from the statistics of the "Metallgesellschaft."

As for the metals previously treated with, there is given below a summary table as regards tin for the last ten years:

PRODUCTION, CONSUMPTION AND AVERAGE PRICE OF RAW TIN DURING THE LAST TEN YEARS.

	1904.	1905.	1906.	1907.	1908.
World's production (tons of 2,200 pounds)	103,100	102,400	104,400	102,400	113,400
Consumption	103,200	104,600	107,600	104,600	101,900
Average annual price (pounds sterling)	£126-14-8	£143-1-8	£180-12-11	£172-12-9	£133-2-6
Value of the production (thousands of marks)	262,800	294,600	379,300	355,500	303,500
	1909.	1910.	1911.	1912.	1913.
World's production (tons of 2,200 pounds)	113,100	114,800	117,600	124,700	128,900
Consumption	108,400	118,700	119,500	127,700	124,900
Average annual price (pounds sterling)	£134-15-6	£155-6-2	£192-7-1	£209-8-5	£201-13-7
Value of the production (in thousands of marks)	306,500	358,500	454,800	525,100	522,700

As for the prices for tin, they have shown wide variations. Following a period of very high prices, there was, in the second half of 1913 and the first half of 1914, a considerable decline.§ In the last few days of July, 1914,—that is to say just before the opening of hostilities,—tin was quoted at £132 sterling, as compared with £182 1s. 4d. and £202 1s. 2d. at the same season in 1913 and 1912, respectively.

Some idea of fluctuations of the average monthly price of tin may be had from the following table, which gives the range of prices during the first and the last two years of the past decade:

THE AVERAGE MONTHLY PRICE OF TIN IN 1903, 1912 AND 1913.
(In Pounds Sterling per ton of 2235.2 pounds.)

	1903.			1912.			1913.		
	£	s.	d.	£	s.	d.	£	s.	d.
January	127	12	6	191	14	0	228	5	0
February	133	8	1	195	4	10	220	6	0
March	137	0	6	192	15	0	213	11	10
April	136	19	2	200	8	3	224	14	2
May	133	12	0	209	6	1	224	14	3
June	127	11	0	205	18	9	204	9	1
July	125	1	7	202	8	3	183	16	11
August	127	16	10	208	3	0	188	19	0
September	120	9	6	223	19	6	193	7	7
October	115	17	1	228	9	1	185	0	3
November	116	13	9	227	16	10	181	0	0
December	125	15	0	226	17	8	171	18	11
Annual average	127	6	5	209	8	5	201	13	7

ALUMINUM.

Aluminum furnishes an example of what progress in industrial technique and the influence of new industries can do. In 1904, the production of this metal amounted still to only about 9,300 tons annually. But, in 1913, the production had reached 68,200 tons. Below are given some of the steps by which this magnificent result was reached:

THE PRODUCTION OF ALUMINUM, 1904-1913.
(In Tons of 2235.2 Pounds.)

	1904.	1905.	1906.	1907.	1908.
United States, Canada*	3,900	4,500	6,000	8,000	6,000
Germany, Austria-Hungary, Switzerland	3,000	3,000	3,500	4,000	4,000
France	1,700	3,000	4,000	6,000	6,000
England	700	1,000	1,000	1,800	2,000
Italy	....	....	....	....	600
Norway	....	....	....	....	....
Totals	9,300	11,500	14,000	19,800	18,600
Average price (marks)	2.35	3.50	3.50	3.50	1.75

	1909.	1910.	1911.	1912.	1913.
United States	13,200	16,100	18,000	19,500	22,500
Canada*	2,800	3,500	2,300	8,300	5,900
Germany, Austria-Hungary, Switzerland	5,000	5,000	8,000	12,000	12,000
France	6,000	9,500	10,000	13,000	18,000
England	2,800	5,000	5,000	7,500	7,500
Italy	800	800	800	800	800
Norway	600	900	900	1,500	1,500
Totals	31,200	43,800	45,000	62,600	68,200
Average price (marks)	1.35	1.45	1.20	1.50	1.70

*These figures are estimates, the manufacturers not making known the total of their production.

The growth of the production of aluminum in France is particularly noticeable in this table. Although, in 1909, that country could boast an output of only 6,000 tons, or less than half of the United States production of 13,200 tons in the same year, its output is now 18,000 tons, as compared with 22,500 for the United States. The advance in its production has thus been remarkably rapid. This is due to the richness of France in white coal and bauxite, the prime materials in aluminum. The demand for this metal is constantly growing and its usages multiplying. The automobile and electrical industries use much of it, and kitchen utensils are more and more being made from it. As regards its price, it is interesting to recall that, in 1886, aluminum was still being sold at 100 marks [1 mark equals 23.8 cents] per kilogram [2.2 pounds], after being quoted at 240 marks in 1857, 300 marks in 1856 and 1,000 marks in 1855.

NICKEL.

The growth of nickel, although considerable, cannot be compared with that of aluminum. The world's production has increased from 12,000 tons in 1904 to 28,500 tons in 1912 and 30,000 tons in 1913. The United States and Canada furnish about half of this output; then come Germany and England, with an almost equal production of about 5,000 tons each, and France with a little over 2,000 tons.

Nickel is extracted from an ore of which New Caledonia provides the greater part,—93,190 tons in 1913, as compared with 72,315 tons in 1912 and 120,060 tons in 1911, the highest figure of the decade being 125,300 tons in 1905. The production of this ore in Canada has made some progress, increasing from 4,800 tons in 1904 to 20,300 tons in 1912 and 22,500 tons in 1913.

Thus ends the consideration of the metals which the English class under the head of "the minor metals." A comparison of the consuming countries with the countries whence these metals, or the raw materials which are used in the making of them, are drawn, makes it at once apparent that Germany will find herself put to it, due to the fact that the sea is closed to her, to provide herself with some of these metals. This is one of the first facts which becomes evident in the present posture of affairs. On the other hand, the figures that have been given covering the last ten years show that, as regards all these metals, development has taken place and that for some the advance has been considerable, as for example in aluminum. The present world-wide crisis will mark, without a doubt, a time of retrogression in this respect; but with the return of peace, the consumption of these various metals will expand with great activity, for their use is closely interwoven with the advance of modern industry and war is a tremendous destroyer of articles in the manufacture of which these metals are freely used. To consider, as one example, only [illegible] a number of which are used in military operations, there appears a large outlet, in the near future, for [illegible] the work of restoration which will be [illegible].

§See, on this subject, article on tin in "L'Economiste Français," June 20, 1914.

INDUSTRY, COMMERCE AND FINANCE

The Foreign Trade of the United States in October.—Continued improvement in the trade position of the United States is indicated in the statement issued by the Department of Commerce covering foreign trade in October. The export balance for the month was $57,305,074, or nearly as great as the total export balance for the previous nine months of 1914. However, the country's export balance for the first ten months of this year, as compared to the ten months' figures for 1913, fails to show relative improvement, because the export balance for October, 1913, amounted to the record sum of nearly $140,000,000.

Imports for October, 1914, showed a falling off of over $2,000,000 from the import value in September, 1914, but were actually more than $5,000,000 in excess of the imports during October a year ago. For the first ten months of 1914 the imports show an increase over the corresponding period in 1913 of over $78,000,000. The actual import value for October, 1914, was $137,978,778.

Exports for the month reached the value of $195,283,852. This is an increase of $39,000,000 over the value for the previous month, but is more than $76,000,000 below the total in October, 1913. This falling off from last year's figures is due entirely to the decline in cotton exports which showed a value of $86,955,154 below that for the month of October, 1913. If cotton shipments had equaled the 1913 value, the October, 1914, exports would have shown a gain of $10,000,000 over the figure for October, 1913.

The following table shows the 1914 imports and exports by months, with the excess of imports or exports in each month, and also the figures for the first ten months of 1914 and 1913:

FOREIGN TRADE OF THE UNITED STATES BY MONTHS, 1914.

	Imports.	Exports.	Excess.
October	$137,978,778	$195,283,852	Exp. $57,305,074
September	139,204,267	156,188,790	Exp. 16,984,423
August	129,399,496	110,337,545	Imp. 19,051,951
July	160,178,133	154,082,225	Imp. 6,095,908
June	157,772,973	157,119,451	Imp. 653,522
May	164,281,515	161,732,619	Imp. 2,548,896
April	173,762,114	162,552,570	Imp. 11,209,544
March	182,555,304	187,499,234	Exp. 4,943,930
February	149,937,011	173,808,468	Exp. 23,871,457
January	154,469,263	203,799,517	Exp. 49,330,254
Total 10 months, 1914	$1,548,429,652	$1,662,685,841	Exp.$114,256,189
Total 10 months, 1913	1,460,334,373	2,005,282,622	Exp. 544,948,249

Gold imports for October, 1914, amounted to $5,934,866, an increase of approximately $500,000 over the figure for October, 1913. The gold imports in September of this year reached the value of $2,761,590.

Exports of gold during October amounted to $50,341,972, as against $21,867,392 in September, 1914, and $483,780 during the same month a year ago. The excess of exports over imports for the month amounted to $44,407,106, as compared to an export excess of $19,105,802 last month.

For the ten months, imports of gold amounted to $45,876,812, as compared with $51,590,693 for the first ten months of 1913. Exports amounted to $207,998,753, as compared with $74,563,059 for the corresponding period last year. The gold export balance for 1914, therefore, stood at $162,121,941 at the beginning of the present month. For the first ten months of 1913, the gold export balance was $22,972,466, and for that year, $8,568,597.

* * *

Railway Revenues and Expenses in the United States in August. According to figures issued by the Bureau of Railway Economics, for railways operating 227,184 miles of line, or almost 90 per cent of all steam railway mileage in the United States, operating revenues for the month of August, 1914, amounted to

$266,928,165. This amount includes revenues from freight and passenger traffic, from carrying mail and express, and from miscellaneous sources connected with rail and auxiliary operations. Compared with August, 1913, these operating revenues show a decrease of $12,496,358. Total operating revenues per mile averaged $1,175 in August, 1914, and $1,244 in August, 1913, a decrease of $69, or 5.6 per cent.

Operating expenses, which include the cost of maintaining track and equipment, operating trains, securing traffic, and of administration, amounted to $179,163,880. This was $12,989,650 less than for August, 1913. These operating expenses per mile of line averaged $789 in August, 1914, and $856 in August, 1913, a decrease of $67 per mile, or 7.8 per cent.

Net operating revenue, that is, total operating revenues of rail and auxiliary operations less operating expenses, amounted to $87,764,285, which was $493,292 more than for August, 1913, but that this increase is due to increase in mileage is shown by the fact that net operating revenue per mile decreased. Net operating revenue per mile of line average $386 in August, 1914, and $388 in August, 1913, a decrease of $2 per mile, or 0.6 per cent.

Taxes for the month of August amounted to $11,288,351, or $50 per mile, an increase of 0.7 per cent over August, 1913.

Operating income, which is net revenue from rail and auxiliary operations, less taxes, averaged $336 per mile of line, and in August, 1913, $339, thus decreasing $3, or 0.8 per cent. Operating income for each mile of line for each day in August averaged $10.85 and in August, 1913, $10.95. Operating income is that proportion of their operating receipts which remains available to the railways for rentals, interest on bonds, appropriations for betterments, improvements, new construction, and for dividends.

The operating ratio for August, that is, the per cent of total operating revenues absorbed in operating expenses, was 67.1 per cent, which is comparable with 68.2 per cent in August, 1913, and 64.0 per cent in August, 1912. The operating ratio in the Eastern district for August was 67.3 per cent, as compared with 70.0 per cent for August, 1913; was 74.2 per cent in the Southern district as compared with 74.2 per cent in 1913; was 64.5 per cent in the Western district, as compared with 65.5 per cent in 1913.

When the returns for the eight months of the calendar year 1914 are compared with those of the corresponding months of 1913, they show a decrease in total operating revenues per mile of 6.2 per cent, a decrease in operating expenses per mile of 4.8 per cent, and a decrease in net operating revenue per mile of 9.8 per cent. This net operating revenue per mile decreased 15.0 per cent in the East, as compared with the corresponding period of the previous year, decreased 3.6 per cent in the South, and decreased 6.6 per cent in the West.

* * *

The United States Rice Production for the Season, 1913-1914.—Secretary J. R. Leguenec, statistician of the Rice Millers' Association, has issued his annual report on the United States rice crop covering the period from August 1, 1913, to July 31, 1914, in detail. The total production of rough rice in 1913 was 6,249,892 sacks, on an acreage estimated by the Association at 689,908 acres. Of the crop it is estimated that seed was reserved for this acreage at 90 pounds to the acre, which left a milling supply of domestic rice of 5,904,938 sacks.

The carryover in the hands of mills on July 31, 1914, was 46,752 bags of rough and 297,910 pockets of clean, a total of clean and rough of 344,662.

The total distribution of edible domestic rice, not including brewers', was 6,322,014 pockets. The distribution of domestic brewers' was 758,641 pockets, making a total distribution of domestic, including brewers', of 7,080,655 pockets.

The consumption of edible rice includes 6,323,014 pockets of domestic, 1,013,030 pockets of imports of cleaned rice and 324,176 pockets of uncleaned, making a total supply for distribution of 7,659,220 pockets of edible rice, not including brewers'. Of this, 184,547 pockets were exported and 1,340,749 shipped to Porto Rico, leaving a total for consumption in the United States of 6,133,524 pockets, domestic and foreign, not including brewers' rice.

Brewers' rice produced in the United States amounted to 758,641 pockets and the imports of brewers' amounted to 1,359,291 pockets. The total American rice supply, foreign and domestic, including edible rice and brewers' rice, was therefore as follows: Total supply edible rice, 7,659,220 pockets; domestic brewers', 758,641 pockets; imported brewers', 1,359,291 pockets; total, 9,775,152 pockets.

Mr. Leguenec states that the per capita consumption in the United States is 6.81 pounds, while the per capita consumption in Porto Rico is 120 pounds.

* * *

The World's Production of Crude Petroleum.—The predominance of the United States in the world's production of petroleum has been steadily increased since 1905. At the present moment when an unusual demand has arisen in Europe it is particularly opportune to review the sources of petroleum supply. The London "Statist" has gathered, with considerable difficulty, it is asserted, statistics as to petroleum production, which are published in the issue of that paper of October 24, 1914. The "Statist" prints two tables; the first showing the output of the United States and Russia from the time of the discovery of petroleum in Pennsylvania in 1860 up to 1899 when the Russian output had almost equaled that of the United States. This joint output amounted to more than 90 per cent of the world's supply in the latter year. This table is given below:

CRUDE PETROLEUM PRODUCTION.

(Barrels of 42 Gallons.)

	U. S. A.	Russia.		U. S. A.	Russia.
1860.....	500,000	.....	1890.....	45,823,000	25,548,000
1870.....	5,260,000	.....	1891.....	54,292,000	30,785,000
1881.....	27,661,000	4,262,000	1892.....	50,514,000	31,857,000
1882.....	30,350,000	5,357,000	1893.....	48,431,000	37,929,000
1883.....	23,449,000	6,404,000	1894.....	49,344,000	33,024,000
1884.....	24,218,000	9,619,000	1895.....	52,892,000	40,309,000
1885.....	21,859,000	12,404,000	1896.....	60,960,000	41,262,000
1886.....	28,065,000	16,024,000	1897.....	60,475,000	45,119,000
1887.....	28,283,000	17,643,000	1898.....	55,364,000	51,952,000
1888.....	27,612,000	20,524,000	1899.....	57,071,000	56,143,000
1889.....	35,163,000	21,904,000			

"In the nineties a variety of new fields of production were discovered," the "Statist" continues, "but not until the beginning of the subsequent decade was the output of new fields of any distinct importance. The new producers in Europe were Rumania and the Eastern Provinces of Galicia in Austria, and outside Europe the Far East—Dutch Indies and British India—entered the producing stage. The search for oil was stimulated by the discoveries made in new regions, and other fields have subsequently been found to exist. Prominent among them Mexico, where the growth in the last three years has been phenomenally rapid and large. Sporadic discoveries have been made all over the world, and in reference to them attention may be called to the great possibilities that are presented in respect of Persia, where the British Government has secured an interest over a large area; and Egypt also presents potentialities. For years past Canada has been a producer on a small scale, but reported fresh discoveries may have importance."

The article concludes with a mention of the discovery of new fields in the United States. It is pointed out that the bulk of production was for a long time confined to the fields where oil was first discovered—Pennsylvania, New York, West Virginia and Ohio.

In the late nineties discoveries were made in California, so that 3,324,000 barrels were produced in that State in 1900 and 90,751,000 barrels in 1913. Texas followed in 1901, and by 1905 had established a maximum output of 28,000,000 barrels. Greatest of all was Oklahoma whose output was 10,000 barrels in 1901 and over 62,000,000 in 1913.

The second table given by the "Statist" shows the world's production of crude petroleum for 1901, and from 1905 to 1913. The quantities are expressed in terms of barrels of 42 gallons. It is stated that "as quantities are sometimes expressed in tons of 2,240 pounds or metric tons of 2,204 pounds, for purposes of uniformity, specific gravity ignored, the ton of either description may be taken as 7⅓ barrels." It may be added that the figures in the table covering the United States correspond with those given in the Statistical Abstract of the United States, published by the Department of Commerce. The table follows:

WORLD'S PRODUCTION OF CRUDE PETROLEUM.
(In Barrels, 42 Gallons.)

	U. S. A.	Russia.	Mexico.	Roumania.	(Borneo, Java, Sumatra).
1901	69,389,000	85,168,000	.....	1,678,000	4,013,000
1905	134,717,000	54,960,000	.....	4,421,000	7,850,000
1906	126,494,000	58,897,000	.....	6,378,000	8,180,000
1907	166,095,000	61,850,000	1,000,000	8,118,000	9,982,000
1908	178,527,000	62,186,000	3,481,000	8,252,000	10,283,000
1909	183,171,000	65,970,000	2,488,000	9,327,000	11,042,000
1910	209,556,000	70,336,000	3,332,000	9,723,000	11,030,000
1911	220,449,000	66,183,000	14,051,000	11,102,000	12,173,000
1912	222,113,000	67,826,000	19,404,000	13,251,000	11,146,000
1913	247,148,000	69,483,000	26,488,000	13,823,000	11,205,000

	Galicia.	British India.	All Other.	World's Total.
1901	3,251,000	1,431,000	2,000,000	166,930,000
1905	5,765,000	4,137,000	3,000,000	214,850,000
1906	5,468,000	4,016,000	3,479,000	212,912,000
1907	8,456,000	4,344,000	4,402,000	264,247,000
1908	12,612,000	5,047,000	4,699,000	285,087,000
1909	14,933,000	6,676,000	4,717,000	298,324,000
1910	12,673,000	6,138,000	4,681,000	327,469,000
1911	10,485,000	6,451,000	4,615,000	345,509,000
1912	8,653,000	7,340,000	5,866,000	355,599,000
1913	7,993,000	8,066,000	6,600,000	390,806,000

* * *

Proposed Agricultural Mortgage Bank for Costa Rica.—In July last the President of the Republic of Costa Rica addressed a special message to the House of Deputies recommending the establishment of an Agricultural Mortgage Bank. The message was accompanied by a proposed bill which provided, among other things, the following: That the business of the bank shall consist in the issue of mortgage bonds, the collections of sums due the bank, the payment of interest to the holders of mortgage bonds, and the liquidation at par, out of the amortization fund, of mortgage bonds when they fall due. The bonds are to be issued in denominations of 50, 100, 200, 500, and 1,000 colones (colon equals $0.465) or the equivalents in foreign money. These bonds are to be issued in the names of their owners or to bearer, as may be desired, and are transferable and negotiable. Bonds issued in the names of the holders are transferable by indorsement. Mortgage bonds issued on property are payable to the bank only in such sums and for such period of years as may be specified in the contract. The interest shall not exceed 10 per cent per annum, the amortization fund shall not be less than 1 per cent, and the fund for the expense of administration shall not exceed one-half of 1 per cent per annum. The bank is prohibited from issuing bonds except for the amount of the mortgages made in its favor. Each mortgage bond shall be recorded in a special register. The value of the mortgaged property shall be ascertained by one or more experts appointed by the bank. The proposed bank shall be called "National Agricultural Mortgage Bank," and its headquarters shall be in San Jose, but it has authority to establish branches and agencies in other points of Costa Rica or abroad, if it should deem advisable. The initial capital of the bank shall not be less than 8,000,000 colones, which may be increased to 50,000,000 colones if business transactions should so require. The duration of the bank shall be for a period of thirty years, during which time it shall have the exclusive privilege of issuing mortgage bonds. The bank may have two sections—one commercial, which shall be subject to the regular banking laws of the country, and the other the mortgage section. The maximum rate of interest to be charged by the commercial section shall not exceed 10 per cent per annum; that of the mortgage section 8 per cent for loans of over three years and 9 per cent for shorter-term loans. The bank may also issue bank notes. The proceeds of the mortgage bonds sold abroad shall be invested in Costa Rica in new issues of mortgage bonds. The capital, shares, bonds, and other property of the bank are exempt from federal taxation. The President of the Republic is authorized to expend up to 50,000 colones in payment of the expenses required to be incurred in the establishment of the bank, and is also authorized to issue rules and regulations for the government of the bank.

* * *

Increase of Government Appropriations.—The following table compiled by the "New York Sun" is of present interest. It sets forth the amounts appropriated by Congress for the support of the Government for the years 1913-14 and 1914-15, as compiled from the chronological history of appropriation bills, second session of the Sixty-third Congress, prepared by the clerks to the Committees on Appropriations of the House and Senate; cents being disregarded:

Title.	Law 1914-15.	Law 1913-14.
Agriculture	$19,865,832	$17,986,945
Army	101,019,212	94,266,145
Diplomatic	4,309,856	3,730,642
District of Columbia	12,172,539	11,383,739
Fortification	5,627,700	5,218,250
Indian	9,771,902	9,486,819
Legislative	37,630,229	35,172,434
Military Academy	997,899	1,099,302
Navy	144,868,716	140,800,643
Pension	169,150,000	180,300,000
Post office	313,364,667	285,376,271
River and habor	.....	41,073,094
Sundry civil	110,070,227	116,795,327
Totals	$928,848,783	$901,616,520
Deficiencies	23,363,587	28,074,912
Totals	$952,212,370	$929,691,433
Miscellaneous	6,000,000	388,597
Annual totals	$958,212,370	$930,080,030
Permanent	131,196,407	127,525,664
Grand totals	$1,089,408,777	$1,057,605,694

No river and harbor bill has been passed for this year, and therefore this appropriation for both years is excluded from the grand totals for purposes of comparison. The pension appropriation, for obvious reasons, is decreased by $11,000,000; the Military Academy bill is $100,000 less than was allowed for last year; the sundry civil bill is down by $6,725,000. But generally there are increases.

A comparison of total appropriations, excluding the river and harbor appropriations, for a series of years shows the following record:

Year.	Amount.	Year.	Amount.
1911	$978,521,087	1914	$1,057,605,694
1912	995,799,462	1915	1,089,408,777
1913	988,353,340		

INSURANCE

Articles on the Theory, Practice and Experience of Insurance.
Notes on Insurance, American and Foreign.
Items of Insurance News.

MARINE underwriters and the cotton trade are both following with intense interest the latest developments in connection with the shipment of cotton from the United States to Germany. The American cotton producer likewise is not indifferent, nor are our bankers, North and South. It is known that Germany is in desperate need of cotton and that whatever cotton can be got to that country can be sold at a price approximately three times as high as that now current in the Southern markets, while normally the German price should be only two or three per cent higher than the American price. From a commercial point of view, then, a veritable fortune can be made from even a very moderate shipment of cotton to Germany, if only it can surely be got into that country. On the other hand, every bale of cotton that can be sold in Germany diminishes by so much the price-depressing burden of our vast surplus of cotton. All motives, therefore, exist for procuring the shipment of cotton to Germany; and, curiously enough, the obstacles to such shipment have all along appeared to be unsubstantial, despite the reality of their effect. Cotton is not contraband or conditional contraband of war under the terms of the Convention of London; moreover, the English Government has included cotton in neither of the lists of contraband issued by it, and besides, has virtually assured our own Government that there is no intention to seize cotton in transit to Germany and Austria or to interfere with its shipment thither in American or other neutral bottoms. And yet, with the exception of the single cargo of the "Aurora" in mid-September, not one ship-load of cotton, so far as is known, has reached a German port from the United States since the outbreak of the war.

The trouble has, of course, been chiefly the impossibility of obtaining marine insurance upon ships and cargoes. Some difficulty there was at the start by reason of the fact that practically all of the cargo boats in the cotton trade belonged to one or another of the warring nations and became immediately unavailable for this reason. But as time has gone on, and particularly as more and more ships have been admitted to American registry, this problem has ceased to be insoluble. Ships in abundance can now be found of suitable ownership to enable them to take cargoes of cotton to Bremen, the cotton port *par excellence* of Germany. But notwithstanding this fact it has seemed until within the past few days that direct shipments could not be compassed. Without marine insurance nothing could be done and the requisite marine insurance was unobtainable. It must be remembered that this insurance, under the existing conditions, has to be of two kinds,—the insurance of the marine risk proper and the insurance of the war risk. Furthermore, the insurance of a cargo against these two risks is one thing and the insurance of the ship herself is another. For it is a principle of the marine underwriting of hulls that the owners must be co-insurers to the extent of 20 per cent at least. Again, insurance is practically unobtainable in war time against the loss to the ship owners occasioned by the detention of the ship in a belligerent port, pending the determination of the contraband or non-contraband character of her cargo. Clearly, then, while the shipper of a cargo of cotton to Bremen might obtain both marine and war-risk insurance of the full value of his cotton, the ship owner must himself assume the risk of losing at least twenty per cent of the entire value of the ship, should she strike a mine, and of the loss and expense incident to the detention of the ship in a belligerent port, should she be taken into such a port for the determination of the character of her cargo.

The real difficulty in the way of the direct shipment of cotton to German ports has been the impossibility of obtaining insurance against these risks of the ship, rather than lack of insurance for the cotton itself. It is true that both the great British marine insurance companies and London Lloyds have, under Government compulsion, declined to insure any ship or its cargo against the risk of seizure or detention by the war vessels of the Allies, no matter what guaranty might be given of the non-contraband character of the cargo. The Continental marine insurance companies are virtually writing no business at all of any kind. But there are some American companies and there is also the War Risk Bureau of the United States Treasury. From these a moderate volume of insurance of cargoes in American or other neutral bottoms has undoubtedly been obtainable, even for voyages to Bremen or Hamburg direct. There has, however, remained the immutable law of marine insurance with respect to the ships themselves, that they must not be insured for more than 80 per cent of their value, nor against the completely incalculable losses and expenses of detention in belligerent ports. Here has been the stumbling block.

During the past week there have been signs that the urgency of the cotton situation in Germany, combined with the eagerness of the United States to find an outlet for some of the surplus cotton in the South, has led to such readjustments that direct shipments of cotton to Bremen will shortly be under way. On Thursday, it was announced in Washington that the War Risk Bureau of the Treasury Department is now willing to accept war risk insurance on ships and cargoes of cotton bound for Bremen. It is reported also that a way has been found to get over the difficulty of the required 20 per cent co-insurance on the hulls and of the risk of loss and expense to the ship owners through detention at belligerent ports. The method here is the comparatively simple one of making the freight rate on the cotton or the *per diem* of the charter party high enough to cover these risks, in addition to yielding the normal return for the use of the ship. It is estimated that a freight rate of about $2.50 per 100 pounds (compared with a normal rate varying from 45 cents to 60 cents) from South Atlantic and Gulf ports to Bremen provides the ship owner with the necessary insurance against the risks which he cannot have underwritten. The practical working out of this may be illustrated somewhat as follows: The value of a ship with a capacity of 8,000 bales of cotton is approximately $400,000. At a normal freight rate of 50 cents per hundred pounds, or $2.50 per bale, such a boat would earn, gross, from Galveston or New Orleans to Bremen the sum of $20,000. But the owner must himself carry 20 per cent, or $80,000, of the insurance of the ship's hull. At a freight rate of $2.50 per 100 pounds, or $12.50 per bale, the total freight is $100,000. Hence, if the owner receives this freight rate, his boat may be destroyed by a mine in the North Sea, and still he will have received enough in freight money to pay his share of the loss on the ship and his normal return for a voyage of the ship to Bremen. The boat, however, may escape destruction from mines; and for this chance of an enormous profit the owner is willing to assume the risk of detention at a belligerent port. Some such basis of calculation, it is understood, is being used in connection with the direct shipment of cotton to Germany. In other cases, the same result is obtained by a high *per diem* charge for the charter party, leaving the risk of detention to be borne by the shipper. On these general terms it seems probable that considerable direct shipments of cotton to Germany may be made.

THE PLANS FOR THE EIGHTH ANNUAL INTERNATIONAL CONGRESS OF ACTUARIES

WITH England, France, Germany and Russia, the four greatest powers in all Europe, embroiled in the most terrific struggle of history, what the probabilities are for the holding of the various international gatherings planned for the year 1915, is a matter problematical to a degree. It is not as an introduction, merely, to a Congress, the meeting of which is to a high degree uncertain, that there is given below the programme arranged for the Eighth International Congress of Actuaries, scheduled to be held at St. Petersburg (Petrograd) from May 23 to June 5, 1915 (May 18-31, old style). The programme is of interest from this point of view, but its real value at the present time is that it indicates clearly what insurance problems, according to the world's best actuarial minds, are most in need of discussion. In a department of the world's business structure as tremendous and as important from the economic point of view as insurance, in which hundreds of thousands of men are daily advancing as many arguments, theories and practices, it is well to give the widest publicity to those things which tend to concentrate the effort and the brain power of the multitude of those interested in insurance, along fundamentally sound and effective lines. Through practically all the countries of the globe, it is too much to expect that there may be attained that perfect co-ordination and co-operation of endeavor which would bring the business of insurance to its point of highest efficiency and accuracy in the shortest space of time. It may be possible, however, gradually to correlate and to focus the efforts of the more forward-looking of those who stand out as leaders, with an obvious result of obtaining a greater driving force and of reducing the amount of waste motion. With this idea in mind, then, the programme is here submitted.

The programme is divided into subjects to be discussed by the Congress, and subjects not to be discussed, as follows:

(1) Subjects to be discussed by the Congress:

FIRST QUESTION.

The determination of probabilities and other quantities connected with social assurance. The consideration of a universal system of notation.

The programme of the Sixth Congress at Vienna included a comparison between the methods of calculations referring to social (collective) assurance and those of private (individual) assurance. It would be desirable to complete this comparison by a general survey of probabilities which are connected with national assurance and on which the present values of all assurance payments are based; also it would be of great value for this branch of actuarial calculation to establish a general system of notation on the principles already fixed for ordinary life assurance. The necessity of a general system of probabilities arises out of the fact that the conditions of social assurance are very complicated, and the events which are to be taken into consideration in calculation of probabilities are liable to variations of a more complex character than is the case in individual assurance. Besides probabilities of death and of survival for a certain combination of lives (e.g., the family of a workman), we have to take into consideration the occurrence of disablement of some of the members of the family (through illness, in some cases, disability caused by accident and by old age), the chances of recovering ability, those of death happening during the time of disability; moreover, we must introduce probabilities connected with the composition of the family, as the chance of marriage, of having a family of a certain number, with a given distribution of ages, etc. Those probabilities depend upon the particular weight given to certain sequences of events in national assurance and this fact to a great extent complicates their calculation.

Therefore, in spite of the extensive literature existing on this question, the principles of calculating probabilities for social assurance have not yet been fully established. Owing to the great number of combinations and to the variety of events in social assurance, a general system of notation would facilitate the study of the literature of this subject. All considerations which render a universal system of notation for ordinary life assurance desirable, are of still greater importance in this new branch of actuarial calculation, and its adoption would greatly lighten the work. Having this in view, it is proposed to put before the next Congress the following subjects:

1. A general survey of probabilities and other quantities connected with social insurance (e. g., commutation columns, present annuity values, single premiums for assurance, etc.)

2. A scheme of a general system of notation for the probabilities and for all auxiliary quantities connected with social assurance.

SECOND QUESTION.

The scope and limits of the compulsory clauses in assurance contracts.

Modern legislation (the German and Swiss laws) regulating assurance contracts exactly determines which of the clauses in the assurance contract cannot be altered by mutual agreement of the parties. The introduction of such clauses was intended to give the best protection to the policyholders. This question, however, still remains without any definite solution because of the conflicting interests of the parties to the contract and also, to some extent, on account of doubts of a general character. It would therefore be of great interest to review this question, particularly in connection with the practical application of the modern law of assurance contracts in order to determine:

1. To what extent the existing compulsory clauses tend to further or to impede the development of life assurance?

2. Which of those clauses appear to be a real protection to the policyholders, and which are of no practical use?

3. Besides this the question arises: What should be the objects of these clauses, taking into account the interests of both parties to the contract and, also, the development of the business of assurance from an economical point of view?

THIRD QUESTION.

The practical value of select tables.

The dependence of mortality upon the duration of assurance is a question of high practical importance. The problem of the measurement of the changes in mortality among assured lives cannot be solved satisfactory without taking into account the duration of assurance. Select tables give us the possibility of foreseeing more exactly the course of mortality in the future. In daily practice, however, select tables complicate the formulae. Hence arises the question: To what extent would the complication in the working be justified by a corresponding increase of precision?

FOURTH QUESTION.

The calculation of mathematical reserves on office premiums.

Actuarial science was originally developed in connection with whole life assurances subject to uniform annual premiums. In such cases the risk of the insurer does not remain constant throughout the whole term of the assurance, but gradually increases so that part of the premium must be reserved to meet the increased risk in the future. The theory of reserves necessary for this purpose has become one of the principal parts of actuarial science. Nevertheless, this theory soon met and still meets with opposition on the

part of those who found that it restrained them from the free disposal of surplus. New theories as to reserve of premiums were proposed, and though not always based on sound theoretical principles have proved to be of value for practical purposes. It would be desirable and in accordance with the requirements of modern science to revise the theory of reserves and to re-examine its principles, basing the theory not on net premiums, but on office premiums taken quite independently instead of being calculated by loading the net premiums.

FIFTH QUESTION.

The mortality among persons who have been disabled by accident.

The question of the mortality amongst injured persons steadily increases in importance with the spread of compulsory accident assurance, especially as the capitalization system of covering the payments made as compensation to the insured person is becoming more prevalent. Nevertheless, in spite of the thirty years' existence of this branch of social assurance, the mortality statistics amongst injured persons up to the present time remain in a rather rudimentary state. Usually such mortality investigations are carried on without distinguishing even these two main categories, i. e., disability by accident and disability by sickness. It would be desirable to have a general review of all the statistical data published on this question, together with more full and recent information, and further to consider the best means of studying the mortality and the rate of recovery amongst injured persons as a function of the age and duration of disability. In particular it would be important to institute a suitable classification of injured persons according to the degree of disability, occupation, kind of injury, etc.

SIXTH QUESTION.

The reserve of premiums from the legal, technical and economical points of view. The rights of the policyholders to the reserves against their policies.

Though from the standpoint of the actuary the character of the reserve appears to be more or less clearly defined, it is not so from the legal point of view. The principal divergence of these two points of view may be expressed in the following questions:

1. Does the accumulation of the reserves involve any kind of liability for the assurance company to the individual policyholders, or may it be looked upon merely as a reserve fund of the company, to which the policyholders have no rights whatever, and

2. If these reserves constitute any liabilities for the company, then of what kind?

It would be desirable thoroughly to elucidate the above question, not only in accordance with the existing laws, but also taking into account the economical and actuarial character of the reserves for insurance business. There arises further the question of the legal character of the reserves in the case of the winding up of an assurance company. Here it is very important to know: (1) What kind of liabilities arise in connection with the reserves; and (2) how far should extend, in respect to these reserves, the rights of preferential satisfaction of policyholders, as against other creditors of the assurance company in liquidation.

(2) Subjects not to be discussed by the Congress:

SEVENTH QUESTION.

The possibility of the application of the theory of stability of statistical series, of frequency curves and of the theory of correlation to actuarial calculations.

(a) The theory of stability of statistical series.

Actuarial calculations are based on average values of different probabilities calculated from observations previously made. Such averages are not always, however, in a definite way characteristic of the phenomena; not every average quantity can be called a typical one. The criterion for the character of the averages obtained from a given material is given by the theory of stability of statistical series or the theory of dispersion. The systematic basis of the theory was laid down a long time ago. The first indications were given by the French actuary Dormoy in the year 1874, and with the year 1876 there began to appear a series of papers by the German statistician Lexis; and lately the theory of dispersion has been widely developed by the followers of Professor Lexis. The methods of this study may be found in some of the best-known textbooks. It would be desirable to examine, in the papers submitted to the Congress, to what extent this theory is applicable to actuarial calculations.

(b) Frequency curves.

The method of the arithmetical mean applied to the statistical description of a given body of facts gives definite results only in those cases in which the frequency curves approximate to the Gaussian curve of error. But in the majority of cases statistics show quite a different form of distribution. This fact has been especially pointed out by Karl Pearson, who has built up a general theory of frequency curves. Actuarial statistics show a great many different complex frequency distributions, for instance, frequency curves of deaths among assured lives, frequency curves of the exposed to risk arranged according to age, etc. It would therefore be desirable to consider the applicability of Karl Pearson's theory to actuarial calculations.

(c) The theory of correlation.

In statistical investigations it is frequently necessary to ascertain the relations between the constituents of different groups. Karl Pearson proposed a method for the determination of these relations, known as the method of correlation. The practice of life assurance offers a large field for the application of this theory. For example: the determination of the correlation between the ages at death of blood relations appears to be of great value for the correct assessment of risks in life assurance. Also very important from the point of view of the theory of correlation seem to be investigations of this kind in the domain of hereditary diseases. As regards the rating of fire insurance risks, much valuable information may be obtained by considering the correlation between the fires and the character of the risks. It would be interesting to know to what extent these new statistical methods may be applied to actuarial questions.

EIGHTH QUESTION.

Comparison between the mortality among the general population of a country and the mortality among assured lives.

At the last Congress in Amsterdam, the Italian actuary, Toja, proposed to bring before the next Congress the question of a comparison between the mortality among the general population of a country and the mortality among assured persons. The comparison of the mortality of the different periods of one and the same class of persons was made at the New York Congress (especially the comparison of mortality among the general population at the beginning and the end of the nineteenth century), and at the last Congress, the comparison of mortality among persons assured at different periods was made. Now it is proposed to compare the mortality among persons belonging to one definite period, but taken under different conditions of observation: the whole population on the one side and the joint experience of mortality of assurance companies, on the other. It is generally recognized that these two categories present some important divergencies: the medical and natural selection on one side, and on the other the differences of the general conditions of life of the whole population and of the classes which furnish the largest percentage of policyholders, are the principal factors in determining the above stated divergencies. At different periods in different countries, however, and by differ-

ent forms of assurance (as the whole life, endowment, ordinary and industrial assurance) the mortality often varies in a very dissimilar manner, so that the question offers abundant material for investigation. It would be of particularly great interest to compare the mortality among assured and non-assured lives of like social groups (for example, according to occupation). Apart from the results obtained it would be interesting to note the methods applied to this investigation, by which this comparison may be effected in the most convincing manner.

NINTH QUESTION.

The evolution of assurance law.

The development of the business of assurance depends not only upon the demand for assurance on the part of the population and upon the initiative of private persons and organizations, but also upon the legislation and administration, regulating the course of operation of assurance undertakings. These have not always proved successful in improving the business of assurance. Therefore the study of assurance law ought to be included in the programme of actuarial Congresses. The assurance clauses are not always promulgated by means of corresponding legislative acts, but very often as is the case in France, originate in the development of the law by means of degrees and other administrative measures. These additions to the law, inasmuch as they bear a general character, are of importance for the full comprehension of this question, and may have their part in the study of the assurance laws. As generally assumed the law of assurance can be divided into two parts, namely, the laws regulating the operation of assurance undertakings, that is the law of the supervision of assurance (the German V. A. G.), and the laws which regulate the relations between the policyholders and assurance companies, known as the laws of assurance contracts (the German V. V. G.) In the first place, it would be desirable to have a summary of the different laws in operation in every country up to the time of the Congress at Vienna, stating the time when they were enacted and put in force, with exact reference to the publication where they first appeared. Further, as regards the laws enacted since the Congress at Vienna it would be useful to give the substance of the same, and the reasons which led to their enactment. It would be in like manner desirable to have in the papers put before the Congress a brief account of the different administrative promulgations qualifying or developing the laws of assurance, and information concerning the legislative and administrative acts regulating the operations of the different pension funds; concerning the rates and taxes which assurance companies are charged with; the organization of mutual and proprietary assurance companies in countries where there are no special laws relating to assurance.

TENTH QUESTION.

New tendencies in the region of the ordinary and industrial life insurance.

The last years have brought with them a great deal of changes in the region of life and industrial insurance. It seems to be convenient and interesting to give a review of such changes, particularly for the industrial of the last five years, pointing out chiefly the following subjects: The rise of new organizations, their junction, and the formation of unions; new forms of insurance and new clauses of policies. In the cases when simultaneously with private life insurance companies public institutions are making ordinary or life industrial insurance, it would be desirable to have the description of the organization of such public insurance.

ELEVENTH QUESTION.

Moratorium.

In the event of heavy and widespread calamities such as are occasioned by war or by earthquake, the victims are sometimes authorized by their Government to postpone the dates of settlement of their financial obligations. It would be of interest to examine this question with a view to seeing in what way and to what extent the principles of this so-called doctrine of moratorium could be adopted and put into practice. This would involve a study of the history of the doctrine and of the advantages and benefits which could be derived by its application. It would also be necessary to define its scope and limitations in order that, after making due allowances for exceptional cases and circumstances, the proper interests both of creditors and of debtors could be protected. A point of special interest to the association would be the position and circumstances which might arise in such an event in connection with an obligation to pay a capital sum in cases where such a payment is due and is the chief condition of a contract, as, for example, in the case of a contract of insurance. Would it not be reasonable and equitable to allow the assurer some compensating benefit in return for the facility granted to the assured of postponing the date of payment of his premium and, if so, what form should such a compensation take? Is it not advisable that these questions should be considered, and certain principles defined and accepted, and that a basis of settlement should be agreed upon and made binding on all parties either by process of law or by mutual and general agreement? Is it not preferable to deal with these problems during times of peace when calm and disinterested judgment can be brought to bear on the subject? Lastly, is it desirable to prepare the various technical calculations which would be required as a guide or a basis for such a settlement? The object of the foregoing suggestions is merely to put forward for consideration this important question, which is capable of being dealt with and investigated either wholly or in part. Further, essays dealing with questions incidental to the main subject and having a bearing thereon would be acceptable.

MORTALITY AND REMARRIAGE TABLES FOR VALUING COMPENSATION TO WIDOWS AND OTHER DEPENDENTS

By Miles M. Dawson, Consulting Actuary

THE Workmen's Compensation Act of New York which went into effect on July 1, 1914, provided, as do most European acts, for pension to widow during widowhood, with two years' allowance upon remarriage; for a further pension to her for support of children under eighteen, with 50 per cent increase in case of her death; for pension to children, if no widow, until eighteen; for pension to others, if dependent, such as parents, or grandparents for life, or brothers, sisters or grandchildren until eighteen; all of this with a limit of two-thirds wages.

The New York Act also provides that the Commission may permit, or require, the present value of such to be paid into the State Fund, which thereupon becomes solely liable, the insurance company or employer being thereby completely released from such liability.

This rendered it necessary for the State Workmen's Compensation Commission to adopt a mortality table, a remarriage table and a rate of interest, to be used in computing such present values. This was also reasonably called for in order to set up paper reserves in the State Insurance Fund. Accordingly, on June 30, 1914, upon the recommendation of its actuaries and of myself, as consultant, the Commission adopted the following standards:

Mortality. The Danish State Insurance Fund (Statsanstalten) Survivorship Annuitants Table.

Remarriage. The Dutch State Insurance Fund (Rejksverzekeringsbank) Remarriage Table.

Interest. Three and one-half per cent per annum.

The Danish Survivorship Mortality Table was first introduced

by Mr. Christian Jensen, then of my staff, in Transactions A. S. A. Vol. X, p. 253; and an extension of it to minor annuitants in Transactions A. S. A. Vol. XI, p. 451.

Its availability was indicated by the fact that the compensation to be valued is a survivorship annuity, this being the only important table of that character. It was emphasized also by the further fact that this table was successfully graduated so as to follow Makeham's first law throughout, which greatly facilitates all the calculations, by permitting the use of equivalent equal ages, whether remarriage is involved or not, and also if minors, adults or both are involved.

The Dutch Remarriage Table is based upon the ten years' published experience of the Rejksverzekeringsbank of Amsterdam which administers the awarding and payment of all the compensation in Holland.

Its general applicability was tested, also, by comparison with certain British remarriage tables, some deduced from certain classes only and one from population experience.

This table was successfully regraduated under my direction by Mr. Edouard Olifiers, A. A. S., A. I. A., of my office staff, so as to be available for equivalent equal age calculations, combined with mortality as per the Danish Survivorship Table.

The resultant table giving the rates of remarriage and of death and the numbers out of a given radix remarrying at each age, the numbers dying unmarried at each age and the numbers surviving to the next age unmarried, is as follows:

Age.	Number Entering Unmarried. $l_x m+s$	Number Remarrying. m_x	Number Dying Unmarried. d_x	Remarriage Rate Per Annum. r_x	Death Rate Per Annum. q_x
20	88663	9467	473	.10678	.00533
21	78723	8192	423	.10407	.00537
22	70108	7088	378	.10110	.00539
23	62642	6133	338	.09790	.00540
24	56171	5303	306	.09446	.00544
25	50562	4586	278	.09071	.00549
26	45698	3966	252	.08679	.00551
27	41480	3429	231	.08267	.00556
28	37280	2964	212	.07838	.00559
29	34644	2560	197	.07390	.00568
30	31887	2213	181	.06940	.00569
31	29493	1911	170	.06478	.00578
32	27412	1650	160	.06018	.00584
33	25602	1423	152	.05559	.00593
34	24027	1228	144	.05110	.00601
35	22655	1059	138	.04672	.00611
36	21458	912	133	.04250	.00622
37	20413	786	128	.03848	.00631
38	19499	676	126	.03464	.00647
39	18697	581	123	.03106	.00661
40	17993	498	122	.02771	.00677
41	17373	428	120	.02462	.00695
42	16825	366	121	.02178	.00714
43	16338	313	121	.01917	.00739
44	15904	267	122	.01682	.00761
45	15515	228	122	.01469	.00789
46	16165	194	124	.01277	.00821
47	14847	164	127	.01106	.00852
48	14556	139	130	.00953	.00892
49	14287	117	133	.00817	.00936
50	12037	98	138	.00698	.00980
51	13801	82	142	.00592	.0131
52	13577	68	148	.00500	.01090
53	13361	56	154	.00419	.01151
54	13151	46	161	.00349	.01224
55	12944	37	169	.00288	.01302
56	12738	30	177	.00236	.01390
57	12531	24	186	.00191	.01486
58	12321	19	196	.00153	.01591
59	12106	14	208	.00121	.01715
60	11884	11	219	.00093	.01845
61	11654	8	231	.00072	.01993
62	11413	6	246	.00054	.02155
63	11161	4	261	.0040	.02334
64	10896	3	276	.00029	.02536
65	10617		203		

The process by which this table was constructed develops a table composed of two series, one supplementary to the other as follows:

COMBINED REMARRIAGE AND MORTALITY TABLE.

Age.	$l_x m+s$	$l_x^{(1)}$	$l_x^{(2)}$	c^x	c^{x+n}
20	88663	16401	72262	8.2399	117.70
21	78722	16313	62409	9.1563	130.79
22	70108	16226	53882	10.174	145.33
23	62641	16138	46503	11.306	161.49
24	56170	16051	40119	12.563	179.45
25	50561	15964	34597	13.960	199.41
26	45697	15876	26821	15.513	221.58
27	41480	15789	25691	17.238	246.22
28	37820	15701	22119	19.155	273.61
29	34644	15613	19031	21.286	304.04
30	31887	15524	16363	23.653	337.85
31	29493	15436	14057	26.283	375.42
32	27412	15347	12065	29.204	417.17
33	25602	15257	10345	32.454	463.56
34	24027	15167	8860	36.064	515.12
35	22655	15076	7579	40.074	572.40
36	21458	14984	6474	44.531	636.06
37	20412	14890	5522	49.482	706.79
38	19498	14796	4702	54.986	785.40
39	18697	14701	3996	61.101	872.75
40	17992	14603	3389	67.895	969.80
41	17372	14505	2867	75.448	1077.7
42	16824	14404	2420	83.836	1197.5
43	15903	14301	2036	93.160	1330.7
44	15903	14195	1708	103.52	1478.7
45	15515	14087	1428	115.03	1643.1
46	15164	13976	1188	127.83	1825.8
47	14846	13861	985	142.04	2028.9
48	14555	13743	812	157.84	2254.5
49	14287	13621	666	175.39	2505.2
50	14036	13493	543	194.89	2783.8
51	13801	13361	440	216.57	3093.4
52	13577	13223	354	240.65	3437.4
53	13361	13079	282	267.42	3119.7
54	13152	12929	223	297.16	4244.5
55	12944	12770	174	330.20	4716.5
56	12739	12604	135	366.93	5241.1
57	12532	12429	103	407.73	5823.8
58	12321	12244	77	453.07	6471.6
59	12106	12049	57	503.47	7191.3
60	11885	11843	42	559.45	7991.0
61	11654	11624	30	621.67	8879.7
62	11414	11393	21	690.80	9867.1
63	11161	11147	14	767.63	10965.
64	10897	10887	10	853.00	12184.
65	10617	10611	6	947.85	13539.

The way in which these tables may be used is this:

They have been graduated by what is known as "Makeham's 1st Law," i. e. so that for calculating any joint-life annuity, lives of equal ages may be substituted—in the case of annuities terminated by death only, equal ages found by adding together c^x for each age (x), dividing by the number of lives and looking up an age corresponding (most nearly) with that value of c^x; and if terminable at the death or remarriage of the widow or the death of any one of several (m) others, by the formula:

$$c^w = \frac{c^{x+m} + c^y + c^y + - - - c^{y_m}}{m+c^n}$$

in which w is the desired equal age.

If the annuity is terminable at death only, the value may be computed by the Survivorship Annuitants' Table at the equivalent equal ages.

If the annuity is terminable at the death or remarriage of x or the death of y, y_2, y_3 - - - - or y_m, then two annuities are calculated at the equivalent equal ages, one by the Survivorship Annuitants' Table, which we will designate $a_{x\ y,\ y_2\ - - - -\ y_m}$ and another by the column $l_x^{(2)}$—called "the second series"—in the Combined Remarriage and Mortality Table; which we will designate as $a^{(2)}{}_{x\ y,\ y_2\ - - - -\ y_m}$. These two annuities are then added together in the following proportions:

$$a''_{x\,y,\,y_2\,\ldots\,y_m} = \frac{l_x^{(1)}}{l_{x^{m+s}}} a_{x\,y,\,y\,\ldots\,y_m} \frac{l_x^{(2)}}{l_{x^{m+s}}} a^{(2)}{}_{x\,y\,y_2\,\ldots\,y_m}$$

in which $l_x^{(1)}$, $l_x^{(2)}$ and $l_{x^{m+s}}$ are the values in the Combined Mortality and Remarriage Table, corresponding to the age x.

The great utility of these tables is in rendering complex problems of this nature readily soluble. These problems involve contingent or survivorship annuities. Such by a familiar actuarial process can be converted into a series of joint life annuities, which in turn can be readily computed at equal ages by these formulas.

FIRE INSURANCE IN GREAT BRITAIN, 1913-1914

A RECENT issue of "The Finance and Insurance Chonicle," of London, contains a survey of British fire insurance in the fiscal year 1913-1914. In attempting a comparison between these returns and the latest returns available for the United States, a number of perplexities at once present themselves, as, for instance, the lack of synchronism between the figures due to the fact that the English statistics are those of the running year, 1913-1914, and those for the United States are for the calendar year ended December 31, 1913. Then, again, the conditions under which fire underwriting is carried on in the two countries, are, of course, so different that any study of losses, expenses, commissions paid, and business written, etc., cannot possibly be an accurate guide to the comparative success or failure of the respective underwriters. It is interesting and valuable, however, to put some of the returns from the two countries side by side as a matter of contrast, perhaps, rather than comparison.

It appears, then, that net premiums written were, in 1913, $321,803,374 for 227 American stock and mutual companies (including United States branches of foreign companies), or an average of $1,417,737 per company. This compares with net premiums written by seventy British companies reporting in 1913-1914 of $147,092,992, or an average of $2,101,328 per company. Net losses paid by American companies for the year were $167,744,202, being an average of $748,212 per company, as compared with net losses of British companies of $74,805,810, an average per company of $1,068,654. Thus the average loss ratio of American companies was 52.77 per cent, as against a ratio of 51.56 per cent for British companies. Total commissions and expenses, less dividends and losses on ledger assets, were for American companies, $148,077,115, making a ratio of expenses to premiums of 46.01 per cent. The same figure for the British companies was $52,921,944, being a ratio of expenses to premiums of 36.47 per cent. It is interesting to note that for the American companies the ratio of commissions to premiums was 22.83 per cent, 23.18 per cent of premiums being absorbed by other expenses such as salaries, taxes, etc., while for the British companies the ratio of commissions to premiums was 15.92 per cent, 20.55 per cent being absorbed by other expenses.

After this brief outline of the fire insurance situation in the two countries, it is of interest to examine the complete figures for Great Britain. We give below the survey of the British fire insurance year, 1913-1914, as published in "The Finance and Insurance Chronicle.."

* * *

Readers will find in another part of the current issue of the "Finance and Insurance Chronicle" our customary annual tabulated returns of fire insurance business transacted by British offices, both tariff and non-tariff, during the past year.* In view of the changes which have taken place since our last table was published, exceptional interest attaches to the present statistics, which, we have reason to know, are looked for annually by those who follow the course of events in the insurance world in both hemispheres. So far as conflagrations themselves are concerned, the year proved to be more or less of a humdrum character, and as nothing of an exceptional nature transpired to upset the calculations of underwriters, their experience has been, upon the whole, of a satisfactory nature. The changes referred to have resulted in the disappearance from our list of the tariff offices of the "King" and the "Liverpool Victoria," and from the non-tariff section of the "Anglo-Scottish," the "National General," the "Northern Equitable," and the "Property." It will be seen, however, that their places have been taken by a larger number of other offices, thereby increasing the total number dealt with. Our last return for 1912-1913 embraced sixty-five offices (thirty-nine tariff and twenty-six non-tariff). The Chart now published comprises seventy, of which forty-three are tariff and twenty-seven non-tariff. So that while half-a-dozen were eliminated from the previous table, eleven fresh companies have been substituted and the usefulness of the table proportionately enhanced. The vast volume of business to which these figures are an index once more affords abundant testimony to the firm hold which fire insurance has upon the body politic of this realm and of its ever-increasing popularity. Once more our Chart sets forth that the aggregate premium income has reached a figure never before recorded and is indicative of the zeal and energy still displayed by all engaged in this competitive sphere of perennial activities. It will be found that while the thirty-seven out of the thirty-nine tariff offices retained in the current list were credited in the previous year with having received net premiums amounting to £27,305,838, they had since increased their total to £28,091,137, while the aggregate of the forty-three companies totals the equally impressive sum of £28,653,883. During the same period the net premiums of the twenty-two non-tariff offices still appearing in the list increased their total net premium revenue from £954,526 to £1,150,305, the additional five concerns aggregating £70,296, and making the total for the twenty-seven non-tariff companies £1,200,601.

As shown by the table given below, the net result of the year's trading was a surplus of £3,573,053, which is equivalent to 11.97 per cent of the premiums received during that period, a decline on the year of .53 per cent, following a sharp rise for the previous period of 3.06 per cent. There was at the same time a considerable decline in the sum disbursed in dividends, bonuses to assured, superannuation, amounts transferred to other accounts, etc., the total this time being £3,423,521, compared with the preceding figure of £3,938,038. As £1,496,383 had been received as interest, etc. (last year £1,451,072), nearly the whole of this sum had been added to the accumulated funds.

While the loss ratio on the whole indicated a slight upward tendency, there was again a substantial increase in the aggregate expenses of management of the thirty-nine identical tariff offices, which show an increase from £5,612,570 to £5,753,485, those of the twenty-two non-tariff companies being approximately the same. The net losses of the whole seventy companies amounted to £15,392,142, or 51.56 per cent of the premium revenue, as compared with the previous ratio of 50.87 of sixty-five offices. Last year's tariff offices loss ratio worked out at 51.38 per cent of their year's premium income, while the non-tariff offices corresponding figure is 55.57 per cent, the previous year's figures being 53.64 per cent and 53.93 per cent, respectively. The ratio of the commission and expenses of management for the seventy offices show 36.47 per

*Since the tabulation by companies is, perhaps, of less interest to American than to English readers, there are printed here merely the totals for all companies in sum.

cent as compared with 36.62 per cent for the previous sixty-five offices. The losses and expenses together represent 88.03 per cent of the premiums for the year, as against 87.49 per cent in the preceding year.

The following table will enable an approximate comparison to be made of the year under review with the records of the past decade:

Year.	Net Premiums.	Losses.		Commission Expenses.		Surplus (—) Deficit.	
	£	£	%	£	%	£	%
1903-04.....	22,015,784	10,857,022	49.31	7,667,493	34.82	3,490,269	15.87
1904-05.....	23,049,409	13,657,438	59.32	7,879,572	34.21	1,512,399	6.47
1905-06.....	23,165,397	10,815,935	46.69	8,111,767	35.01	4,020,695	18.30
1906-07.....	23,840,339	21,195,256	88.91	8,226,071	34.50	5,580,988—	23.41
1907-08.....	25,245,612	12,259,799	48.55	8,794,745	34.83	4,196,068	16.62
1908-09.....	25,053,445	13,285,065	53.03	8,928,783	35.64	2,836,597	11.34
1909-10.....	26,320,936	12,720,762	48.32	9,488,753	36.05	4,101,421	15.63
1910-11.....	27,346,227	12,940,338	47.32	9,910,827	36.24	4,495,062	16.44
1911-12.....	28,008,776	15,106,240	53.93	10,260,235	36.63	2,642,301	9.44
1912-13.....	28,520,225	14,507,303	50.87	10,446,344	36.63	3,566,578	12.50
1913-14.....	29,854,484	15,392,142	51.56	10,889,289	36.47	3,573,053	11.97

With regard to the surplus, it will be observed that, although the percentage was somewhat below that of last year, it was very much better than that for 1911-12. With the highest point of 18.30 reached in 1905-6 and the lowest of 9.44 in the year before last, the period under notice gives the happy mean of 13.45 per cent.

The total revenue for the year of the seventy offices appearing in our Chart, inclusive of interest earnings, was £31,350,867, as compared with £29,971,297 of the previously tabulated sixty-five companies. The total amount of reserves at the end of the year was £57,415,355. Including the paid-up capital the funds available for the security of policyholders was the colossal total of £70,-605,662, showing a much larger ratio to premium reserve of liability than ever before.

The subjoined table enables the reader to make a comparison of the latter series of figures with corresponding items in the two preceding years:

	Year 1913-14 (70 C'panies).	Year 1912-13 (65 C'panies).	Year 1911-12 (67 C'panies).
Funds at beginning of the year, excluding capital	£51,968,971	£39,159,820	£38,542,743
Net premiums received	29,854,484	28,520,225	28,008,776
Interest, etc., less income tax, debts, etc.	1,496,383	1,451,072	1,653,147
Net losses	£15,392,142	£14,507,303	£15,106,240
Commission	4,755,100	4,499,538	4,485,388
Expenses	6,134,189	5,946,806	5,775,147
Dividends or bonuses to policy-holders, etc.	3,423,521	3,938,035	2,768,420
Funds at the end of the year, excluding capital	57,190,524	41,785,584	40,032,114
Standard of safe reserve	£14,859,118	£14,250,834	£14,004,284
Surplus beyond safe reserve....	42,556,237	28,017,360	25,120,363
Capital paid up.....	13,190,307	11,826,406	11,598,950

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Proposed Mutualization of the Metropolitan Life Insurance Company.—Following the lead of its great competitor, the Prudential, the officers and directors of the Metropolitan Life Insurance Company, under date of November 18, have issued a circular letter presenting to the policyholders insured for one thousand dollars or more and whose insurance has been in force at least a year a plan for the mutualization of the company. The company is a stock company operating under a special charter. Most of the policies are non-participating. The capital of the company is two millions of dollars, divided into eighty thousand shares of twenty-five dollars each, and the dividends to the shareholders are limited to seven per cent per annum. The charter of the company provides that the net surplus derived from the business of the industrial department shall be added to the capital stock as additional security to the policyholders.

The laws of New York make provision for the mutualization of stock insurance companies under a plan for the acquisition by the company of its capital stock which shall be approved first by a majority of the directors; second, by a majority of the capital stock at a meeting of the stockholders called for the purpose; third, by a majority vote at a meeting called for the purpose of policyholders each insured in at least one thousand dollars and whose insurance shall then be in force and shall have been in force for at least one year prior to such meeting, and, fourth, by the Superintendent of Insurance.

The plan presented has been unanimously approved by the directors. It is to be submitted to the stockholders at a meeting to be held on December 4, 1914. The meeting of policyholders to vote upon the plan is called for December 28, 1914. The holders of practically all the capital stock have expressed their approval of the plan.

The plan provides for the acquisition of the capital stock at the price of seventy-five dollars per share. Its adoption will call for the return to the stockholders of two millions of dollars, the share capital, from the assets of the company, and four millions of dollars from its surplus. The total surplus at the end of September, 1914, was estimated at over forty millions of dollars. The details of the plan, as submitted, are as follows:

* * *

PLAN

For the acquisition of the shares of the capital stock of the Metropolitan Life Insurance Company, pursuant to Section 95 of the Insurance Law of the State of New York, to the end that the company may become a mutual life insurance corporation.

I.

The company to pay the sum of $75 for each share of the outstanding eighty thousand shares of its capital stock in cash.

Such payment to be made on the 5th day of January, in the year 1915, provided that at that time this plan has been approved—(1) by a vote of the stockholders of the company representing a majority of the capital stock at a meeting of stockholders called for the purpose; (2) by a majority vote at a meeting called for the purpose in the manner hereinafter provided in this plan of the policyholders of the company each insured in at least one thousand dollars, and whose insurance shall then be in force and shall have been in force for at least one year prior to such meeting; and (3) by the Superintendent of Insurance in writing; and if it has not been so approved on or before the 5th day of January, 1915, then such payment is to be made within ten days after the last of such approvals shall have been given.

Such payment to be made by the deposit of the sum of six millions of dollars with the New York Trust Company at its office, No. 24 Broad Street, in the City of New York, for and on behalf of the owners of the shares of the capital stock of the company at the time of such deposit. On the surrender and delivery by a stockholder to said Trust Company of his shares properly endorsed in blank he is to receive from the Trust Company out of the sum so deposited the sum of seventy-five dollars for each share so surrendered.

As shares of the capital stock of the company are surrendered and deliverd to the New York Trust Company under this plan and payment therefor is made it is to deliver the same to the Metropolitan Life Insurance Company.

II.

The sum of six millions of dollars to be appropriated out of the

surplus of the Metropolitan Life Insurance Company for the acquisition by it of all of its capital stock as herein provided.

III.

This plan to be submitted to the stockholders of the company at a special meeting called for that purpose, to be held on the 4th day of December, 1914, at eleven o'clock in the forenoon at the offices of the company, No. 1 Madison Avenue, New York City. Fourteen days' notice in writing of the time of such meeting to be given by mail to each registered stockholder at his address as the same appears on the books of the company at the date of the mailing of such notice, which notice is to be accompanied by a copy of this plan. Each stockholder to be entitled to one vote for each share of stock owned by him, and to vote in person or by proxy. The result of the votes cast at such meeting to be certified by the secretary of the company to the Superintendent of Insurance.

IV.

This plan to be submitted at a meeting called for the purpose of policyholders of the company, each insured in at least one thousand dollars, and whose insurance shall then be in force and shall have been in force for at least one year prior to such meeting; to be held at the offices of the company, No. 1 Madison Avenue, in the City of New York, on the 28th day of December, 1914, at eleven o'clock in the forenoon. Notice in writing of the meeting to be given to each of such policyholders appearing as such on the books of the company on the 26th day of November, 1914, by mailing the same to him at his address shown by the said books at that date on or before the 27th day of November, 1914, which notice shall be accompanied by a copy of this plan. Each of such policyholders to have one vote, and to vote either in person or by proxy. Two forms of proxy to be sent to each of such policyholders with the notice of the meeting, one headed "Proxy for the plan," and designating John H. Hallock and John W. Herbert, as the attorneys and agents of the policyholder to vote for him in his name, place and stead in favor of the plan; the other headed "Proxy against the plan," and designating Edgar A. Treadwell and Edwin A. Stevens as the attorneys and agents of the policyholder to vote for him in his name, place and stead against the plan. A proxy to be effective must be filed with the secretary of the company at least five days before the meeting to afford an opportunity for tabulation and verification in advance of the meeting. The votes cast at said meeting to be canvassed by three inspectors to be appointed by the Superintendent of Insurance, who shall certify the result in duplicate to the company and the Superintendent of Insurance.

V.

This plan to be submitted to the Superintendent of Insurance of the State of New York for his approval in writing.

VI.

Upon the deposit by the Metropolitan Life Insurance Company with the New York Trust Company of the sum of six millions of dollars, as hereinbefore provided, for the acquisition by the company of all of its capital stock, and after written notice of the approval of said plan shall have been mailed to all the stockholders and policyholders who were entitled to vote on said plan at their respective addresses as then shown by the books of the company, the said corporation is to become a mutual life insurance corporation under the provisions of its charter applicable to it as such or as said charter shall be amended for that purpose pursuant to the provisions of the Insurance Law of the State of New York. Thereupon the procedure provided by Section 52 of the Insurance Law to be followed to conform the charter to the status of the company as a mutual life insurance corporation or to adopt in whole or in part a new charter in conformity with said section.

The Grain Dust Explosion Hazard.—In co-operation with the Bureau of Mines of the Department of the Interior, the Bureau of Chemistry of the Department of Agriculture, at Washington, is now making a study of the explosibility of grain and other forms of carbonaceous dusts, except coal dust, which is being investigated by the former Bureau. The study was begun largely as the result of an explosion in a feed-grinding plant at Buffalo, N. Y., in 1913. In this accident thirty-three men were killed, and more than seventy injured. Such explosions are, unfortunately, too common, but it is probable that when no loss of life occurs nothing is heard of a great number of minor occurrences. In the past year scientists have carefully investigated and studied sixteen which have taken place since 1905. Of these four took place in cereal mills, three in grain elevators, two in feed mills, three in starch factories, one in a glucose factory, and three in flour mills. At least eighty men were killed in these explosions, and 122 injured. The total property loss exceeded $2,000,000. Since 1911, four similar explosions are known to have occurred in Europe, two in dextrin works, one in a provender mill grinding peas, beans and wheat, and one in a linseed mill. Fifty persons were killed and 119 injured in these disasters. Such figures as these are quite sufficient to demonstrate that coal dust is not the only dangerous form of carbonaceous dust. The object of the scientific study now in progress is to discover some way of preventing the frequent accidents in grain mills, elevators and industrial plants throughout the country.

* * *

Insurance in Japan in 1913.—From a report on insurance in Japan in 1913, by Mr. E. F. Crowe, commercial attaché to the British Embassy at Tokio, recently printed in the "Eastern Underwriters," New York, we take the following:

"The year 1913 showed, on the whole, very unfavorable results for all fire insurance companies operating in this field—Japanese and British offices alike—owing to the ever-increasing scramble for business and to the rates of premium being forced down to a very low level; in fact, rates now current for nearly all classes of risks are considered by most fire underwriters to be on a non-paying basis. But in Japan, where fire insurance is only a development of the last twenty years, the principles of insurance are but very imperfectly understood by the bulk of the nation, and it will take many years yet before fire insurance becomes at all general and the necessity for insurance cover full realized; it is consequently difficult at times for companies operating in this country to work together. Losses during the year have been exceptionally heavy—about double those of an ordinary average year—caused principally by the many serious conflagrations throughout the country, the most notable among which was the fire in February in the Kanda district of Tokio, when 2,598 houses were reported as destroyed, involving the insurance companies in a loss of £300,000. Although the usual annual figures published by the Department of Agriculture and Commerce are not yet available for the year 1913, it is estimated that the total losses paid for the whole of Japan by both Japanese and British companies will approximate £800,000 for the year against an estimated premium income of £1,000,000; in addition, expenses averaging 30 per cent for the Japanese offices will have to be provided for out of this premium income account. From this it will be seen that 1913 has been a disappointing year for those interested in fire insurance in this country.

"Owing to the favorable results obtained by the older established Japanese companies in the years 1910-11, a small boom took place in insurance business in 1912, and many new small Japanese

(Continued on Page 668.)

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

FINANCIAL AND COMMERCIAL REVIEW

QUITE a flush of optimism spread over finance and business in the first half of the week now ended, although the tones of sentiment were of a more sober hue as the week drew to a close. So many things had happened lately which were of encouraging import, so much had been done to readjust conditions to the circumstances of the war and restore banking and business machinery and increase facilities for accommodating strain that Wall Street grew almost buoyant. Reports that leading stocks and a considerable number of bonds were selling at or above the closing level of prices on July 30, stimulated efforts to start the experiment of a partial reopening of the Stock Exchange for dealings in investment issues strictly. The fact that current quotations are ex-foreign transactions and have not been subjected to the tests of an open and unrestricted market suggested caution, but by Thursday morning the Wall Street community was quite convinced that within a few days general dealings on the Stock Exchange would be resumed after a beginning had been made with the bond department, although of course under certain safeguards.

It appeared, however, that anticipation was a little too keen. By Thursday night the information was circulated that certain difficulties had arisen which stood in the way of carrying out the expansive programme of a relatively unlimited resumption of the securities market and Wall Street was left to infer that the difficulties probably denoted convincing evidence that selling orders in large quantity were only awaiting execution at a favorable opportunity to be presented by the restoration of the regular market facilities.

Too much attention should not be paid to the arguments which will tend to limit foreign liquidation; this will undoubtedly be heavy, although it will also undoubtedly be gradual. It will be very much to our advantage to recover possession of these securities to the largest possible extent, as the transfer back to us will take place at a bargain level of prices. It is proper to recognize that Europe's necessity means American opportunity. Nor is the effect of liquidating sales, foreign or domestic, on the price level of securities altogether material. The range of values must be lower for years to come in comparison with the past. This is a fact which has to be faced, but when the Stock Exchange closed values were already quoted too low for their permanent worth. There is a vast buying power in this country to absorb offerings of stocks and bonds and the capacity for absorption is a guaranty against any prolonged further decline. In any event the total of compulsory liquidation is more likely to be increased than diminished by the protracted denial of facilities for liquidation so that the matter of prices can be practically eliminated from the reckoning of the Stock Exchange problem.

There remains only the threat that foreign liquidation will deplete our gold supply excessively, and the resourcefulness of the banking world ought to be equal to framing some arrangement which will meet this particular difficulty. American bankers and business men have been displaying a great deal of ability in the last three months to get together in agreements and through concerted action take steps which have been very helpful in disposing of one critical difficulty after another. We fancy that the Federal Reserve Banks furnish to-day the medium through which the country's gold supply can be satisfactorily protected by enlisting the co-operation of the entire banking community of the country in an engagement to allow the export of gold to be regulated by the Federal Reserve Board, a body which will be recognized by any foreign banking power.

The opening of the Federal Reserve Banks on Monday was justly regarded all over the country as a large contribution to the country's equipment of facilities for coping with the present financial emergency. After the first preliminary flourish of trumpets the process of preparing the new banks to do business was conducted quietly and smoothly and indications have been afforded that our modernized financial machinery will be carefully handled to avoid mistakes. The official rates for discounting were fixed high enough to guard against any initial abuse of the increased credit capacity, but a word of warning is in order with regard to the new banking system. The Federal Reserve Board is going to be taxed to the utmost to resist pressure at Washington to make it a mere branch of the Treasury; and President Wilson, as well as Secretary McAdoo, perhaps look upon the Federal Reserve Banking System too much as an administrative sub-division.

So far as concerns the Treasury attitude it is difficult to have patience with the disposition of banking interests to comply with Treasury aggressions in the banking field instead of opposing them. Nothing can be more infallibly destructive of the banking reform which has been inaugurated than to have the Federal Reserve System become in effect a Government bank, because it is treated as such by the Treasury, and because banking opinion refuses to antagonize political authority. Our whole history is a reminder of what is certain to occur to anything resembling a Government bank in the United States, and very recent history, the history of the last few days in fact, denotes that the danger of a Government bank is not so remote.

Although the Federal Reserve Board is prohibited by the very law which creates it from doing anything of the kind, it has been induced by Mr. McAdoo to take charge of the ambitious cotton loan fund. In other words the Treasury has annexed the Federal Reserve Board and made it party to the political considerations which dictated the cotton pool project and kept Mr. McAdoo working upon it until he had achieved the superficial success of a banking subscription for the $100,000,000 of class A certificates proposed. It makes an unfortunate impression to have the Board at the very outset of its career associated with any such ill-conceived scheme and the impression is made worse by reflecting upon the Board's surrender to Treasury pressure.

With the reopening of the cotton exchanges an important part of the country's economic machinery was restored to working order. The restoration of the future market for cotton puts the country very much where it was in respect to business and financial facilities on the outbreak of the war with the sole conspicuous exception of the stock exchanges. The suspension of the stock exchanges may have to be continued more or less indefinitely, but there is cause for gratification in the reopening of the cotton exchanges. It will conduce to an easing of the banking position, to the relief of economic distress in the South and to the benefit of

the country generally and to other countries through the larger international movement of the staple which must result from the operations of the contract market.

Furthermore, accessibility to future dealings removes the last vestige of business excuse for the McAdoo cotton pool and leaves it with nothing but a political argument. Perhaps the pool will prevent any very serious agitation, at the next session of Congress, for Government valorization or Government bounties to the cotton grower, but there is an excellent prospect that the politics of the scheme will be frustrated. It is more than doubtful if the Southern banker will ever go to the trouble to start the process of loaning through the fund and it is not going to take very long for the numerous statesmen who have been demanding governmental largesse for the South to see the ineffectiveness of Treasury strategy. Incidentally it might be remarked that the essential viciousness of the cotton pool is shown in the fact that if it ever does operate it will push emergency currency into circulation when it ought to be retired.

Foreign trade figures continue to make an encouraging exhibit. The October export balance, while less than last year's for the corresponding month, was in excess of $50,000,000, and returns for the first half of November suggest that this month's balance may amount to $75,000,000. Foreign exchange reflects the progressive recovery of our export trade, although there has been no particular deviation in rates this week. The domestic money market might be quoted as on a 5 per cent basis, but the attention of business men might profitably be directed to the market which is growing up for bankers' acceptances of commercial bills. These are quoted at 4 to 4½ per cent, as compared with 5½ to 6 per cent level of ordinary commercial paper.

The principal aspect of foreign news worth remarking upon was the sombre suggestion of the fearful costs of war conveyed by British financing. Great Britain has done remarkably well to be able to float $1,750,000,000 worth of obligations on what is practically a 4 per cent basis, but there are depressing implications in the estimates of the Chancellor of the Exchequer that the war will cost Great Britain $2,250,000,000 a year for two years, if it lasts that long.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

	Week Nov. 7, 1914— Banks	Trust Cos.	Both	—Week Nov. 14, 1914— Banks	Trust Cos.	Both
Loans	[illegible]	622.1	2,111.7	1,509.2	623.8	2,133.1
Deposits (net)	[illegible]	196.3	1,922.9	1,465.8	459.5	1,925.3
Cash reserves	[illegible]	65.5	450.0	378.9	62.8	442.1
Reserve ratio (%)	[illegible]	14.1	23.4	27.8	13.9	22.5

Actual Status.

	Week Aug. 1, 1914— Banks	Trust Cos.	Both
Loans	1,424.4	625.3	2,058.7
Deposits (net)	1,467.7	464.7	1,911.5
Cash reserves	314.3	97.1	411.5
Reserve ratio (%)	21.3	13.9	21.5

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

Actual Status Non-Member Institutions.

	—1914— July 31	Aug. 7	Nov. 14
Loans	[illegible]	[illegible]	560.2
Deposits (net)	[illegible]	[illegible]	537.3
Cash reserves	[illegible]	[illegible]	74.8
Other reserves	[illegible]	[illegible]	88.1
Reserve ratio (%)	[illegible]	[illegible]	30.1

Aggregate Statement Actual

(Exclusive of State Banks, Non-Clearing House Members)

	—1914— July 25	Aug. 1
Loans	2,6[illegible]	[illegible]
Deposits (net)	2,532.0	2,47[illegible]
Cash reserves	5[illegible]	464.[illegible]

[The Clearing House for the present has omitted publishing the actual returns of the banks and trust companies.]

PHILADELPHIA BANKS STATEMENT.

	—1914— July 11.	July 18.	July 25.	Aug. 1.
Loans	[illegible]	[illegible]	[illegible]	[illegible]
Deposits	[illegible]	[illegible]	[illegible]	[illegible]
Cash reserves	29.7	31.[illegible]	31.[illegible]	29.1

BOSTON BANKS STATEMENT.

	—1914— July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.[illegible]	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913. Oct. 21-22.	1914 Jan. 13-14.	1914 June 30.	1914 Sept. 12.
Loans	700.4	667.2	701.2	704.7
Deposits	1,003.2	997.4	1,024.3	964.4
Cash, other reserves	449.5	470.2	335.2	311.9
Reserve ratio (%)	44.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914 Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,175.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week Ending	1913 New York.	Outside.	Total.	1914 New York.	Outside.	Total.
November 14	1,559	1,868	3,428	1,166	1,634	2,800
November 7	1,511	1,898	3,409	1,096	1,493	2,589
October 31	1,906	1,446	3,358	1,212	1,300	2,513

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week of—	1913 Call money.	60-day loans.	Merc. paper.	1914 Call money.	60-day loans.	Merc. paper.
November 20	3½	4¾	5½	5	5½	5½
November 13	4	5	5¾	5½	6	6
November 6	6	4¾	5¾	6	6	6

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	—1914— Oct. 29.	Nov. 5.	Nov. 12.	Nov. 19.
Deposits	151,730	156,743	156,535	163,621
Circulation	35,113	35,530	35,518	35,313
Gold	51,872	69,474	69,280	72,570
Securities	124,295	122,108	122,094	125,704
Reserve ratio (%)	29.79	33.42	33.55	30.04
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	—1914— July 16.	July 23.	July 30.	Oct. 1.
Deposits	1,218.9	1,343.5	1,331.0	2,117.0
Circulation	6,067.0	5,911.9	6,683.1	9,299.0
Gold	4,092.6	4,104.3	4,141.3	4,092.0
Silver	639.7	664.6	625.3	319.0
Discounts, etc	1,606.8	1,611.8	2,444.2	4,476.0
Coin to notes (%)	77.9	80.6	71.0	58.1
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	—1914— July 17.	July 25.	Aug. 15.	Oct. 1.
Gold and silver	1,681.6	1,722.7	1,590.2	1,737.4
Loans and discounts	867.3	801.0	4,750.0	4,786.3
Circulation	1,994.5	1,890.8	3,881.9	4,490.8
Discount rate (%)	4	4	6	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	—1914— June.	July.	August.	September.
Loans on call	204.5	193.9	166.7	159.5
Loans, current	925.5	927.0	883.8	867.8
Deposits, demand	355.0	346.8	338.9	348.2
Deposits, other	767.7	766.9	755.1	759.3
Circulation	99.1	94.8	114.5	120.3
Cash reserves	113.3	113.3	159.7	176.2

THE COUNTRY'S COMMERCE

Merchandise.	September— 1913.	1914.	October— 1913.	1914.
Imports	$171,084,843	$139,204,267	$132,919,302	$137,978,778
Exports	218,240,001	156,188,790	271,861,464	195,283,852
Specie.				
Gold—Imports	4,626,748	2,761,599	5,391,085	5,934,866
Exports	490,037	21,887,202	483,780	50,341,952
Silver—Imports	3,098,248	1,861,213	2,538,446	2,549,117
Exports	5,856,197	5,389,981	4,878,349	3,972,416

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	57	18[illegible]	49	49⅜	49¼	49⅛
London	22⅛	22⅛	23¼	22 15-16	22⅞	22¾

COTTON

November 21, 1914.

THE week has been a notable one for the cotton trade by reason of the fact that the three great cotton exchanges of the world,—New York, New Orleans and Liverpool,—have been re-opened for unrestricted business, after a cessation of activities lasting for sixteen weeks, and that, too, during the period of the heaviest movement of the American cotton crop. There is no denying that there were grave anxieties on the part of the more experienced and thoughtful members of the exchanges, as the day approached when the markets must undergo the test of free trading in cotton for the account of the entire world. It was known, of course, not only that the supply of unsold American cotton of the new crop was far the largest in recorded history, but also that large quantities of cotton and of commitments in cotton had been perforce carried over with ruinous losses from the desperate days of the end of July and of early August which saw the entire commerce of the world disrupted at a stroke by the outbreak of the European War. So long as the Exchanges had remained closed, those unfortunately caught in the cruel predicament had found no opportunity to rid themselves completely of their crushing load. What would they do when they should have free access to open markets? And what would a multitude of holders of cotton throughout the South do, when it should be possible for them to find buyers for their cotton at some price, even though a disastrously low one? And, again, would there prove to be enough buyers,—spinners or merchants or speculators,—to absorb even a moderate amount of necessitous selling? Or would prices yield so rapidly under such selling as to send a panic terror through the minds of all holders of cotton everywhere? These were the questions which serious members of the trade were asking themselves before the exchanges opened on Monday morning last. Fortunately, the anxiety was not justified by the event; yet, all the same, it was a natural and even prudent anxiety. As it was, all the great futures markets opened quietly and naturally, and their course throughout the week has been quiet and natural. Despite the unprecedented supply of unsold cotton in the South, despite the inevitable offerings of cotton unwillingly carried over from July, despite the subtraction from the body of possible buyers of three-fourths of the cotton merchants and manufacturers of Europe, despite the industrial and financial embarrassments of the unsettled war, the price of future contracts for cotton in New York ruled on Monday a full cent per pound higher than the lowest prices touched during the crop season of 1904-1905 and only a cent per pound lower than the lowest prices touched during the season 1911-1912. It may be said that those were both seasons when record crops were produced and when low prices followed as a natural consequence of supply outstripping consumptive demand for the time being. But the present crop also bids fair to surpass all previous records and might be expected, irrespective of the war, to sell much lower than either of the last two crops Indeed, most persons in the trade would last Spring have predicted, if they could have foreseen a production this year of 16,000,000 bales or more, that the price of cotton would certainly decline at least as low as it went in 1911-1912, i. e. to a little above 8¼ cents per pound. Hence it should have ranged from somewhat below to somewhat above 7½ cents; and it is perhaps still more remarkable that the decline of the succeeding days, when little by little the "distress" cotton in the South and in the North and indeed to no small extent in England and on the Continent was reached and offered for sale, should have been limited to not much more than one-half cent per pound. At the end of the first five days of the new trading, the price of cotton in New York was still more than two cents per pound higher than the prices touched in 1897-1898 and 1898-1899; it was more than one-half cent per pound higher than the prices of December, 1904, and January, 1905; and it was but a trifle more than one cent per pound lower than the prices of December, 1911. Certainly no more illuminating illustration could possibly be given of the growth in recent years of assured economic knowledge about cotton than that under the present conditions such a level of prices could be maintained for the week succeeding a long period of intermission of old consecutive trading, made necessary by the world-wide effects of the most destructive war in history. Of course, the truth is that this result was made possible primarily by the resolution and self-sacrifice with which the members of the cotton trade, in their capacity as members of the cotton exchanges, have dealt with the problems of loss and distress, and, (it must be added), to no small extent, of impropriety, which the cataclysm of July left behind it. Courage of the highest order and the most experienced business acument have been required for the task; and these have been unstintingly contributed by the masters of the cotton trade for the benefit of all. And so the great cotton markets are open again without confusion, without lingering apprehensions of trouble to come, with the same opportunities as of old for the buyers and the sellers of cotton to meet and to enter into their customary transactions, one with the other. The price of cotton in these markets is still, in the opinion of those whose price convictions are based upon economic fact, too low to be permanent; but it cannot be said of this price that it is inordinately low in comparison with the prices of but a few years ago, when universal peace reigned and the prodigious economic progress of the world was at full stride. Naturally, the cotton producers cannot be contented with these prices below the cost of production; but at least they are faring quite as well as other producers of other commodities, in this and other countries.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	....	7.48	7.30	6.97	7.03	7.17
Low	....	7.28	6.96	6.85	6.93	7.06
Close	....	7.29	6.99	6.94	7.01	7.16
January (Old Contract)—						
High	....	7.56	7.36	6.97	7.15	7.20
Low	....	7.39	7.08	6.97	7.07	7.20
Close	....	7.39	7.09	7.04	7.13	7.28
January (New Contract)—						
High	....	7.85	7.56	7.21	7.27	7.40
Low	....	7.59	7.23	7.15	7.25	7.29
Close	....	7.58	7.25	7.20	7.27	7.39
March (Old Contract)—						
High	....	7.50	....	7.00	7.09	7.23
Low	....	7.39	....	7.00	7.08	7.23
Close	....	7.40	7.08	7.06	7.15	7.30
March (New Contract)—						
High	....	7.95	7.71	7.43	7.50	7.57
Low	....	7.77	7.45	7.36	7.43	7.45
Close	....	7.77	7.47	7.41	7.48	7.56
May (New Contract)—						
High	....	8.15	7.94	7.66	7.71	7.76
Low	....	7.96	7.65	7.57	7.63	7.66
Close	....	7.98	7.67	7.62	7.69	7.75
May (Old Contract)—						
High	.....	.....	.....	....	7.26	7.40
Low	.....	.....	.....	....	7.23	7.32
Close	.....	.....	.....	7.22	7.32	7.46
July—						
High	....	8.20	8.10	7.83	7.93	7.94
Low	....	7.95	7.83	7.72	7.84	7.89
Close	....	8.14	7.82	7.81	7.91	7.94
August—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
September—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
October—						
High	....	8.50	8.35	8.05	8.13	8.09
Low	....	8.38	8.06	7.98	8.01	7.99
Close	....	8.38	8.09	8.04	8.04	8.08
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	....	7.40	7.22	7.07	7.08	7.14
Low	....	7.26	7.08	7.02	7.08	7.12
Close	....	7.28	7.06	6.98	7.08	7.17
January (New Contract)—						
High	....	7.55	7.43	7.17	7.27	7.34
Low	....	7.40	7.25	7.10	7.18	7.23
Close	....	7.45	7.22	7.15	7.27	7.32
February—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
March—						
High	....	7.86	7.63	7.30	7.38	7.50
Low	....	7.62	7.34	7.22	7.32	7.35
Close	....	7.66	7.34	7.27	7.38	7.45
May—						
High	....	7.88	7.80	7.48	7.58	7.70
Low	....	7.85	7.55	7.40	7.52	7.57
Close	....	7.85	7.50	7.46	7.57	7.65
June—						
High	....	.....	.....	.....	.....	.....
Low	....	.....	.....	.....	.....	.....
Close	....	.....	.....	.....	.....	.....
July—						
High	....	.....	.....	7.67	7.76	7.90
Low	....	.....	.....	7.65	7.73	7.90
Close	....	.....	.....	7.63	7.76	7.85
August—						
High	....	.....	.....	.....	.....	.....
Low	....	.....	.....	.....	.....	.....
Close	....	.....	.....	.....	.....	.....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
September—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
October—						
High	.....	.....	.....	....	....	7.90
Low	.....	.....	.....	....	....	7.90
Close	.....	.....	.....	....	....	7.94
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery on each day of the past week, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May-June—						
Opening	4.25½	4.27	4.27	4.17	4.22	4.11½
12:30 p. m.	....	4.25	4.26½	4.10	4.12½	4.13½
Close	4.25½	4.27½	4.25	4.09	4.10½	4.15
June-July—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
July-Aug.—						
Opening	....	....	4.35	4.22	4.19	4.18
12:30 p. m.	....	....	4.34½	4.19	4.19	4.19
Close	....	4.34	4.31	4.16	4.17½	4.21
Aug.-Sept.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Sept.-Oct.—						
Opening	....	....	....	....	4.28	....
12:30 p. m.	....	....	....	....	4.28	....
Close	....	....	....	....	....	....
Oct.-Nov.—						
Opening	....	....	4.45	4.33	4.30	4.31½
12:30 p. m.	....	....	4.41	4.27	4.30	4.31½
Close	....	4.45½	4.40	4.26	4.27½	4.31
Nov.-Dec.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Dec.-Jan.						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Jan.-Feb.—						
Opening	....	....	4.50	4.38	4.36	4.38
12:30 p. m.	....	....	4.49	4.33	4.36	4.38½
Close	....	4.50½	4.46	4.33	4.34½	4.37½
Feb.-Mar.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Mar.-Apr —						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Apr.-May—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
Novemher	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	....	7.55	7.50	7.50	7.50	7.60
New Orleans	7¼	7¼	7 9-16	7 9-16	7¼	7⅝
Galveston	8	8	7¾	7⅝	7⅝	7⅝
Mobile	7⅛	7⅛	7⅛	7⅛	7⅛	7⅛
Savannah	7⅛	7⅛	7⅛	7¼	7¼	7¼
Charleston	7⅛	7⅛	7⅛	7⅛	7⅛	7⅛
Wilmington	7⅛	7⅛	7⅛	7⅛	7⅛	7⅛
Norfolk	7½	7½	7½	7½	7½	7 9-16
Baltimore	....	....	7⅝	7⅝	7⅝	7½
Augusta	7⅝	7½	7½	7 9-16	7 9-16	7¼
Memphis	7¼	7¼	7¼	7	7	7¼
St. Louis	7¼	7¼	7½	7½	7½	7⅝
Houston	8	8	7¾	7¾	7¾	7 9-16
Little Rock	....	....	7	6⅞	6⅞	6¾

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	5.60	5.60	5.60	5.44	5.42	5.44
Good middling	4.88	4.88	4.88	4.72	4.74	4.76
Middling	4.56	4.56	4.56	4.40	4.42	4.44
Low middling	3.95	3.95	3.95	3.79	3.81	3.83
Good ordinary	3.26	3.26	3.26	3.10	3.12	3.14
Estimated spot sales	5,000	10,000	6,000	8,000	8,000	5,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	....	....	....	.....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	485,136	515,493	446,126	369,815
Overland to mills and Canada	43,399	48,533	48,366	41,447
So. mill takings, est., exclusive of takings from Southern ports.	100,000	100,000	105,000	80,000
Gain of stocks at interior towns	43,447	52,794	63,372	67,271
Brought into sight for week	671,982	716,820	662,864	558,353
Total Movement—				
Port receipts	5,222,795	5,228,097	5,183,033	2,389,353
Overland to mills and Canada	254,361	257,569	331,439	227,605
Southern mill takings	932,032	905,873	949,796	582,887
Stocks at interior towns in excess of Sept. 1	639,034	498,289	509,269	868,887
Brought into sight thus far this season	7,048,222	6,889,828	6,973,537	4,068,714

The total crop movement is respectively for 116 days, 114 days, 113 days and 112 days.

PORT RECEIPTS AND STOCKS.

	This week last year			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	150,147	1,791,382	309,419	161,341	1,111,159	409,450
New Orleans	72,733	553,270	214,083	61,022	285,973	195,954
Mobile	17,926	207,027	50,081	6,595	51,274	33,538
Savannah	60,105	1,132,464	193,190	55,696	400,962	165,813
Charleston	20,375	309,705	71,930	17,646	111,112	79,050
Wilmington	19,480	259,669	38,269	7,076	55,094	36,583
Norfolk	23,416	229,662	41,796	18,067	107,537	42,596
Baltimore	6,813	47,101	12,004	1,857	14,525	8,254
New York	250	774	44,621	25	544	75,222
Boston	1,284	5,195	3,307	485	3,874	3,217
Philadelphia	.....	74	6,467	38	481	6,417
Newport News	2,780	16,866	.....	5,487	25,298	.....
Brunswick	11,000	189,150	22,238	5,300	19,500	3,914
Pensacola	8,108	65,114	.....	.....	3,925	.....
Port Arthur	3,454	11,647	.....	.....	400	.....
Pacific ports	22,531	108,910	.....	12,859	68,298	.....
Texas City, etc	23,735	238,193	33,588	14,689	113,564	49,901
Jacksonville, etc	1,989	16,832	1,479	1,632	17,486	753
Georgetown	.....	.....	.....	.....	.....	.....
Totals	446,126	5,183,035	1,043,111	369,815	2,391,006	1,110,662

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	609	24,588	549	1,981	748	9,826	437	4,221
Dallas	6,191	44,394	6,183	8,764	2,573	52,958	5,521	5,802
Shreveport	11,779	92,509	8,186	29,303	10,046	83,352	4,923	69,454
Little Rock	12,580	81,277	5,468	44,044	10,639	69,817	5,338	40,710
Helena	4,685	31,922	2,470	17,739	4,552	32,505	2,160	22,295
Vicksburg	1,951	12,304	668	7,348	2,111	14,722	930	11,028
Columbus, Miss.	2,921	22,018	1,756	7,076	2,128	11,539	870	8,208
Natchez	826	9,221	1,000	3,719	916	11,986	300	9,943
Memphis	78,404	424,272	44,737	159,552	56,505	398,502	39,643	227,393
Nashville	585	6,115	....	1,185	243	777	.....	708
Selma	6,617	96,251	4,673	16,033	4,966	71,114	2,870	45,211
Montgomery	6,046	112,582	5,178	29,412	7,325	109,551	3,782	75,100
Eufaula	561	16,443	551	3,524	716	14,648	233	10,515
Columbus Ga.	2,110	31,342	1,965	7,523	5,675	48,386	1,150	36,376
Macon	2,415	30,988	1,876	3,450	2,635	27,497	623	22,653
Albany	681	24,427	540	3,189	876	23,750	399	18,954
Atlanta	7,549	140,863	8,300	24,055	8,708	58,511	6,655	16,521
Rome	3,192	39,990	2,975	7,596	3,904	28,233	3,684	8,517
Augusta	14,572	218,654	9,774	51,568	19,039	223,863	9,012	145,310
Columbia	2,854	33,932	2,854	.....	2,653	44,248	2,653	.....
Newberry	1,209	14,221	1,209	.....	845	6,616	845	.....
Charlotte	562	7,793	562	.....	587	3,296	587	.....
Raleigh	677	8,072	650	354	453	2,152	425	262
St. Louis	22,443	111,422	19,584	12,516	26,075	142,150	23,378	29,617
Houston	91,746	1,509,004	85,499	177,601	131,535	956,392	127,743	139,461
Meridian	1,825	14,000	1,219	7,665	1,355	10,591	355	9,411
Cincinnati	9,025	45,522	8,33	11,814	5,207	43,133	4,518	4,641
Yazoo City	3,012	18,760	2,567	11,169	2,974	22,536	674	18,983
Totals	297,626	3,358,900	229,026	651,120	318,979	2,650,756	249,708	981,494

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	140,489	107,194	53,514
France	65,511	18,948	13,667
Continent	172,101	186,942	90,975
Mexico	300	1,760	3,414
Japan	5,372	22,531	12,859
Totals	383,773	337,375	180,429
Great Britain	1,627,416	1,325,599	457,798
France	546,895	584,672	48,054
Continent	1,378,500	1,606,188	352,956
Mexico	753	17,981	21,703
Japan	61,010	113,300	127,532
Totals	3,614,574	3,647,740	1,008,443

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	430,000	330,000	152,000
Since September 1	3,492,472	3,818,333	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	12,500	67,061	11,750	76,590	} 4,000	.....
To Manchester	9,250	67,713	10,000	65,676	}	.....
To Continent	.....	59,015	10,000	95,223	3,000	.....
To America	5,500	23,118	2,000	6,274	200	.....
Total exports	27,250	216,907	33,750	243,863	7,200	.....

BOMBAY WEEKLY.

	Last Year		This Year		
	Week.	Season.	Week.		Season.
Receipts	61,000	4,000	.....	.....	.....
Exports to Great Britain	1,000	181,000	.....	.....	.....
Exports to Continent	11,000	117,000	.....	.....	.....
Exports to Japan and China	15,000	.....	.....	.....	.....
Afloat in harbor	13,000	.....	.....	.....	.....

Exchange, 1s. 4⅜.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	689,000	502,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses	58,000	29,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	3,000	.....	.....
Bremen	256,000	251,000	.....	.....
Havre	264,000	259,000	.....	.....
Other ports—Continent	43,000	32,000	.....	.....
Alexandria	319,000	.....	.....	.....
Bombay	240,000	.....	.....	.....
U. S. interior towns	650,134	650,134	.....	.....
U. S. ports	1,039,275	1,039,275	.....	.....
Afloat for—				
Liverpool	469,000	378,000	.....	.....
London	.....	.....	.....	.....
Continent	864,000	764,000	.....	.....
Afloat in Bombay harbor	13,000	.....	.....	.....
Coastwise to New York	16,000	16,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	4,942,409	3,923,409	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 361,047. Increase in American visible supply for the week, ———, against 188,047 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	6,973,537	.....
Total supply	8,305,677	.....
Less visible supply, American, to-day	3,939,231	.....
World's takings, American, to date	4,366,446	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,301
Returned from foreign countries	.....	790
Receipts at United States ports to date	5,183,033	2,389,335
Total supply at ports	5,344,322	2,643,326
Deduct.		
Stocks at ports to-day	1,043,111	1,110,662
*Exports to date	3,665,740	1,027,063
Southern mill takings from ports	21,406	40,841
Burnt at ports	.....	.....
Totals	4,730,257	2,178,566
To Northern mills from ports	614,065	464,760
Overland to Northern mills	331,439	227,605
Total Northern mill takings	945,504	692,365
Southern mill takings	971,202	623,728
Total American mill takings, including Canada	1,916,706	1,316,093

*Includes ——— in transit between Southern ports and New York, against 16,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	221,904	1,916,706	.....	.....
Great Britain	74,194	966,599	.....	.....
Continent	137,890	1,351,860	.....	.....
Mexico	1,760	17,981	.....	.....
Japan and China	22,531	113,300	.....	.....
Totals	458,279	4,366,446	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	41,000	57,000	48,000	43,000
Sales, American	30,000	44,000	30,000	34,000
Sales, speculation	2,000	6,000	1,000	1,000
Sales, exports	2,000	1,000	3,000	2,000
Forwarded	107,000	94,000	69,000	83,000
Imports, all kinds	194,000	137,000	83,000	64,000
Imports, American	169,000	127,000	72,000	50,000
Actual exports, all kinds	7,000	4,000	5,000	4,000
Stock, all kinds	821,000	689,000	734,000	711,000
Stock, American	685,000	502,000	454,000	441,000
Afloat for Great Britain, all kinds	626,000	478,000	245,000	.....
Afloat for Great Britain, American	531,000	385,000	202,000	.....

CENSUS BUREAU REPORT ON CONSUMPTION AND DISTRIBUTION OF COTTON IN OCTOBER.

On Saturday, November 14, the United States Census Bureau issued its monthly cotton supply report, giving the consumption, distribution and supply of cotton in the United States for October, 1914. The figures, with comparisons for October, 1913, are given in the following tables,—round bales being counted as half-bales and bales imported from foreign countries being reduced to equivalent 500-pound bales (net weight):

CONSUMPTION AND ACTIVE SPINDLES IN OCTOBER.

	Consumption		Active Spindles	
	1913, Bales.	1914, Bales.	1913, No.	1914, No.
In mills in the Cotton State.	263,235	241,071	12,080,706	12,325,054
In mills in all other States	248,688	210,770	18,774,654	18,326,892
Totals for United States	511,923	*451,841	30,855,360	30,651,946

*Includes 15,526 bales of foreign cotton.

STOCKS OF COTTON IN MILLS AND IN WAREHOUSES ON OCT. 31.

	In Manufacturers' Establishments		In Independent Warehouses	
	1913, Bales.	1914, Bales.	1913, Bales.	1914, Bales.
In the Cotton States	564,393	332,464	2,460,875	3,675,197
In all other States	458,622	380,943	48,783	104,839
Totals for United States	1,023,015	†713,407	2,509,658	‡3,780,036

†Includes 52,545 bales of foreign cotton.
‡Includes 9,384 bales of foreign cotton.

Figures for the consumption of cotton in the United States for the three months ended October 31, 1914, with comparisons for the same period in 1913, are as follows:

CONSUMPTION OF COTTON IN THE UNITED STATES FOR THREE MONTHS ENDED OCTOBER 31.

	1913, Bales.	1914, Bales.
In mills in the Cotton States	734,971	669,150
In mills in all other States	651,737	581,565
Totals for United States	1,386,708	1,250,715

Linters, not included above, were 29,101 bales consumed in October, 1914 (vs. 31,355 bales in October, 1913). Stocks of linters on October 31, 1914, were 65,262 bales in manufacturers' establish-

WILLIAM RAY & CO.
Successors to Geo. Copeland & Co.
COTTON BROKERS
43 Cotton Exchange Building, New York
Members of New York Cotton Exchange
Associate Members of Liverpool Cotton Ass'n
Cotton for Spinners' Use.

ports (vs. 49,483 bales on October 31, 1913) and 48,047 bales in independent warehouses (vs. 38,057 bales on October 31, 1913). The domestic consumption of linters for the three months ended October 31, 1914, was 81,770 bales, compared with 85,692 bales for the same period of 1913.

The imports and exports of cotton during the month of October were as follows:

IMPORTS.			EXPORTS.		
From	1913, Bales.	1914. Bales.	To	1913. Bales.	1914. Bales.
Egypt	2,119	6,464	United Kingdom	514,054	232,065
Peru	1,419	302	Germany	465,525	.....
China	751	1,031	France	279,469	22,302
All other countries	1,280	4,355	Italy	54,282	48,147
			All others	204,508	194,666
Total imports	5,569	12,152	Total exports	1,517,838	§497,180

§Includes 4,104 bales of linters.

* * *

Cotton Situation in Austria-Hungary.—A sidelight upon the cotton supply situation in Austria-Hungary is shed by a piece of war news, recently received in New York, of the most pathetic and moving character. The New York "Evening Sun," of November 18, published a letter from Vienna, dated October 17, sent by William G. Shepherd, staff correspondent of the United Press. The theme of the letter was an appeal to Americans to make use of the parcels post to send to the Red Cross at Vienna packages of absorbent cotton for use in dressing wounds. The account given of the utter dearth of cotton in Austria and of the bitter suffering caused by the lack of it for the severely wounded illustrates poignantly the dependence of modern communities upon a supply of cotton. The following are extracts from the letter:

"For three weeks the hospitals here have been absolutely without cotton to dress the wounds of dying soldiers. The American Red Cross corps, which arrived yesterday, brought a small supply, which was immediately distributed among the hospitals and will last only a few days, even with the most careful use.

"Doctors and nurses are forced to use small bags of threads. Everybody in Vienna who can't help in any other way spends his or her spare time in unravelling small squares of cloth, cut from sheets and handkerchiefs. The short pieces of thread are sewed into bags of gauze, which are sterilized. The most delicate wounds must be dressed with this rough, harsh material.

"Americans, in the name of humanity, ought to send cotton to

(Continued on Next Page.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cotton	Saturday.	Wednesday.
Print cloths, 28-inch 64 x 64	3	3
Gray goods, 38½-inch standard	4	4
Brown sheetings, Southern standards	6¾-7	6⅞-7
Denims, 9 ounce	13½-17	13½-17
Tickings, 8-ounce	13	13
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply chain, 30s	18½	18½
Southern 2-ply skeins, 6s	42	42
Southern single skeins, 2s	16	16
Southern single chain warps, 20s	16½-17	16½-17
Southern frame cones, 20s	16½-16¾	16½-16¾
Southern frame cones, 30s	17½-18	17½-18
Eastern carded cops, 20s	18	18
Eastern carded cops, 30s	21	21
Eastern carded peeler warps, 30s	24	24
Eastern carded peeler warps, 50s	30	30

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 14	1.15¼	1.14¼	1.15	1.21½	1.20⅜	1.21¼	.....	.....	.....
Nov. 16	1.15⅝	1.14⅜	1.14½	1.21⅝	1.20¼	1.20½	.....	.....	.....
Nov. 17	1.15⅛	1.13⅞	1.14⅞	1.21⅜	1.19⅝	1.21⅛	.....	.....	.....
Nov. 18	1.16	1.15	1.15⅞	1.22⅝	1.21	1.22⅛	.....	.....	.....
Nov. 19	1.16⅝	1.15	1.15⅞	1.22½	1.21⅝	1.22	.....	.....	.....
Nov. 20	1.16	1.15¼	1.15½	1.22¼	1.21½	1.21⅝	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 14	68¾	68¼	68⅝	71⅞	71⅜	71⅝	....	....	....
Nov. 16	68	67⅛	67¼	71½	70⅞	71	....	....	....
Nov. 17	67¼	66½	67⅛	71	70⅜	71	....	....	....
Nov. 18	67⅜	67	67½	71½	70¾	71¼	....	....	....
Nov. 19	67⅝	66⅞	66	71½	71	71⅛	....	....	....
Nov. 20	67	66⅝	66¾	71¼	70⅝	71	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 14	49⅞	49⅝	49⅞	53¾	53¼	53¾	....	....	....
Nov. 16	49⅞	49⅜	49½	53⅞	53¼	53⅞	....	....	....
Nov. 17	49⅝	49¼	49½	53½	53	53⅜	....	....	....
Nov. 18	50	49½	50	53⅞	53⅜	53⅞	....	....	....
Nov. 19	50⅛	49¾	50	54	53⅞	53¾	....	....	....
Nov. 20	50¼	49⅞	50⅛	53⅞	53⅜	53¾	....	....	....

LARD.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 14	....	....	11.27	10.47	10.40	10.47	10.60	10.52	10.57
Nov. 16	....	....	11.30	10.45	10.40	10.42	10.60	10.55	10.55
Nov. 17	11.35	11.15	11.15	10.37	10.22	10.22	10.50	10.32	10.32
Nov. 18	10.95	10.75	10.80	10.15	10.10	10.12	10.25	10.22	10.22
Nov. 19	10.80	10.50	10.50	10.17	10.10	10.15	10.27	10.22	10.27
Nov. 20	....	....	10.50	10.22	10.15	10.20	10.37	10.32	10.32

RIBS.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 14	....	....	....	10.22	10.17	10.22	10.55	10.52	10.55
Nov. 16	....	....	....	10.27	10.20	10.25	10.55	10.50	10.52
Nov. 17	....	....	....	10.17	10.05	10.05	10.47	10.30	10.30
Nov. 18	....	....	....	10.00	9.97	10.00	10.27	10.22	10.22
Nov. 19	....	....	....	10.07	10.00	10.05	10.32	10.25	10.32
Nov. 20	....	....	....	10.10	10.05	10.07	10.35	10.32	10.32

PORK.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 14	....	....	....	19.10	19.10	19.10	19.60	19.50	19.60
Nov. 16	....	....	....	19.20	19.12	19.12	19.62	19.52	19.55
Nov. 17	....	....	....	19.00	18.65	18.70	19.42	19.10	19.12
Nov. 18	....	....	....	18.65	18.52	18.57	19.05	18.97	19.00
Nov. 19	....	....	....	18.75	18.62	18.75	19.20	19.02	19.17
Nov. 20	....	....	....	18.80	18.12	18.72	19.25	19.12	19.12

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.35	5.30	5.25	5.25	5.41	5.40
November	5.38	5.30	5.20	5.40	5.41	5.45
December	5.40	5.35	5.30	5.32	5.45	5.54
January	5.55	5.52	5.49	5.50	5.61	5.75
February	5.65	5.68	5.63	5.63	5.65	5.87
March	5.82	5.80	5.77	5.76	5.87	5.99
April	5.89	5.88	5.87	5.82	5.90	6.10
May	6.05	6.03	6.00	6.00	6.11	6.24
June	6.12	6.10	6.05	6.05	6.15	6.30

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
Spot	6¼	6⅛	6⅜	6⅜	6¼	6¼

Austria. No other country can help in this way. The greatest complaint in America is the oversupply of cotton. In Austria wounded men are dying in agony for lack of a few ounces of it. And soon it will be Christmastime throughout the world.

"By parcel post a vast quantity of absorbent cotton can be sent to Vienna if American citizens will take upon themselves the personal responsibility of each buying and mailing, at parcel post rates, a small box of cotton. If the package is addressed to the Red Cross, Vienna, and is marked "Watte für die Verwundete" (cotton for the wounded), it will reach the hospitals within three weeks from the time it is posted in America. It should easily reach there before Christmas.

"I have ascertained the exact situation in regard to the supply of cotton in hospitals. There is none. Even the supply of hospital gauze is giving out. Nurses are using only two-inch squares of gauze for cleaning purposes instead of the regulation gauze of handkerchief size. More gauze, it is believed, can be manufactured in Austria. But cotton for hospitals must be supplied from the outside world."

* * *

Quarterly Dividends of Fall River Cotton Mills.—Messrs. G. M. Haffards & Co., of Fall River, Mass., have issued their regular quarterly statement of the dividend record of the Fall River cotton mills. This statement, for the fourth quarter of 1914, is as follows:

Name of Corporations.	Par Value.	Capital.		Rate.	Amount.
American Linen Co	100	$800,000		0	
Ancona Co	100	{ 100,000	Pfd. {	1½†	$1,500
		{ 200,000	Com. {		
Arkwright Mills	100	450,000		0	
Barnard Mfg. Co	100	500,000		0	
Bourne Mills	100	1,000,000		1½	15,000
Barnaby Mfg. Co	100	350,000		0	
Border City Mfg. Co	100	1,000,000		1	10,000
Chace Mills	100	1,200,000		1½	18,000
Cornell Mills	100	400,000		2	8,000
Conanicut Mills	100	*300,000		1	2,517
Davis Mills	100	1,250,000		1½	18,750
Davol Mills	100	500,000		1½	7,500
Flint Mills	100	1,160,000		1½	17,400
Granite Mills	100	1,000,000		0	
Hargraves Mills	100	800,000		0	
King Philip Mills	100	1,500,000		1½	22,500
Lincoln Mfg. Co	100	1,250,000		0	
Luther Mfg. Co	100	525,000		1½	7,875
Laurel Lake Mills	100	600,000		0	
Merchants Mfg. Co	100	1,200,000		1	12,000
Mechanics Mills	100	750,000		1	7,500
Narragansett Mills	100	400,000		1	4,000
Osborn Mills	100	750,000		1½	11,250
Parker Mills	100	800,000		0	
Pilgrim Mills	100	{ 350,000	Pfd. {	1½†	5,250
		{ 700,000	Com. {		
Pocasset Mfg. Co	100	1,200,000		0	
Richard Borden Mfg. Co	100	1,000,000		1½	15,000
Sagamore Mfg. Co	100	1,200,000		4	48,000
Seaconnet Mills	100	600,000		0	
Shove Mills	100	550,000		1	5,500
Stafford Mills	100	1,000,000		0	
Stevens Mfg. Co	100	700,000		1½	10,500
Tecumseh Mills	100	750,000		1½	11,250
Troy C. & W. Manuf'y	500	300,000		2	6,000
Union Cotton Mfg. Co	100	1,200,000		1½	18,000
Wampanoag Mills	100	750,000		0	
Weetamoe Mills	100	500,000		0	
		$23,585,000			$283,292

An average of .98+% on the above capital excluding Ancona Co. and Pilgrim Mills, common.

*Authorized capital.

†On preferred stock.

* * *

The Portuguese Government and the Cotton Situation.—According to Mr. W. L. Lowrie, United States Consul at Lisbon, in order to minimize as much as possible the crisis in the Portuguese cotton industry, the Government has issued a decree providing for its guarantee, up to the amount of 200,000 escudos (about $200,000), of the payment of notes of purchase and sale of raw cotton under certain conditions. A translation of the provisions of the decree follows:

Art. 1. The Government is authorized to guarantee by way of a surety, up to an amount of 200,000 escudos, the payment of notes of purchase and sale of raw cotton when said notes are drawn by the sellers and accepted by the buyers, manufacturers of thread and textiles.

Art. 2. The surety shall be written or given in the terms of article 305 of the Commercial Code, by the Ministro do Fomento, after hearing the commission created by decree No. 767 of August 17 last, to whom interested parties shall previously present, together with the notes, the invoices and other documents concerning the purchase and sale represented by said documents.

Art. 3. The surety shall be given only to those manufacturers who may prove, before the above-mentioned commission, that they need it to prevent the closing of the factories.

Art. 4. In order to guarantee the responsibility assumed by the Government in giving this surety, independently of the privilege granted under the terms of clause No. 1 of article 883 of the Civil Code, there shall be deposited, as a security, under the direction of the chief engineer of the technical services of the industry, in the general industrial warehouse that may be found in the area occupied by the factories, or, if there is none, in the one provided for by decree No. 865 of the 16th instant, the State retaining the privilege mentioned in article 886 of the Civil Code, one-third of the merchandise manufactured by the bailees, and while said bailees are liable to other interested parties on notes of their acceptance. The deposit, however, shall not be required when the acceptors of the notes covered by surety of the Government pay the corresponding amounts, or guarantee payment thereof before the commission referred to in article 2 by means of securities or bail of two responsible firms.

Art. 5. Any amounts that the Government may have to pay by virtue of the responsibility contracted in giving the surety shall be paid from the item referred to in decree No. 768 of August 17 last.

[The estimated number of cotton spindles in Portugal is 482,000.]

* * *

BOOK REVIEWS

Cotton Facts,—Edition of October, 1914.—The first of the 1914 editions of the invaluable statistical hand-book of cotton, "Cotton Facts," originally compiled by the late Alfred B. Shepperson, and now edited by the well-known statistician, Mr. Carl Geller, has just been issued by the Shepperson Publishing Company, New York. The new volume contains all the familiar information regarding the production, distribution, consumption and supply of cotton, whether of American or of other growths, despite the fact that the European War, through its interruption of the usual statistical information from the Continent of Europe, has imposed heavy labor upon the editor in the obtaining of complete figures for the season of 1913-1914. Moreover, new features of great interest to the cotton trade, have been introduced,—the most important perhaps being statistics of temperatures and rainfall in the Cotton Belt of the United States, for the past five years for temperatures and for the past ten years for rainfall. A convenient telegraphic code for reporting weather conditions is added. The entire volume is compact with information and is indispensable to the thinking cotton merchant or spinner.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

(Continued from Page 660.)

companies were started, but as most of these recently-established companies have been losing money steadily since their inception, the fever has subsided, and only one new Japanese fire company of any importance was established during 1913; this company commenced business in the Summer, and they have not yet published their first annual report (the Chiyoda Fire).

"During the year under review the Japanese offices again attempted to come to some arrangement among themselves for a tariff of rates on all business other than industrial establishments, but although many conferences were held, no definite conclusion was arrived at. Negotiations, however, are still proceeding.

"In 1913 one of the leading Japanese companies approached the British offices in London with a proposal for the formation of a joint association of British and Japanese insurance offices for the adoption of a uniform tariff of rates on industrial establishment throughout the Japanese Empire; the proposal was, on the whole, favorably received, and it is expected that negotiations between representatives in Japan of the Japanese and British offices will be opened in the very near future; arrangements for joint meetings are now being made, and it is hoped a working agreement satisfactory to both sides will finally be reached during the course of this year (1914). * * *

"New laws affecting foreign insurance companies became effective this year.

"As far as life insurance is concerned, these ordinances required almost the complete revolutionizing of the methods of conducting business by such companies as elected to comply with the same.

"The ordinances made retroactive that provision which called for the depositing of Japanese approved securities to the amount of 60 per cent of the total reserve liability, the balance, or 40 per cent of the reserves, being allowed to cover loans made by policyholders against the reserve value of their policies. The combined deposits and loans, however, are in no case to exceed 100 per cent of the legal reserves. The deposits required by the foreign companies are limited to Japanese Imperial Government, municipal, and provincial bonds, South Manchurian Railway bonds and the debentures of two or three semi-governmental banks. Credit for full face value is allowed on Imperial issues, 90 per cent on face values of municipal and provisional issues and 80 per cent of market value on the remaining securities above mentioned.

"All policy contracts in future are to be printed in the Japanese language, unless otherwise requested, this latter concession being granted to meet the requirements of foreigners residing in Japan. The Japanese version is the legal text of the policy, and all policy contracts are subject to the law of Japan.

"The general provisions and policy privileges embodied in the contracts for assurance, issued by the companies heretofore, remain substantially the same; only certain modifications and changes effected to suit the local conditions and requirements.

"There are four foreign companies doing business in Japan who have complied with the provisions of this new ordinance, viz., three British (two Canadian and one Hong Kong) and one American company.

"The latest available figures, furnished by the Japanese Insurance Department, show that at the end of 1911 the total amount of business credited to the foreign companies was £6,045,848,, calling for an annual premium income of £346,596, and a reserve liability of £1,227,300. The above figures, however, have been very materially augmented during the past three years.

"Since the active introduction of life assurance by the foreign companies, some twenty-four years ago, great progress has been made, although the percentage of lives assured is still very small in comparison with the assurable population. The total Japanese companies, of which there are now some thirty odd, are prosecuting the business very energetically and successfully, and are adopting every modern means of educating the masses of the people to the value of life assurance.

"From information gathered from the representatives of the foreign companies in Japan, prospects for the future seem very encouraging, although great care has to be exercised in the selection and acceptance of lives."

In this connection it is interesting to note that Mr. J. D. Whelpley, in his book, "The Trade of the World," says: "The most profitable businesses in Japan at the moment are cotton spinning, insurance, sugar refining and banking."

* * *

Insurance in Switzerland in 1912.—In the issue of this paper for October 31, there appeared a review of life insurance in Switzerland in 1912. We give below a brief outline of the other forms of insurance transacted in that country in the same year:

Fire Insurance.—The fire premiums received in 1912 and the losses paid by foreign companies in Switzerland alone were 4,196,-032 francs and 2,425,466 francs, respectively. Seven German, 11 French, 1 Italian and 2 British companies participated in this business. Swiss companies, of which there were five, reveived 9,509,953 francs in premiums on property in Switzerland and 13,-624,003 francs from risk underwritten in foreign countries in 1912. Losses on Swiss underwriting amounted to 5,627,729 francs. There were also twenty organizations called "Etablissements cantonaux." The latter are managed by the officials of the Cantons. Eighteen of these organizations insured only immovable property, receiving 9,691,502 francs in premiums and paying 5,235,174 francs in losses. The remaining two insured movable property, their premiums and losses being 747,977 francs and 262,950 francs, respectively. It is reported that in 1912 as much as 36.8 per cent of the amounts insured by these organizations was reinsured, as compared with 23.3 in 1909.

Accident Insurance.—The accident insurance premiums received in 1912 and the claims paid by foreign companies in Switzerland were, respectively, 3,258,686 francs and 2,207,698 francs. Seven German, 4 French, 1 Italian and 1 British company shared the business. The figures for Swiss companies in respect to home business were 24,192,851 francs and 15,679,440 francs, respectively. The Swiss companies also received accident gross premiums amounting to the large sum of 58,441,983 francs in respect of business abroad. Ten mutual trade societies which are not subject to the supervision of the State Insurance Department received accident premiums amounting to 1,601,283 francs.

Plate Glass Insurance.—Two Swiss, 1 French and 11 German companies who issue plate glass and other glass insurance received premiums for Swiss risks amounting to 476,296 francs and the losses totaled 208,763 francs. Foreign business added 45,313 francs to the gross premium incomes of the Swiss companies.

Insurance Against Damage by Water.—Premiums amounting to 176,471 francs were received by 3 Swiss, 1 French and 6 German companies for insurance against damage by water. The claims amounted to 38,519 francs. In addition, the Swiss companies received from risks abroad 9,475 francs in gross premiums.

Burglary and Fidelity Insurance.—Seven Swiss, 1 French, 1 British and 12 German companies received premiums amounting to

686,153 francs and the claims amounted to 296,813 francs. The Swiss companies also received as much as 1,695,197 francs from gross premiums of risks abroad.

Commercial Credit Insurance.—The Fédérale of Zurich is the only company which transacts commercial credit (debt) insurance. The premiums in 1912 amounted to 279,512 francs and the claims to 154,519 francs. The company commenced this class of business in 1909.

Live Stock Insurance.—One Swiss, 1 German and 1 French—all mutual societies—transacted live stock insurance in 1912, but the first two only insure horses, asses and mules. The three companies received in premiums 635,972 francs and the claims amounted to 482,214 francs.

Hail Insurance.—Two Swiss societies transact hail insurance. The premiums received in the year amounted to 1,393,590 francs and the claims to 654,625 francs. The results were much more satisfactory than those of the previous two years.

Transport Insurance—Twelve German, 1 Austrian, 1 British and 6 Swiss companies transacted transport insurance. The Swiss companies received in 1912 for Swiss risks 2,799,595 francs and the claims amounted to 1,859,919 francs. The gross premiums of their business abroad amounted in the year to the large sum of 21,743,-305 francs. The total premium incomes and claims of the foreign companies in respect of Swiss business were respectively 597,103 francs and 372,047 francs.

Reinsurance Companies.—Four Swiss companies transact exclusively reinsurance and co-assurance business.

INSURANCE NEWS IN THE WEST

Potts Anti-Trust Suit May Be Dismissed.—It has become pretty well understood in Chicago inner circles that all the suits between the companies and Insurance Superintendent Potts will probably be dismissed. The story goes that representations have been made to Governor Dunne which caused him to do some investigating on his own account with the result that he became convinced that the anti-trust suits and also those against the companies operating annexes were based upon insufficient grounds. Of course, if these suits were dropped the companies would drop their suit in Federal Court to enjoin the Superintendent from proceeding in the State courts against certain companies operating annexes.

* * *

The Chicago Board of Underwriters Rejects Coughlin.—The executive committee of the Chicago Board of Underwriters has rejected the application for membership of John J. Coughlin, Cook County manager of the Columbian of Indianapolis. The majority against admitting him is said to have been small. This is a very unusual proceeding and has caused much comment, mainly because of the prominence of a certain kind which the rejected applicant enjoys. Mr. Coughlin has been an alderman from the First Ward for twenty years and several more. He has gone by the name of "Bathhouse," and he and his colleague from the First, Michael Kenna ("Hinckey Dink"), are probably the most noted or notorious aldermen in the United States. Muckrakers have written them up and reformers have inveighed against them as exponents of the worst in municipal politics, but their constituents have returned them to office as regularly as elections came around.

For some years Alderman Coughlin has been an insurance broker. He was reputed to have a line of business which many offices were glad to get because they could make money on it. Men who are believed to know have stated that some of this business occasioned the alderman no trouble in its handling, as the assured gave the whole line to the agent, but instructed him to treat a certain amount of its as Coughlin's business. Early in October Managing Underwriter L. S. MacEnaney, of the Columbian, appointed Alderman Coughlin Cook County manager of the company and felt that he had made a ten-strike in getting him for representative, as it insured the company a good volume of profitable business. The possibility of the action which has just been taken was discussed, but it was not regarded as a probability.

Onlookers are divided in opinion as to the wisdom of the executive committee's action. It is readily known that one with the political reputation of the alderman would not raise the standing of the board in the opinion of many good citizens and objections to having an active city official as a member of the board are also recognized. On the other hand, it is pointed out that no objection was made to his acting as a broker, he took the agency of the Columbian in good faith, expecting to become a member of the board, and he is a man of such influence that he can make plenty of trouble for the board if he concludes that he has been unfairly treated, as he presumably has done already. The alderman has intimated that the executive committee "may change its mind."

* * *

The day after the Northwest meeting in October representatives of the various State fire prevention associations held their annual meeting. On that occasion somebody mentioned the fact that the inspection of a certain town by a party of field men had been spoken of as a junket and that citizens had complained of the amount of drinking done. The Committee on Publicity felt it wise to call the attention of all State associations to the subject and caution them that these inspections cost the companies considerable money, that much of their benefit arises from securing the good will and co-operation of the citizens and that care should be taken to avoid giving offense. It appears now that some of the associations took exception to the letter and regarded it as a reflection upon them and their members.

* * *

Movement for Uniformity in State Laws.—At the conference of Governors at Madison, Wis., last week a strong sentiment developed in favor of endeavoring to secure greater uniformity in laws of certain classes in the various States. Governor Dunne, of Illinois, read a paper on uniformity in safety and sanitation laws in which he stated that failure to enact legislation of this character grew out of fear on the part of legislators that they would drive industries from their States into others having less strict regulations. The effect of workmen's compensation laws in different States placing different burdens on employers was pointed out by another speaker as similar. Finally it was decided to appoint Governors Dunne of Illinois, Eberhart of Minnesota, and Walsh of Massachusetts to issue a call for the Governor of each State to appoint commissioners, not over three in number, to meet at some central point and endeavor to agree upon certain principles which should be followed in the drafting of workmen's compensation laws.

In a discussion of the features of various workmen's compensation laws, Governor Dunne is reported to have said that since the Massachusetts law was amended it was the best law on this subject in the country. This is significant, as Governor Dunne has been suspected of leaning towards State insurance and the Massachusetts law does not even provide for State insurance as one option.

* * *

Surety Association of Chicago Drafts New Court Rule.—The Surety Association of Chicago has had a committee at work drafting a new court rule, which it hopes to have the Chicago Bar Association recommend to the Circuit Court judges for adoption in

place of one promulgated in October. The Bar Association became disgusted at the tactics of certain surety companies, which failed to meet their obligations when they became fixed but litigated and forced obligees to unnecessary delay and expense. Especially was this objected to where companies had executed appeal bonds and when the judgments were affirmed on appeal had sought to compromise or had set up unmeritorious grounds against paying the judgments. The Bar Association therefore drafted a rule and secured its adoption by the Circuit Court judges declaring it to be the duty of surety companies to pay their obligations when they become fixed and not to force obligees to sue them, and providing that companies violating this obligation should be disqualified to act as sureties in the Circuit Court. It also provided that every surety company that desired to qualify with the court should file a petition during February of each year setting forth its authority to do business in Illinois, a list of all bonds executed by it in that court during the previous year, and any suits started or pending against it on bonds in that court. The rule also provided for a hearing on this petition, advertisement of it, giving opportunity for any interested party to object and also for summary disqualification of the surety company to do business in that court.

What the surety men particularly object to in the rule is the requirement for filing a list of all bonds executed in the court. Not only is this laborious and expensive, but it would advertise to competitors just what business a company has. They will ask the elimination of this provision. They fear that if the Cook County Circuit Court makes a requirement with such a provision it will be followed as a precedent by other courts and possibly by administrative officers and boards, resulting in a vast amount of labor which really produces no indication of the character of the company as a surety.

* * *

Latest figures on the vote of the Nebraska workmen's compensation law referendum show that the people approved the act by 6,700 majority. The Governor will issue a proclamation putting the law in effect on December 1.

Chicago, November 20, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

It is apparent, now, that there will be no Supreme Court decisions under the New York Workmen's Compensation Act this year. Of the twenty cases of claims under the New York Workmen's Compensation Law that have been appealed from the State Workmen's Compensation Commission to the Appellate Division of the Supreme Court, Third Department, sitting in Albany, all except a minor case went over this week to the January term. The expectation was that arguments on the constitutionality of the acts of the Legislature at the close of the special session last year and in March at the regular session this year would be heard at the November term, but the preparation of briefs on the important questions could not be completed. To the commission that Governor Glynn appointed, under the terms of chapter 261 of the laws of 1914, to compile and further data relative to the duties to the convention to revise and amend the constitution is to be submitted on the subject of workmen's compensation will be the first legislative action to clarify the situation and establish the principle on constitutional lines.

According to the "Spectator," New York, "it is expected that, before the end of the year, between seventy and ninety employes will be dropped by the New York State Workmen's Compensation Commission. This is in addition to the twenty-three men discharged before election. It is stated that the action has no political significance, as the men are said to have been employed only temporarily."

It is to be hoped that when this reorganization is completed, the Commission will be able to improve its rather laggardly record of handling compensation cases from one case a minute to two cases every forty-five seconds.

The Ohio Supreme Court last week decided the four cases brought before it from Hamilton County on appeal, sustaining the provision of the workmen's compensation law that compels municipalities to pay into the State Fund and protect public employes. It was contended that the act contemplated the use of public money raised for the taxation for other than public purposes. The court is understood to take the view that to provide for public employes injured in serving the public and to provide for dependents of those killed are public duties.

The American Federation of Labor, at its convention held in Philadelphia, adopted a resolution which asked the Federation to urge the New York Legislature to amend the workmen's compensation law so that no physical examination of employes will be necessary before they are given work by an employer. The resolution charged that certain employers in New York State are requiring applicants for work to undergo a physical test in order to give them an opportunity to discriminate against union labor.

The Attorney General of Iowa has ruled that under the workmen's compensation law of that State employes cannot recover damages because of disfigurement due to accident, provided their ability to earn a living is not impaired. The Illinois law makes special provision for any serious and permanent disfigurement, and a similar provision will be sought for the Iowa law. A short time ago, the Illinois Industrial Board passed upon the merits of a case involving the disfigurement provision of the compensation law of the State. A workman was injured by a piece of tiling falling and striking him on the head, in the course of his employment. The Board held that to entitle a workman for compensation under the provision of the law in question the disfigurement must be of such a character as to affect his earning capacity, in that it makes him less aggressive and more timid, and possibly subject him to rejection when seeking employment at various kinds of work he may be fitted for. In other words, the term "disfigurement" as used in the Workmen's Compensation Act, to entitle a claimant under the law to compensation, must in reality disfigure the claimant to such an extent that it will interfere wih his securing employment.

The test suit brought by the Indiana Insurance Department against the Continental Insurance Company, claiming back taxes for a number of years, has been decided by Judge Orbison, at Indianapolis, in favor of the company. The Indiana law provides that fire insurance companies shall pay a tax of 3 per cent on premiums received, less losses paid. The companies, in making their returns, have always deducted return premiums and cancellations and premiums on policies not taken, which had been charged on the books when the policies were issued but for which no money had ever been received. Suit was begun early in 1913 against the Continental to recover the tax on these deductions, which amounted to $13,589.54. In addition, the claim was made that since Indiana companies reporting in New York were charged 2 per cent on their premiums with no deduction in losses, under the reciprocal law the same tax should be imposed by Indiana upon the New York companies, and on that basis the amount due was $43,287.46.

The court held that under the Indiana 3 per cent law on premiums less losses the company had the right to deduct all return premiums, all concellations and all premiums charged on the books of the company where the policy had never been delivered or the premium paid by the insured. The court also found that the company had fully paid the tax required under the Indiana law and owed the State nothing. The New York law of 2 per cent on gross premiums in fire department towns, with no deductions for losses, did not apply, and if it did apply, nothing would be owed, for the amount paid under the Indiana law was more than would be due under the New York law, as it applied only to protected towns in Indiana.

The Supreme Court of North Carolina has upheld the fire insurance agents in their contention that their commission is earned when the policy is issued, and that return commissions are not required in case of receivership. The decision by the North Carolina Supreme Court was given in a case arising out of the American Union receivership. The decision of the Supreme Court reviews both the law and the facts exhaustively, and holds "the commission paid to an agent for writing a policy of insurance is paid as compensation of his work in securing the business and running the agency for the company. If the company fails as this one did, as between the company and the policyholder, the latter is entitled to recover the full amount of an unearned premium, but between the local agent and the company, the former has done his work by securing and writing the policy, and the subsequent default of the company cannot entitle it to recover from the agent any part of his commission. This would entitle the company to profit by its own wrong or default."

According to a report recently issued by the United States Bureau of Mines, the fatalities among coal miners during 1913 were 425 in excess of the previous year. The total number of those who met death last year while at their employment was 2,785. The fatality rate last year was 3.82 in every 1,000 men employed, as compared with 3.27 in 1912. Commenting upon the record for the past year, the director of the bureau calls attention to the fact that while there was an increase of only about 8 per cent in coal production during 1913 over that of the previous year, there was an increase of 18 per cent in fatal accidents to the miners. While the total deaths from mine explosions were 212 greater in 1913 than during the previous year, the number of explosions in which more

than five men were killed was only seven, as compared with ten explosions in 1912.

The "Baltimore Underwriters," in a recent issue, publishes the figures for fire insurance premiums written in Baltimore during the first six months of 1913 and 1914, according to reports to the Baltimore Fire Insurance Salvage Corps. These figures show a total of $1,072,301.83 written between January 1 and July 31, 1914, as against $1,129,951.17 for the corresponding period in 1913.

Under a revision recommended by the Virginia Tax Commission in its report submitted to the Governor, life insurance companies are to pay 2¼ per cent on gross premium income, while fire insurance companies will pay the same rate as the casualty companies. Heretofore the latter have been paying a rate of over 4 per cent. Casualty and miscellaneous companies would be taxed at the rate of 2¾ per cent. Sick benefit concerns whose rate has been ½ per cent will now pay 1 per cent. It is stipulated in the plan recommended that the tax on gross premiums replace all other forms of insurance taxation and that each separate locality in which policies are written is to receive one-fourth of the amount collected for taxes in its community.

In a Consular report dealing with the improved financial position of the Italian money market during 1913 it is stated that a further step toward improving the financial situation was the nationalization of insurance. The National Institute of Insurance began operations on January 1, 1913, in accordance with the law passed two years ago, by the terms of which all classes of insurance in Italy became a State monopoly. At the beginning of the year the assets of the Insurance Institute were 30,000,000 sterling, contracts amounting to £6,400,000, and the annual premium receipts to nearly £1,200,000. Since then the business transacted has, it is said, exceeded expectations, and it is anticipated that this insurance monopoly will become a great financial force at the disposal of the Government. The amounts held have already been employed for loans for railroad construction and other enterprises.

Life insurance companies are finding the same difficulty about the valuation of securities on December 31, 1914, that American insurance companies had feared in making up their annual statements for 1914. In the United States, as need not be said, the difficulty has been temporarily solved by the adoption by the various insurance departments of June 30, 1914, as a date of valuation. In Great Britain the question is still undecided. "The Insurance Observer," of London, speaking editorially on the subject, says:

"An unusual number of important life assurance companies complete their quinquennial investigation periods on December 31 next or early in the year 1915; and there are also many offices which have adopted the principle of annual valuations. Special interest therefore attaches to the forthcoming investigations, and the decision of the Government with respect to the valuation of securities is being awaited with some anxiety. Under the provisions of the Assurance Companies Act, 1909, Stock Exchange securities have to be valued in accordance with the statutory rules then made. * * *

"It is simply impossible, indeed, to imagine that life offices whose valuations have to be made on December 31 next or shortly afterwards will be compelled to adopt the quotations ruling at the date of investigation. The real question is in what way an unanticipated difficulty can best be met. Various suggestions have been made, but none of them seems to be entirely satisfactory. Prices might be taken as on December 31, 1913, June 30, 1914, or July 31, 1914, or the average of the five years 1909-13 or 1910-14 might be adopted as the basis. Objections to either of these proposals seem possible on the ground that even justice would not be administered all round. This can scarcely be denied, seeing how various are the investments favored by different offices. An alternative course would be to suspend the obligation to make any valuation until, say, a clear twelve months or two years had elapsed from the declaration of peace. Probably this might prove the wisest course in the extraordinary circumstances that exist. It would be fair to all companies alike, and it would allow reasonable time for the recovery of values. Moreover, it would relieve those companies which now make annual valuations from the necessity to alter their present system. Under the Act a valuation has to be made not less frequently than once every five years, and directors have the right to decide whether the investigation required by law shall be made at the end of one, two, three, four or five years. Offices which valued as on December 31 last need not therefore repeat the task until December 31, 1918, and it almost goes without saying that unless the law is altered the fullest advantage might be taken of this permission."

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

AMONG the stamp tax provisions of the new so-called War Revenue Tax Act [Public—No. 217—63d Congress], which go into effect on Tuesday next (December 1, 1914), are the following having reference to insurance:

"Insurance: Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corporation, upon the amount of premium charged, one-half of 1 per cent on each dollar or fractional part thereof: *Provided*, That purely co-operative or mutual fire insurance companies or associations carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided: *And provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

"Each policy of insurance, or bond or obligation of the nature of indemnity for loss, damage, or liability issued, or executed, or renewed by any person, association, company, or corporation, transacting the business of fidelity, employer's liability, plate glass, steam boiler, burglary, elevator, automatic sprinkler, or other branch of insurance (except life, personal accident and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit), and each bond undertaking or recognizance, conditioned for the performance of the duties of any office or position, or for the doing or not doing of anything therein specified, or other obligation of the nature of indemnity, and each contract or obligation guaranteeing the validity or legality of bonds or other obligations issued by any State, county, municipal, or other public body or organization, or guaranteeing titles to real estate or mercantile credits executed or guaranteed by any liability, fidelity, guarantee, or surety company upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph."

Very few persons outside the insurance business,—or in it, for that matter,—have more than the vaguest notion of the extent of the pecuniary burden which is imposed, either upon the business of insurance itself or else upon persons requiring insurance,—by the above provisions of the emergency revenue act. Even Congress itself, supposing that it made use of the best information available, can have had only a most inexact idea of the aggregate amount of the insurance premiums which will be subjected to the tax of one-half of one per cent, or of the sum which will be yielded by the tax. There are no statistics in existence, so far as we know, from which can be derived the precise amount of premiums,—net of reinsurance premiums and excepting premiums of co-operative or mutual fire insurance associations and of mutual workmen's compensation insurance associations,—which are annually collected by the persons and corporations writing in the United States the various forms of insurance enumerated. It happens that the annual reports furnished to the various State insurance departments by legally recognized ("admitted") insurance companies or underwriters' associations do not supply the required information, except approximately and by deduction, even for the reporting companies and associations, while a very large aggregate of insurance is written in the United States by non-reporting insurers, whether "surplus line" foreign companies or Lloyds, London. As a rough approximation it may be stated that the tax will probably be collected upon at least $500,000,000 of insurance premiums during the thirteen months (December 1, 1914, to December 31, 1915) for which this Revenue Act is to be in force, according to its terms. Hence, the total sum contributed by insurance during that period may be expected to be something like $2,500,000. In other words, the economic losses of the country,—for insurance is only a transmuted form of economic loss,—during the next thirteen months are to be increased by the sum mentioned. This remark may perhaps be regarded as collateral; but it is well upon every occasion to insist that any and all taxation of insurance as such, rather than of the mere profits of the business of insurance, is indefensible upon economic grounds.

By far the largest part of the tax of $2,500,000 thus imposed upon insurance will be collected from fire insurance. The country's fire waste, about which there is so great a hue and cry in these days, will be swelled *pro tanto*. Again it is impossible to give with exactitude the amount of the burden, though an approximation may be arrived at. Before undertaking to obtain this, however, it is worth while to point out that the burden will be very unequally distributed in respect of the insurable property in the country. Thus, all persons fortunate enough to have taken out three-

year policies, covering buildings or other property, within the past year and eleven months, will themselves escape the tax altogether, as will the insurance companies in connection with those policies. On the other hand, the total premiums on three year policies issued within the next thirteen months will be taxed, despite the fact that a portion (growing greater as time goes on) of the premiums really represent the cost of the insurance after the expiration of the Revenue Act. More striking still, however, is the necessary doubling up of the tax upon the materials and products of agriculture, industry and trade, as these move along their course of production, manufacture and distribution. For instance, it has been calculated that cotton passes through the hands of at least eight owners, on the average, from the time it is sold by the farmers until it is finally distributed in the form of finished goods to the consumers. The period of this passage from farmer to ultimate consumer is from eight months to a year. Each successive owner procures fresh fire insurance upon it, paying a new premium which will be taxed. Hence cotton manufactured and distributed as goods in the United States during the next thirteen months will be taxed some 4 per cent of the aggregate of the short-rate premiums paid for its insurance against fire by the cotton merchants, cotton manufacturers and dry goods merchants who handle it in its successive forms. The same will be true, though in widely varying degrees, in all other departments of production and distribution.

It has been said that a mere approximation of the total annual burden of the new tax upon fire insurance is the best that can be attained, with the aid of the available statistics. Perhaps the most complete and accurate figures for the business of the fire insurance companies proper in the United States,—these being the insurers upon whose premiums the bulk of the tax must fall,—are to be found in the "Fire Insurance Tables" of Mr. Harrison Law, of Nutley, N. J. These tables analyze the results obtained by 175 fire insurance companies,—more than are included in the reports of any one State insurance department, even that of New York. An examination of Mr. Law's figures shows that, in 1913, these 175 companies took in gross premiums to the amount of $508,842,730, of which, however, $102,071,728 was taken in by companies doing a reinsurance business alone and hence is not taxable under the new law. The deduction of this latter amount leaves the gross premiums taken in during 1913 by the direct writing companies at $406,770,980. But the direct writing companies also do a large amount of reinsurance among themselves, and they likewise receive [illegible] policyholders cancelling their insurance large sums [illegible] premiums. On such reinsurance premiums [illegible] one to the other there is no tax; but the law does provide for a refund of the tax originally paid upon such premiums [illegible] premiums are later returned or unearned. Now, Mr. Law's tables show [illegible] premiums of the 175 companies in 1913 [illegible] premiums, less the reinsurance [illegible] net premiums was $350,004,156. Consequently, the amount [illegible] statistically unknown quantity of the [illegible] premiums may be assumed to be the amount of the [illegible] of these 175 companies in 1913, [illegible] in that year. In other words, [illegible] per cent of an amount of premiums [illegible] 004,156 and $406,770,980 represents the [illegible] of the tax upon fire insurance, assuming that the 1915 figures show merely a normal gain over the 1913 figures, and in so far as the business of the 175 chief fire insurance companies comprehend the fire insurance written in the country. Whatever the premiums may be for the unregistered insurers, such as foreign "surplus line" companies and Lloyds, London, these must be added to the amount indicated. Perhaps we shall not be far astray if we put the grand total of taxable fire insurance premiums for the thirteen months during which the Revenue Act will be in force, at $400,000,000. This will mean an aggregate tax of $2,000,000, to be met by fire insurance alone. It may be added that the National Board of Fire Underwriters estimates the tax at the still higher figure of $2,500,000, particularly on the ground that there can be no refund of the tax paid upon the vast number of policies issued, but for one or another reason returned as "not taken" by the applicant for insurance. The effort in the present article, however, is to reach independently figures that may be regarded as the irreducible minimum.

No sooner had the new Revenue Act been passed than the question arose as to who should bear the burden of this tax upon insurance, the insurance companies or the insured. The natural inclination of the insurance companies at the start was to assume the tax themselves, because small additional charges are always vexatious and tend to the irritation of customers. When, however, the managers of fire insurance companies began to study the facts in relation to their business as a whole, and particularly in relation to the profit and loss account of fire insurance in the United States, they speedily perceived that the assumption of an aggregate additional expense of $2,000,000 to $2,500,000 was wholly inconsistent with the general financial situation in which they find themselves. What this situation is has been brought out in a statement issued by the National Board of Fire Underwriters, covering the experience of all but a few of the fire insurance companies for the past ten years. This statement shows that during that period the companies received net premiums of $2,675,312,651, paid losses of $1,502,-58[illegible]35, had expenses of $1,029,968,802, increased their liabilities by $159,010,051, and consequently made an underwriting loss on all the business done of $16,775,237. On the basis of these figures the Board reached the conclusion that the business of fire insurance in the United States is in no condition to undertake an additional expense of from $2,000,-000 to $2,500,000 a year, but must look to the buyers of fire insurance to pay for the stamps which the Revenue Act requires to be affixed to their policies.

This conclusion of the Board, with the accompanying recommendation to the member companies, has provoked vehement protest on the part both of insurance officials and of representatives of important buyers of fire insurance. The active and ingenious Mr. Herman L. Ekern, Insurance Commissioner of Wisconsin, has made public a proposed ruling on the subject, which he evidently hopes to have adopted in principle by his fellow insurance commissioners representing other States. This ruling is as follows:

"The Federal tax of one half per cent on stock fire insurance premiums is payable by the fire insurance companies under the Federal law.

"While insurance companies fix their rates for fire insurance in Wisconsin without regulation or control by the State, the insured cannot be required to furnish or affix the internal revenue stamp, or to pay anything which is not spe-

cified in the policy as a part of the premium, as required by Sections 1941-43.

"If the company attempts to impose this tax upon the insured, the agent cannot pay it without violating the anti-rebate law, Section 19550.

"The fact that a tax on insurance, over which the Federal Government exercises no jurisdiction or control, may be wrong in principle, does not justify the stock fire insurance companies in requiring its payment by the policyholders."

In this proposed ruling Mr. Ekern appears to rest his case upon a purely technical interpretation of the language of the Revenue Act, and not upon any asserted substantial equity in the matter. Even so, he completely neglects the record of the deliberations of the Committee on Ways and Means, which framed the law, and of the expressions of opinion in the debates upon the subject in Congress itself, which the National Board of Fire Underwriters has properly pointed to as indicative of an intention and expectation on the part of the legislature that the tax should be borne, not by the insurance companies, but by the insured.

More vehement in manner and attempting to assert a substantial inequity in the position of the fire insurance companies is a protest contained in a public letter appearing in the Chicago "Herald," of November 24, from Mr. Arthur Hawxhurst, insurance manager of the great house of Marshall Field and Company. This gentleman undertakes to criticize destructively the figures and the contentions of the National Board of Fire Underwriters, and to show that the insurance companies are not only able, but in duty bound, to meet the expense of the new tax out of their own resources. He points to the invested assets of the fire insurance companies,—some $700,000,000, as he declares,—and asserts that these assets should earn in interest alone some $40,000,000. He remarks that of these assets no less than $300,000,000 represent unearned premiums, which really belong to policyholders, being premiums paid in advance, whose use the companies enjoy. "In fact," he says, "the profits of the fire insurance business nowadays are made largely upon its debts,"—in short, are of the same character as those of the banking business. And then he falls back upon the familiar argument that Mr. Brandeis has made famous in connection with the matter of the increase of railroad rates,—i. e. that the expenses of fire insurance are too high and the efficiency is too low. Let the companies save the amount of the tax by reducing salaries, commissions and other unnecessary and unjustifiable expenditures and by "more conservatism and better judgment in underwriting; adjustment of losses and other expenses." And, finally: "If the companies cannot pay the legitimate taxes put upon their business, the same as all other business men have to bear, then let them, as members of the National Board, get together and agree to reduce their present excessive expense account by eliminating at least all those persons now receiving liberal compensations but not legitimately connected with the business of insurance nor in any way adding to its value."

There could scarcely be a better illustration of superficial and unconvincing argumentation that this. Were it not for the commanding position which Mr. Hawxhurst occupies and the widespread influence of his published opinions upon the minds of large buyers of fire insurance throughout the country, little attention need be paid to his letter of protest. But this is a time when it is important to criticize sharply all persons in a large way of business who show themselves wrong-headed. Nine-tenths of the recent political troubles of business have come from the senseless attacks of one set of business men upon another. This is the great source of the material of the popular politicians. So, in the case of Mr. Hawxhurst it is well to point out the incongruities of his allegations.

We may begin by remarking upon one or two of his assumptions. It is not true that "all other business men have to bear" the taxes imposed upon their business or their goods. Marshall Field and Company do not do it; they add the taxes to the selling prices of their goods. And they do this with all other increasing costs, such as higher interest rates, wages and salaries, and so on. It is not true, *ipso facto*, that an expense ratio of 38.5 per cent is excessive in a retail business, such as fire insurance predominantly is. If Marshall Field and Company can show as low an expense ratio as this for their great retail shop in Chicago, they are surpassing any department store experience with which we are acquainted. It is not true as a general rule that inordinate salaries are paid to officers and managers in a business of which Mr. Hawxhurst himself says: "Insurance is a technical and complicated business, having many elements of chance in it not applying to general business." We are of the opinion that a list of the salaries paid to the department managers and expert buyers of Marshall Field and Company would compare very unfavorably, from the point of view of exorbitance, with any list of salaries of fire insurance managers and officers that could be drawn up, even for the largest companies.

The quintessence of the thing, however, does not lie in these after all superficial details. Fire insurance is a highly competitive business, and its expenses (including salaries and commissions) have come to be what they are through competition, just as much as have its returns. The true point of consideration now is whether fire insurance, under existing conditions, has been found by those supporting it with their capital sufficiently remunerative to enable them to forego such part of their remuneration as will meet this new tax of $2,000,000 to $2,500,000 a year. In no country in the world is fire insurance as a whole so unremunerative as in the United States. In proportion to the risks undertaken it is scandalously underpaid. Turning again to Mr. Law's tables we find that in 1913 the 175 fire insurance companies there enumerated wrote an aggregate amount of insurance of $52,317,720,854, receiving gross premiums of $508,842,736. They had, moreover, as Mr. Hawxhurst himself has pointed out, invested assets of some $700,000,000, on which they should have earned, according to him, $40,000,000, but actually did earn barely $30,000,000. And yet the entire amount of the distributed earnings of these 175 companies,—being dividends declared by the American companies and net remittances to the home offices of the foreign companies,—was only $20,540,946. And now the companies have to face within the next year or two, as an inevitable consequence of the European War with its mountainous national loans, a depreciation of the market value of their investments, which no competent economist would estimate at less than 10 per cent and few at less than 20 per cent. This single fact is enough in itself to make it pure lunacy for the companies to try to assume the burden of the new tax.

Arthur Richmond Marsh

ECONOMIC CONDITIONS IN JAPAN AND THEIR IMPLICATIONS

IN its appeal to the imagination, the rapid rise of Japan to a position among the leading nations of the world will always have a peculiar interest. As late as the year 1850 the Empire was as completely shut off from commercial contact with Western civilization as the remote regions of Tibet. It was not until 1871 that the feudal system was entirely suppressed and the government developed in the direction of centralized authority sufficiently to enable it effectively to encourage foreign trade. In a little over forty years Japan has assumed an unquestioned industrial pre-eminence in the Far East.

However, in forming an accurate estimate of comparative economic conditions, it is necessary to avoid undue emphasis of political, as contrasted with industrial or commercial elements in national growth. It may be properly pointed out that the year 1871 also marked the entrance of Germany into the world's competitive markets. With a population only one-sixth larger than that of Japan, the foreign trade of the German Customs Union in 1913 was over nine times as great as that of Japan. Indeed, on the basis of foreign commerce alone it would be difficult to understand the important position in the affairs of the world which the Japanese have unquestionably attained. This point will be brought out more clearly by a comparative view of the value of imports and exports of Japan and of six other countries. The figures are set out in the following table:

FOREIGN TRADE OF SEVEN COUNTRIES, 1913.
(In round figures.)

	Imports.	Exports.
Japan	$303,000,000	$261,000,000
Brazil	308,000,000	363,000,000
China	360,000,000	275,000,000
Australia	380,000,000	370,000,000
Switzerland	382,000,000	262,000,000
Italy	714,000,000	462,000,000
Belgium	957,000,000	763,000,000

This table brings out forcibly enough the fact that the trade position of Japan is not, on the basis of its actual value, one of first magnitude. It emphasizes a certain lack of proportion in regarding Japanese affairs which has been especially manifest in this country of late years, and which is a very important obstacle to a proper realization of Japanese conditions or to a reasonable estimate as to their future tendency. It may fairly be said that the lack of proportion which has been referred to is not entirely unnatural. It was the United States which first succeeded in conveying, through Commodore Perry in 1853, an invitation to Japan to participate in the intercourse of Western nations. The energy with which the Japanese accepted the invitation soon won for them the nickname of "Yankees of the East." The fantastic stories which had made their way westward in the days of the Shogun, and upon which the American conception of the Empire was almost exclusively based, formed a background of tradition against which the new Japan, reorganizing itself along modern lines, stood forth in brilliant relief. In 1898 the Japanese became our neighbors, when we found ourselves in the Philippines; and they now constitute over 40 per cent of the population of Hawaii.

These facts, combined with the still unsettled difficulties regarding the admission of Japanese into California, have served to magnify the position of Japan in the popular imagination, and even to inspire, on the part of many, jingoistic utterances which tend to undermine the cordial understanding between the two countries, and consequently to prejudice the commercial intercourse which they have mutually endeavored to develop. As has been suggested, such a tendency is not hard to understand, but it is beyond question unfortunate; and an examination of economic conditions in Japan itself must lead to the conclusion that it is also unjustified by the facts. It will be of interest to review these facts briefly.

The islands of Japan, several hundred in number, have a total area of 147,700 square miles, or approximately that of the State of Montana. The area of the United Kingdom is 121,316 square miles. The population of Japan averages 354.18 per square mile, as against 376.31 per square mile in the United Kingdom. The actual population, in 1913, numbered 52,985,423, as against 45,370,530 in the United Kingdom. The largest cities, with their population according to the last census (that of 1908), are as follows: Tokyo, 2,099,181; Osaka, 1,226,590; Kyoto, 442,462; Yokohama, 394,303; Nagaya 378,231; Kobe, 378,197; Nagasaki, 176,480. Osaka bears somewhat the same relation to Western Japan as Tokyo bears to the Eastern part. Kobe is the port of Osaka, and Yokohama is close enough to Tokyo to serve as its port. Japanese railways reached a total mileage of 7,000 in 1913, as against 23,000 miles in the United Kingdom in the same year.

Japan is primarily an agricultural country. Sixty per cent of the population are principally occupied in raising food for the nation; and, of these, 70 per cent are on farms of less than 2½ acres each. The total area of Japan amounts to nearly 95,000,000 acres, of which only 14,190,215 acres, or 15 per cent, were under cultivation in 1912. Of the 78,000,000 acres in the British Isles, 46,793,747 acres, or 61 per cent, were under cultivation in the same year. In other words, Japan with a larger total area than that of the United Kingdom, has only 30 per cent as great a tillable area. It is interesting to note, however, that the value of Japan's total exports was only 11 per cent of that of the United Kingdom in 1913. To take another country for comparison, Italy with its 110,688 square miles, or 70,400,000 acres, has a tillable area of nearly 50 per cent. Japan's tillable area, therefore, is 40 per cent of that of Italy, and the value of Japan's exports is 56 per cent of that of Italy.

From the point of view of the achievement of the people it may be said that the tillable area of Japan is lower in proportion than that in any countries except Sweden and Norway. And the population per square mile in Japan is over 354.18, while that of Sweden is only 32.44, and that of Norway only 19.19.

Two-thirds of the area of Japan is covered with mountains. The rivers have short and precipitous courses,—a fact which prevents the alluvial deposits favorable to agriculture. Over all the land is spread a network of streams and brooks. The combination of this physical characteristic of the country with the mildness of the climate produces a condition ideal for the raising of rice, the principal food of the people, which is produced, according to Japanese statements, in over two thousand varieties. The strictly limited area of production, and the heavy annual requirements for food products, prevent the setting aside of fallow fields. The persistence of the national taste prevents the rotation of crops. Hence there is a heavy demand for fertilizers, which, owing to the absence of live-stock in considerable numbers, must be largely imported. It is estimated that the annual value of such importation is over $50,000,000.

Horses and cattle are rare. In the first place, pasturage is poor. In 1913, it was estimated that the country afforded only 96,544 acres of grazing ground out of a total area of 95,000,000 acres. In the second place, the small size of the farms and the extremely common terrace construction for purposes of drainage, render the use of animals for agricultural purposes inconvenient. Then, too, the tremendous population can best find its employment

in farming pursuits, and the need for labor-saving animals has hardly begun to be keenly felt. Rice is the leading crop. In 1912, the quantity produced was more than double that of all other crops combined, amounting to nearly 250,000,000 bushels. Despite this large crop, rice was imported into Japan in 1913 to the value of over $28,000,000. It is a Summer crop, sown in May and June, and harvested from August to November. In many places the rice fields are drained in the Fall, and Winter crops of wheat and barley are raised on the same ground.

The variety and extent of Japanese agriculture may be seen in the following table covering the year 1910:

CROP ACREAGE AND CROPS IN JAPAN, 1910.

	Acres.*	Bushels.		Acres.*	Bushels.
Rice	7,226,000	235,213,000	Millet	73,000	1,952,000
Barley	1,520,000	46,456,000			Tons.
Naked barley	1,656,000	33,580,000	Sweet potato	723,000	3,349,000
Wheat	1,195,000	23,910,000	Potato	152,000	589,000
Soya bean	1,137,000	18,834,000	Leaf tobacco	72,000	42,000
Italian millet	476,000	11,137,000	Tea	124,000	30,000
Buckwheat	385,000	6,370,000	Indigo	22,000	15,000
Rape seed	343,000	5,260,000	Hemp	31,000	9,000
Small red bean	331,000	4,513,000	Seed cotton	10,000	4,000

*A portion of the acreage is used for more than one crop.

The position of the agricultural population in Japan is not an easy one. Taxation is, from the American point of view, excessively heavy. Accurate figures, on a basis intelligible to Western minds, are difficult to obtain. It is estimated, however, that the farmer's annual land tax amounts to 8 per cent of the value of his field, and that this combined with other annual dues brings his total direct tax up to approximately 12.5 per cent annually upon the value of his holding. As a result of this heavy taxation the farmer and his family find it necessary to occupy their extra time in industries such as silk culture, the manufacture of straw braid, matting, fans, baskets and rope. Along the sea-coast fishing is combined with farming. In these ways the family income is often increased as much as 25 per cent. The average agricultural yield of the country is placed at nearly $650,000,000, and the return from home industries at $150,000,000.

Reference has been made to the burden of taxation under which the farmer labors. Before touching upon the industrial and the commercial conditions in Japan, it will be worth while to turn for a moment to the matter of the public debt. The change from the feudal system to the present Imperial status necessitated paying off the debts of the feudal domains which the Government took over. These outlays, together with expenses immediately necessary for relief of internal conditions, brought the public debt in 1879 up to over $125,000,000. In 1895 came war with China. In 1900 the total debt had reached over $240,000,000. Next came war with Russia. In 1904 the debt amounted to nearly $270,000,000. In 1905 it reached $484,000,000, and in 1906, nearly $925,000,000. The close of the war with Russia did not mark the end of this extraordinary increase, however. The debt has steadily mounted, until at the present time it is given as approximately $1,325,000,000. The present debt of the United States is $1,028,564,000. The comparison is unfavorable for Japan, though allowance must be made for the extensive State, county and municipal indebtedness of the United States. In Japan a large proportion of the public indebtedness of this character is included in the national debt.

These figures suggest very clearly a condition calling for considerable caution on the part of those who have charge of the fiscal affairs of Japan; and, in fact, the preparation and discussion of the annual budget are the most serious occupation of Japanese statesmen. The agricultural community, through self-sacrifice and skill, has indeed produced a high return upon the limited acreage of the Empire; but it is stated in authoritative quarters that the Japanese farmer can bear no further increases of taxation. On the contrary, it is suggested that there is a tendency observable on his part to demand a higher standard of living for himself and his family, only possible if the burdens imposed upon him are lessened. This tendency is even more strongly manifested in the industrial communities, where contact with Western civilization has been closer. The average Japanese laborer, with a family of three, is reported to subsist on $10 a month at the present time,—$2.50 going for rent, $5.25 for food, 75 cents for fuel, and $1.25 for other living expenses. Of the $5.25 spent for food, $3 goes for rice. The price of this staple is constantly rising; and with the withdrawal of farmers to meet the growing demands of the industrial communities it is probable that it will increase still further.

The present time appears to be notable for the transition which is taking place in Japan from agricultural to industrial pursuits. The chief contrast between the present import and export of goods and the foreign trade of thirty years ago lies in the growth of exports of manufactured goods, and of imports of raw materials. In 1892, for example, exports of goods manufactured and partly manufactured amounted to a value of approximately $31,000,000, and in 1911 they amounted to over $175,000,000. Imports of raw materials reached a value of less than $7,500,000 in 1892, and in 1911 amounted to more than $115,500,000. Of this latter value raw cotton accounted for approximately $100,000,000.

One of the most interesting considerations which arise in the study of Japan's industrial growth is that of the supply and cost of labor. It is popularly supposed that the abundance and low cost of Japanese labor renders Western industrial competition with Japan almost out of the question. It has less frequently been observed that this supposition holds good only in case the producing power of the labor unit in Japan is proportionately as great as that in the West. On this point Mr. J. D. Whelpley, the well-known writer on industry and trade, has made the following observation: "Many employers are already convinced that even with the wage scale as it is, Japanese labor is as well paid as that of England, Germany or the United States." Mr. Whelpley has pointed out, further, that the quality of the output which affords the bulk of the value of Japanese exports is such as to appeal chiefly to Oriental customers. This writer is of the opinion that the future of Japanese industrial and commercial growth lies in the trade with China; and in support of this view he quotes a highly suggestive passage from a recent statement of Baron Makino, formerly Minister of Agriculture and Commerce. The statement bears so strongly upon the commercial possibilities both of China and of Japan, that it may well be qouted here, in part. Baron Makino says:

"China has people, and population is what makes trade. No other country in the world offers so vast a field for trade. With the growth of education and the development of material progress possibilities of commercial enterprise in China are simply unlimited. The anxiety of the Powers to enter into more and more intimate trade and political relations with China cannot but excite intense interest in Japan; for China is our nearest neighbor, our best customer; and our commercial and political relations with that country are superior to that of any other nation. It is therefore a matter of infinite importance what course China takes in dealing with the numerous applicants for her patronage at this or any other time.

"It is true that Japan enjoys a profitable trade with many countries in the West. Our exports to America are of increasing volume and value; while the various nations of Europe welcome

what we can supply; but this Occidental trade is at its best difficult for us to handle with any satisfactory degree of achievement; for it is always more difficult to deal with highly developed commercial nations than with those less advanced in modern progress. Trade with peoples of lower social standards is always easier and more profitable. There was a time when Japan hoped to find her chief field of commercial enterprise in the West; but to-day the mind of Japan is all toward China as the commercial hope of our future, not to say anything of our geographical and racial advantages in that country.

"It is our ambition to be to the East what Great Britain is to the West. We have left no means untried in making a thorough investigation of the present conditions in China, so as to arrive at as accurate an estimate as possible of what is to be expected in the relations of that country with Japan in the future. The data obtained is vast and will require a great deal of consideration. * * * Another matter of no small importance is as to how our trade with China may best be promoted. Hitherto we have done a great deal of it through foreigners, that is, through *habau*, or middlemen; but, as every one knows, the more hands a transaction has to go through the more complicated and expensive does it become. * * * In the matter of direct trade with China, the merchants of Japan enjoy a considerable advantage, as they are more familiar with the language and customs of China than are their foreign contemporaries. * * *

"We think we know a great deal about commercial conditions in China, because we know a little more than the merchants of the West; but we really know nothing as we ought to; and I would advise all those who hope to share in trade with China to make careful and constant investigation into the conditions prevailing there. Instead of our business men staying at home and waiting for orders, let them go or send representatives into central China, and they will find a more remunerative field of demand and consumption than they ever dreamed of reclining in their offices at home. * * * Now is the time to explore China commercially; and any demand we create now for useful articles will in all likelihood become permanent. * * *

"It is not too much to say that a great part of our hope for future financial rehabilitation in Japan depends upon how we can further develop trade in China. In this matter we cannot afford to be beaten by our foreign competitors; for the very welfare of our nation depends upon it. I would have all Japanese regard it as the foundation of our national prosperity. Should we lose China as a customer it would mean the ruin of our commercial prospects."

In view of this strong statement it is not a little surprising, at first glance, to find that only 30 per cent of Japanese exports and 16 per cent of Japanese imports are accounted for in the country's annual exchange with China. The percentage of exports to the United States is 34; that to France 8, and that to Great Britain 6. Of imports, 21 per cent originate in Great Britain, 19 per cent in India, 15 per cent in the United States, and 11 per cent in Germany. It is important to note, however, that the Japanese exports of raw silk conform to this proportionate distribution. China, itself a silk raising country, is naturally not a customer of Japan in respect to this commodity. The value of Japanese exports of raw silk in 1913 was $91,142,682, or approximately 30 per cent of the entire export value for the year. Of this total the United States took the value of $57,162,420. Obviously, the Western market is the chief one for the product raised. But the market for Japanese cotton yarns and cloths lies in the Far East; and the growth of this branch of industry in Japan may be seen in the figures for the past two years. Exports of cotton yarns increased from a value of less than $27,000,000 in 1912 to a value of over $35,600,000 in 1913; while cotton cloths exported increased in value from nearly $13,000,000 in 1912 to nearly $17,000,000 in 1913. The principal imports and exports of Japan in 1913 will be seen in the following table:

CHIEF JAPANESE IMPORTS AND EXPORTS, 1913.*

	Imports. Yen.†		Exports. Yen.
Raw cotton	233,599,185	Raw silk	188,884,182
Rice	48,472,446	Cotton yarn	70,997,538
Oil cake	39,418,165	Silk manufactures	34,882,279
Sugar	36,762,302	Cotton cloths	33,557,999
Machinery	34,358,844	Copper	28,183,904
Iron bar, rods, plates	33,288,861	Coal	23,670,866
Wool	15,998,140	Refined sugar	15,831,330
Wheat	12,351,020	Straw braid	15,692,045
Soya beans	10,388,487	Matches	11,864,514
Woolen cloth	10,501,803	Silk waste	10,465,427
Woolen yarn	10,091,604	Tea	10,077,421

*Including re-imports and re-exports. †Yen equals $0.49.

On the basis of her foreign commerce in commodities the trade balance against Japan amounted to nearly $50,000,000 in 1913. Reference has been made to the heavy tax rate and the large national debt. Viewing these facts in the light of the remarks of Baron Makino, which have been quoted above, explanation is hardly required of the anti-imperialist riots in Tokyo in February, 1913; or of the fact that Japan has been driven to the expedient of borrowing money abroad to pay the interest on previously contracted loans; or of the announcement, made a month ago, that no new battleships would be laid down during the ensuing fiscal year,—in order to refute the suggestions of those who would endeavor to view Japan apart from its proper Oriental setting. Without detracting in the least from the splendid development by the Japanese of the resources at their command, it would appear to be a reasonable course, while co-operating with them in a spirit of highest good will and as fully as the economic forces of trade will permit, at the same time to accept the opinion of their Minister of Agriculture and Commerce that the manifest destiny of Japan does not lie beyond the confines of the Far East.

A CONTRIBUTION TOWARDS A BETTER UNDERSTANDING OF LOW GRADE COTTONS

By Michael A. Agelasto.

IN 1898, my father, now dead, who was the general agent for the cotton firm of Ralli Brothers of New York City and London suggested to me the possibility of redeeming spinnable cotton fibre from the various standard low grades of cotton, from unstandardized cottons, and from cotton waste found at all gin centers and points where cotton in bales is concentrated. Knowing of the misunderstandings that so often arise in the purchase of low grade cotton, by reason of the ignorance in the cotton trade of the spinnable value of these cottons as compared with standard grades; knowing the impossibility of the grader, however expert, determining the spinnable value of these cottons, owing to his being unfamiliar with the ever-varying qualities of low cotton; knowing it to be impossible for a probable purchaser of these low grades to obtain from a disinterested source their true value as compared with standard grades,—I became interested in the solution of the problem. I conceived the idea of mixing these various cottons, cleaning them and extracting the spinnable fibre, with the hope of placing on the market one grade whose spinnable value could be known by the trade. From that time all my energy was directed to the study of all grades of cotton fibre and the development of a process by which I could accomplish the desired results. After a series of experiments I was convinced that I had found a possible solution. In this idea I

was encouraged by my father and also by the late George W. Neville, who was at that time connected with the cotton firm of Messrs. S. M. Weld & Co. of New York and Boston. From that idea developed the Atlantic Manufacturing Company of Norfolk, Va., which was incorporated for the business of re-ginning cottons. The mill of this company, under my management, has in the past eight years tested and re-ginned almost every variety of American cotton,—the various Texas, Mississippi, Alabama, Oklahoma cottons; Sea Island cottons from Charleston; a small quantity of Egyptian and Indian cotton; short staple, heavy-bodied cotton; also various kinds of spinnable wastes. The process is very simple. It is the cleaning of all foreign matter from the standardized and un-standardized cottons; the testing as to loss in weight, and as to length, strength and color of fibre; the testing of the nature of the fibre; and, lastly, the mixing and re-ginning of the cleaned stock by a particular method. I mention this process because experience has taught me that there can never be a true understanding by the trade of the value of low cottons without bearing in mind the lessons taught in the process of re-ginning.

The experience so gained in re-ginning reveals and emphasizes the following:

1.—The fact of the amazing ignorance in the cotton trade of the value of low cottons.

2.—That it is this ignorance at bottom which is the cause of the very lax methods,—lax in every sense of the word,—that permeate the commerce in low grade cottons and constitute so great a hardship to the grower of cotton who happens to be confronted with a low grade crop; to the merchant who wishes to do a legitimate business in cotton, and to the spinner of low cottons. It is this ignorance which causes most of our low cotton to find its way to foreign markets, particularly to Germany, where, owing to more scientific study of the manufacturing value of these grades, their value is better known.

3.—The fact that the greater mass of low cottons not only varies from year to year, as to color, length and strength of staple and amount of foreign matter due to natural causes, but also varies from artificial causes, namely, the yearly variations and improvements of the ginning processes, which are designed to recover fibre that in the past has been wasted. This variation in a very large portion of low cottons has not heretofore been sufficiently emphasized.

4.—The fact that the value of these low cottons depends not only on the color, strength, length and character of fibre and on the amount of foreign matter contained in the cotton, but also on the form in which the fibre is left after ginning.

5.—The fact that gradually every year more and more low cottons are passed through gins with the object of putting on the market a cleaner, more uniform stock,—the fact being overlooked that many of these stocks are being over-ginned, in fact almost "machined," and in so far approaching waste.

6.—The fact that, owing to the many natural and artificial variations found in low cottons, there cannot be a true understanding of their value without familiarity with the characteristics of over-ginned cottons, of re-ginned cottons, and, lastly, of various wastes. Regular cottons as they fall in grade and character may be regarded, for convenience, as gradually merging in character, first, into over-ginned cottons, then into re-ginned cottons, and lastly into cotton-mill wastes. Ignorance of the character of these various low cottons on the part of supposed expert graders is very clearly shown by the frequent rejections on future deliveries in New York of regular ginned cottons, on the plea that they are re-ginned cottons.

7.—The fact that there will always be a point where the expert grader will fail to give a true value to the various low cottons, not only because of his want of familiarity with the varying varieties of these cottons, but also because of the impossibility, particularly where the grade is not familiar, of avoiding the entry of the personal equation as a determining factor.

8.—The fact that there can never be a true settlement of the value of low cottons unless through expert grading and standardizing there be devised some way by which these cottons can be compared in a scientific manner with a scientifically determined standard.

9.—The fact that, as soon as the trade feels that there is a disinterested source from which definite information may be obtained about the value of any particular cotton as compared with the standard, there will very soon follow that knowledge the lack of which now creates the difficulties which beset the trade.

I have described some of the various facts which the process of re-ginning reveals and I have stated various difficulties in connection with the solution of the problem. These difficulties must be faced clearly and distinctly, without shirking one of them, if in the future we intend not to be confused and misled by them. What, then, is the path to follow that experience in the process of re-ginning offers for the possible solution of these difficulties? I have already suggested the solution. It is the establishment of a laboratory in connection with some experimental station, in which a scientifically determined standard can be made. This absolute standard may be one particular grade; or, if advisable, there may be a number of standards of the same grade, varying according to the cotton-growing sections of the United States. This absolute standard must be obtained by scientifically determining the length, strength and color of the fibre, the microscopic character of the fibre, the chemical analysis, the amount of foreign matter present, and the amount of moisture. With this absolute standard, cotton whose value is at issue could be, as a last resort, scientifically determined. Inherent in this plan is the necessity of a careful collection being made of every cotton, however rarely it may appear on the market,—these cottons to be scientifically compared with the standard and placed on record. Very soon a scientifically tested collection of samples of all ginned cottons, however rare, would exist, making it very easy to give at any time to any one the value of a cotton sample submitted. Should such a laboratory be established, many more interesting facts about the comparative value of low cottons would be revealed, making more clear to the grower of cotton the requirements of the spinner, and to the spinner the difficulties and discouragements of the grower.

To equip a laboratory of this kind in connection with an experimental station would require only a nominal monetary outlay for apparatus. The experience of testing in the reginning process shows that the physical tests are simple and require little time and not necessarily highly expert labor.

This then is the contribution which my experience in ginning cottons enables me to offer for the better understanding of low cottons. The above facts cannot be overlooked whatever method may be adopted, for the solution of a question whose reality is shown by every low grade crop raised in the United States. If we are to solve any of the more serious problems of industry and compete successfully among struggling peoples we must face every issue from a strictly scientific standpoint.

In conclusion, I need not mention the unfortunate ignorance that exists as to the true market value of low cottons,—an ignorance that beckons the parasitic, unscrupulous trader to a lucrative field; nor the great discouragement, in the form of that

unscrupulous trader, that faces him who innocently enters this field in the hope of doing a legitimate business. Nor need I mention the care with which reliable firms avoid dealing in low cottons, unless they be bought at a sacrifice, nor emphasize the general truth that ignorance is economic waste and that such ignorance need not exist.

INDUSTRY, COMMERCE AND FINANCE

Canadian Foreign Trade for the Fiscal Year, 1913-1914.—The annual report just issued by the Department of Customs gives the grand aggregate of Canadian trade, according to revised figures, as $1,129,744,725 for the fiscal year ended March 31, 1914. The exports amounted to $478,997,928 and the imports to $650,746,797. Of these imports, $633,092,449 were entered for consumption, and of those entered for consumption $410,258,744 were dutiable goods. The customs revenue of the Dominion amounted to $107,180,578, or 16.91 per cent on the total imports and over 26 per cent on dutiable imports.

The exports of Canadian production were classified as follows:

Classes.	Value.	Classes.	Value.
The mines	$59,039,054	Miscellaneous	$121,088
The fisheries	20,623,560	Coin	1,219
The forest	42,792,137	Exports not the produce of Canada	47,408,270
Animals, their produce	53,349,119		
Agricultural products	198,220,029		
Manufactures	57,443,452	Total	$478,997,928

The destination of the exports was as follows:

Countries.	Value.	Countries.	Value.
Great Britain	$222,322,292	Germany	$4,443,736
Other parts of British Empire	23,709,829	Netherlands	5,508,806
United States	176,948,299	Japan	1,589,067
Argentina	2,135,273	Russia, European	1,370,093
Belgium	4,819,843	All other countries	6,950,903
Cuba	1,828,521	Coin exported	23,560,704
France	3,810,562	Total	$478,997,928

The following table gives the value of the dutiable and free imports from the principal foreign countries:

Countries.	Imports.	Countries.	Imports.
Dutiable.		Free.	
Great Britain	$103,000,590	Great Britain	$29,821,154
Other parts of British Empire	10,089,880	Other parts of British Empire	13,146,793
United States	262,[illegible],220	United States	162,806,783
Austria Hungary	[illegible]03,382	Argentina	2,577,236
Belgium	2,978,570	Belgium	1,512,874
Cuba	3,362,993	Brazil	1,161,415
France	12,013,000	France	2,360,367
Germany	[illegible]	Germany	3,500,871
Netherlands	[illegible]	Netherlands	1,537,437
Italy	[illegible]	Japan	1,140,246
Japan	[illegible]	Mexico	1,433,724
Dominican Republic	[illegible]	Other countries	4,414,221
Switzerland	[illegible]		
Other countries	[illegible]		
Total	[illegible]		$22[illegible],221

The Production of Precious Stones in the United States.—The gem industry of the United States in 1913 was marked by a fairly large output of sapphire, a real advance in the work of testing the Arkansas diamond field, and a promise of life in the Nevada opal field. There was, however, a decrease in the production of most of the other gems mined. The total production was valued at $319,454, according to D. B. Sterrett, of the United States Geological Survey. The output of sapphire in Montana was the largest ever reported to the Survey, and the value is estimated at $238,635, or over $43,000 more than in 1912. The sapphire consisted of both blue and varicolored gems and culls for mechanical purposes. In Arkansas one diamond-washing plant was in operation about three months and recovered several hundred diamonds, and the construction of another plant was practically completed. Many new claims were located in the Nevada opal field, the development of which, along with those previously opened, resulted in a fairly large output of beautiful gems.

The imports of precious stones for 1913 were valued at $45,431,998 and were the largest in the history of the industry.

* * *

Pauperism in England as Affected by the War.—"Distress due to the war has added appreciably to the volume of pauperism in England and Wales," says "The Insurance Observer," of London, "but not to anything like the extent that might have been anticipated. Statistics for the third quarter of the year, issued by the Local Government Board, show that the number of persons in receipt of relief rose from 618,685 on August 1 to 650,737 on August 22, an increase of 32,052.

"It is, however, pointed out that the recipients of relief in that month included a number of dependents of soldiers and sailors, and that in those cases in which the cost is recouped from the National Relief Fund, it is contemplated that the names of the recipients should be erased from the records kept by the guardians. Accordingly the totals of pauperism at present on record for certain weeks in August are subject to some reduction.

"After August 22 the aggregate number of persons in receipt of relief declined week by week, and on September 26 it amounted to 641,028 (or 17.2 per 1,000 of the population), as compared with 611,448 (or 16.6 per 1,000 of the population) on the corresponding day in 1913. The increase between June 27 and September 26 amounted to 22,713, or 3.7 per cent, compared with a decrease of 2,032, or 0.3 per cent, in the corresponding period of the previous year.

"Below are the figures, relating to London and the whole of England and Wales, respectively, for the end of September in each of the last four years":

	Number of Paupers.		Ratio per 1,000 Inhabit'ts.	
	London.	England and Wales.	London.	England and Wales.
1911	105,126	642,752	23.3	17.8
1912	104,388	636,343	23.1	17.4
1913	98,943	611,448	21.9	16.0
1914	104,269	641,028	23.1	17.2

* * *

Irish Vital Statistics for 1913.—According to the "Insurance Observer" of London, the annual report of the Registrar-General for Ireland states that the number of marriages registered during 1913 amounted to 22,266. The number of births for the same year was 100,094, and deaths 74,694. It is much to be desired, says the report, that the custom of omitting the ages in the certificates of marriages be discontinued, as a complete record of the ages of the persons married would be valuable; and it is regrettable that this information is not contained in the records in the majority of the entries. The report further states that in Ireland the percentage of persons married who were under age is very far below the corresponding percentages in England and Scotland. According to the returns the number of emigrants (natives of Ireland) who left the ports of Ireland during 1913 was 30,967, of whom 16,452 were males and 14,515 females.

INSURANCE

PERHAPS no feature of the legislation about life insurance companies which resulted from the so-called Armstrong investigation in the State of New York met with more general approval at the time than the restriction of the companies' investments in securities to bonds and the exclusion of stocks. The quintessence of financial wisdom was assumed to be embodied in this provision, through which the managers of the companies were expected to be kept far away from everything savoring of speculation with the funds of the policyholders. No one appears even to have suggested that the rigidity of an imperative statute might in the course of time be found so to have tied the hands of those responsible for the financial affairs of the companies that they could not ward off a threatened harm to the companies, and hence to the policyholders, which might arise from a change in the investment status of bonds, as compared with stocks. To-day, however, it is apparent to every one who looks beneath the surface of the stream of world finance that perhaps as serious a problem as ever has had to be dealt with by the managers of life insurance companies, and by public authority in this connection as well, is the tremendous modification of the capital value of fixed-rate, long term investments of the character of bonds,—a modification already under way well before the outbreak of the European War and destined, as a result of that war, to become far more pronounced in the coming years. The interest rate is irresistibly rising, to the disadvantage of the market value of capital already invested at fixed rates in earlier years, and for the owners of this already invested capital there is absolutely no way of escape from the shrinkage, until the slow round of the years shall have gradually brought their old investments to maturity. As regards the profits of business enterprises, however, whose division is represented by the stocks of those enterprises, it is a well known economic fact that these tend always to conform themselves to the current rate of interest. They rise with the rise of the interest rate and they fall with its decline. Hence, in the long run the market value of stocks, at least of sound enterprises, is far less exposed than is that of bonds to depreciation by reason of a rising interest rate. Thus it may safely be predicted at this moment that as soon as the financial readjustments consequent upon the war are completed, the huge loans of the belligerent nations floated and the resultant world interest rate brought to a comparative equilibrium, the average profits of conservative business will speedily conform themselves to that rate (due allowance being made for the element of business risk), and the division of these profits among holders of stocks will be at such a rate of return that the market prices of the stocks will not only not decline below the present low levels of uncertainty and distrust, but will actually advance to levels as high as ever. Existing bonds, on the other hand, must follow a totally different course, declining in market price, irrespective of the prices of stocks, until the rate of return upon them is on a parity with the new high interest rate, whatever that may prove to be. It is obvious, therefore, with what a sense of almost hopeless desperation the officers of life insurance companies who have been compelled to follow the iron-clad provisions of the New York law in making investments will during the next few years have to sit by and watch the market value of the bulk of their securities shrink, with virtually no compensating gains in other directions. It is not that the validity of their contracts will be impaired, for even the oldest investments in bonds will still yield more than the rate of interest assumed in those contracts. But every wise and conservative business man is distressed if the present market worth of his assets is insufficient to make his balance-sheet show a surplus over the liabilities which he conceivably may be called upon to liquidate at once in cash.

It is a very clear illustration of the financial unwisdom of a hard and fast rule, embodied in a virtually unchangeable statute, with regard to the forms of investment open to insurance companies that the New York authorities despite the model Armstrong law, have already been compelled to admit of two considerable accommodations of the book-values of bonds to the necessities of annual balance-sheets. The first and the more easily defensible of these accommodations was, of course, the permission granted by an Act of the Legislature to the life insurance companies to use amortization values of bonds, instead of market values, in ascertaining the worth of their assets. Far more dubious, and indeed fraught with the most dangerous possibilities, is the decision arrived at by the Convention of Insurance Commissioners, and accepted by the Insurance Commissioner of New York to permit insurance companies, other than life companies, to take the market quotations of June 30, (a month before the outbreak of the war), as the basis of valuation of their securities in making up their annual statements, as of December 31, 1914. The difficulty with both these expedients is that they permit a disparity to exist between the value of the assets of insurance companies, as set forth in their balance-sheets, and the true market value of the same. According to all the criteria of prudent business, therefore, the resultant balance-sheets are false and misleading.

It is to be supposed that when the way was first opened to insurance companies to base the valuations of their securities upon something else than the market prices existing at the approximate date of the balance-sheets, no one conceived that wide and long-continued disparities could exist between the worth of assets so valued and their usual market worth. It is hardly conceivable that the Legislature of New York would ever have consented to a method of valuation that might produce a disparity of ten, fifteen or twenty per cent. And yet it is now almost certain that a consequence of the war in Europe may be precisely such a distortion of the real facts of the assets of life insurance companies, supposing the amortization basis of valuation to be persisted in. If such a result comes about, there is no avoiding the conclusion that there will be great and steadily increasing embarrassment both for the officers of New York life insurance companies and for the insurance authorities of the State. The truth is now being made manifest that from an economic point of view, the investment restrictions of the Armstrong legislation are wrong. A sound theory of investments for fiduciary institutions implies that provision should be made for the fundamental and irresistible changes in market values produced by slow or violent movements of the supply, the demand and the market price of capital. Shocks of the most disconcerting kind are sure to come with the passage of the years; and there must be shock absorbers. Whatever theoretic arguments may be adduced in support of a method of investment and of valuation of investments which opens the possibility of a wide disparity between balance-sheet worth and real market worth, practical business judgment is revolted and made uneasy when the full effects of such a method are perceived. Thus, to-day, the life insurance companies of New York would be vastly better off than they are if a full third of their investments consisted of stocks instead of bonds. If another third were in short-term fixed investments, like mortgages, they would be still better off. Their long-term, fixed-rate bonds ought not to be more than one-third of their invested assets. Were this their situation, they could look on with complacency as the rising interest rate depreciates the market value of their old bonds, because their fresh purchases of new, high-rate bonds would be continually bettering their position; and still they would have no explanations to make about the validity of their published annual statements.

THE EXTRA-TERRITORIAL EFFECT OF THE CONNECTICUT WORKMEN'S COMPENSATION ACT

By Harry B. Bradbury.

THE Connecticut Workmen's Compensation Act is held to apply to accidental injuries or death occurring in another State of the Union, or in a foreign country, in two well-considered decisions of different Compensation Commissioners of Connecticut, which were handed down recently.

In both of these cases the employer and the employe were residents of Connecticut and the contract of employment was made in Connecticut. In both cases also it was contemplated when the contract of employment was made that the employes would be employed out of the State a part of the time at least.

George Marsdale was employed by the Thames Towboat Company of New London, Connecticut, and was sent by the company on a tug to Raritan Bay, South Amboy, in the State of New Jersey. The tug met with an accident and foundered. Some of the men climbed to the top of the pilot house and were saved. Marsdale, in the excitement, jumped overboard, apparently in an attempt to save himself, and was drowned. A number of questions were raised, but the most important one was in relation to the extra-territorial force of the statute. Dr. James J. Donohue, the Compensation Commissioner of the Second Congressional District, handed down the decision overruling all of the objections, in which he discussed the question of the extra-territorial effect of the statute at some length. The portion of the decision relating to this point was as follows:

"The claim was made also by the respondent that the Compensation Act of Connecticut has no extra-territorial force. In substantiating their claim they cite the case of American Mutual Liability Insurance Company (Mass.) 102 N. E. Rep. 693.

"Cases of later decision and more nearly in point would be New Jersey case of Deeny v. Wright & Cobb Lighterage Co., 36 N. J. Law J. 121; also McDonald v. Mallory, 77 N. Y. 546.

"In Mr. Bradbury's Workmen's Compensation, Vol. 1, 2d Ed. page 51, he has changed his views upon the question of extra-territorial force of Workmen's Compensation Laws and, to use his own words:

"' . . . He believes that the opinion expressed by Mr. Justice Martin in Deeny v. Wright & Cobb Lighterage Company case is more in conformity with the spirit and the necessities of the development of the compensation principle in the American States. This is especially true as to elective laws and to prevent difficulty the same principle should be incorporated in every compulsory statute.'

"For further discussion of the extra-territorial question I would respectfully refer to Bradbury's Workmen's Compensation Act, 2d Ed. Vol. 1, page 34 et.

"In the Deeny v. Wright & Cobb Lighterage Company case, the Court says:

"'It appears that [illegible] contract to compensate for injuries arising out of and in the course of the employment, and under it all other methods and legal remedies for form of compensation are relinquished. The statute can have no extra-territorial effect, but it does require a contract to be made by two parties to a hiring that the contract shall have extra-territorial effect.'

And continuing, it says:

"'The cause of action of petitioner is ex contractu. The lex loci contractus governs the construction of the contract and determines the legal obligations arising from it.'

"According to the ruling in the Schweitzer v. Hamburg American Line case 3, Bradbury's Pl. & Pr. Rep. 285; 78 Misc. 448; 138 Supp. 944, if this action were brought anywhere other than in the State of Connecticut, it would appear that the case would be returned to the place where the contract of employment was made.

"In the McDonald v. Mallory case, Bradbury's 2nd Ed. Vol. 1, page 45, the Court held that under the doctrine of Crapo v. Kelley, 16 Wall. 610,

"'Civil rights of action for matters occurring at sea on board of a vessel belonging to one of the States of the Union must depend upon the laws of the State, * * * * and that to this extent the vessel must be regarded as a part of the territory of the State'

"The Compensation Acts of the State of New Jersey and the State of Connecticut are very similar on the question of contract of employment, and the foundation of the principle of compensation seems to be based on contract, and great weight should be given to the decision of the New Jersey Supreme Court, especially in the Deery v. Wright & Cobb Lighterage Company case; and under the Connecticut Act, when an employer and employee agree to accept its provisions, it is understood to include the mutual renunciation and waiver of all rights and claims arising out of injuries sustained in the course of employment, except in the manner provided by the Act.

"In view of the attitude of various States on the extra-territorial question, Bradbury in commenting on this particular case says: 'The author cannot help but express a feeling of regret that its (the Court's) decision in Gould v. Sturtevant was not the other way.'

"The respondent's attorneys make the claim that the employee who has received an injury shall submit himself on request to an examination by a reputable practicing physician, and then they attempt to conclude by stating that a reputable practicing physician must mean one practicing under the laws of the State of Connecticut. There is no reason to conclude but what a reputable practicing physician of any State can make the examination in question.

"Other features of the Act are commented upon by the respondent, as the filing of the agreement in the office of the Clerk of the Superior Court for the county in which the injury occurred, and that an appeal from the Commissioner to the Court can only be had in the county in which the injury is sustained. It would seem that the above provisions of the law should be considered as directory and not mandatory. See Spencer's Appeal, 78 Conn. 303.

"Under the Workmen's Compensation Law a new method of procedure is introduced. In a case of this kind, under the common law the estate of the deceased would bring the claim, while under the Compensation Law the rights of the deceased would pass on to the dependents, who, as representatives or agents of the deceased, can assume the same method of procedure as the deceased would have in case he were living and made a claim for non-fatal injury."

The other case was decided by Hon. Frederic M. Williams, Compensation Commissioner of the Fifth Congressional District. In this case F. P. Welton, who was a resident of Waterbury, Connecticut was employed by the Waterbury Rolling Mill Co., a Connecticut corporation, as traveling representative, and he also had supervision of one of the departments of the company. Mr. Welton was also a stockholder and one of the directors of the company and its treasurer. He did not receive any salary as director or treasurer. While Mr. Welton was in Hamilton, Ontario, in the Dominion of Canada, traveling on the business of the company, he was injured. In Mr. Welton's case also a number of interest-

ing questions were raised, but the most important one was in relation to the extra-territorial force of the statute. On this point Commissioner Williams stated:

"The other claim of the insurer is much more difficult to decide. The court of appeal in England in the case of Tomalin v. S. Pierson & Son, Ltd., 2d Butterworth Workmen's Compensation Cases, p. 1, decided that their Workmen's Compensation Act had no extra-territorial force outside of the confines of the United Kingdom. In that case a contract was made between the husband of the claimant and the respondent, a well known firm of contractors, whereby the decedent went to Malta for the purpose of assisting in the building of a breakwater. The Master of the Rolls in deciding this case rests his decision on the fact that no contractual relation existed between the widow of the deceased and his employer, that her only claim against the respondent was for a statutory duty arising independent of the contract. He says on page 4 of the opinion: 'She is claiming not as a party to a contract, not claiming any rights under a contract made by her or by any person through whom she claims; she is claiming simply the performance by the employer of a statutory duty, which statutory duty is said to be found in the Workmen's Compensation Act of 1906.'

"In Gould's case, 215 Mass., page 480, the Supreme Court of Massachusetts held that their Workmen's Compensation Act had no extra-territorial force, but it is to be borne in mind that their Act differs from ours in many important particulars. As Chief Justice Rugg says in his opinion, on page 482, 'the compensation is to be paid not directly by the employer, but by the insurer, who is either the Massachusetts Employees' Insurance Association created by Part 4 of this Act or any liability insurance company authorized to do business within the Commonwealth. The employe has no immediate relation with the insurer. He is the beneficiary under a contract between the employer and the insurer.'

"It is true that a large number of reasons given by Chief Justice Rugg in his learned and elaborate opinion why he deems that the Legislature of Massachusetts did not intend their statute to have an extra-territorial effect would apply here; thus we have a provision about examination by a physician, we have a provision about holding hearings where practicable in the place where the injured employe resides, and we have a provision more important than all others whereby the award of a Commissioner receives its sanction solely through its enforceability by the Superior Court, and this is coupled with a provision that the award shall be filed in the office of the Clerk of the Superior Court in the county in which the injury took place.

"However, the main reason on which the Massachusetts court rests this decision is the same reason as that on which the British Judge rests his, namely, the lack of a contract between the parties before him. The Connecticut law does not leave the parties to this action without definite contractual status. It is expressly provided in §1 and §2 of Part B that this Act shall be a part of every contract of employment made before the date thereof and continued in force after its date, and of every contract originally made after the date of this Act, so that if it were possible to bring a suit on this statute it would not be an action ex-delicto, but plainly an action ex-contractu. Hence the general principle of the law that penal statutes have no application outside of the State of their enactment has no application here.

"This is not a penal statute, but a remedial statute, and the parties who have accepted its terms have made the statute a part of their contractual relations.

"Mr. Bradbury in his treatise on Workmen's Compensation Law, 2d. Ed., beginning at page 34, discusses the extra-territorial effect of compensation statutes at considerable length, and while compelled to conclude that the law is in doubt, expressed very strongly the opinion that too much attention has been given to the effect of British decisions and too little to the theory of contracts, especially in those States like Connecticut where the Compensation Act is expressly an amendment of contracts of parties.

"The effect of decisions like Loomis v. R. R., 208 N. Y. 312, and as it seems to me the effect of the Gould case, are very largely overcome by the principle laid down by the United States Supreme Court in Tennessee Coal and Iron Company vs. George, 233 U. S. 354.

"This decision is later by a considerable time than any of the other cases referred to, and it seems to me ought to have a controlling effect on the decision of the case at bar. This leaves the principal difficulty to be considered as to whether in the case of Connecticut contract between Connecticut citizens, a man who while in the course of his employment sustains an injury arising out of his employment while within a foreign State should be denied the equal protection of the laws, because although it is practicable to hold the hearing in the town where he lives, a literal compliance with the statute as to filing an award in the office of the Clerk of the Superior Court in the county where the injury took place cannot be complied with.

"Manifestly it would be a purely nugatory act for a Connecticut Compensation Commissioner to file a copy of an award in any court outside of Connecticut.

"It seems clear to me that the whole spirit and purpose of our Act ought not to be set at naught because of this difficulty.

"Section 25 of the Act in question provides in substance that a Commissioner enforcing it shall proceed so far as possible in accordance with the rules of equity and in such a manner as is best calculated to ascertain the substantial rights of the parties and carry out justly the spirit of this Act. For the reasons indicated above it seems to me that to refuse the claimant compensation in this case would be directly contrary to the entire spirit of this statute. Such a decision would rest on a narrow and technical interpretation of one clause as to where the award is to be filed. I believe it is proper to regard the provisions of the clause above referred to as to filing a copy of the award with the Clerk of the Superior Court in the county where the injury took place as directory and not mandatory in accordance with the legal principles laid down in Spencer's Appeal, 78 Conn. 303."

THE WORK OF AMERICAN RAILROADS IN FIRE PREVENTION

THERE is given below an account of the second annual convention of the Railway Fire Protective Association, as published in the "Railway Age Gazette," which is interesting as showing the effective work being done by American railroads in the prevention of fires.

* * *

The second annual convention of the Railway Fire Protection Association was held at the Hotel Raleigh, Washington, D. C., on October 6 and 7. The meeting was called to order by President F. H. Elmore, superintendent of insurance of the Southern Railway. In his address, the president called attention to the preliminary work to which the association's first year had been devoted and noted that the real work of the society, to prescribe the methods of fire protection, had hardly been begun. He emphasized the necessity of co-operation, first, on the part of members in their relations with the various committees, and, second, on the

part of the society towards the operating department, expressing the opinion that once the interest and support of the operating officer were secured, accomplishment would be assured. The real work of the society, therefore, he said, lies in devising practical, economic and effective ways and means for the protection of and the prevention of loss to property. Its province is to develop standard practices and to play the part in the railway field that the National Fire Protection Association plays in industry in general; it must prove to the operating officer and to the latter association that it is the authority in its branch of the subject.

The report of the executive committee showed that the society had increased its membership approximately 57 per cent, and recommended the establishment of a number of new committees.

The Committee on Fire Hazards, Charles N. Rambo (Norfolk & Western), chairman, presented a report, from which the following is abstracted:

The Committee on Fire Hazards has not attempted to ascertain the causes of fire, but rather to consider some of the common hazards that exist and to prepare standards for correction or elimination. It has put its recommendations in the form of bulletins of the Committee on Fire Hazards and proposes that they be improved upon, if necessary, and adopted as standards, possibly in the form of a "Manual" or "General Code" on fire prevention. During the year the committee has prepared six bulletins.

Bulletin No. 1 giving general recommendation for the prevention of fire losses, deals primarily with buildings and is sub-divided into four sections: Construction, Care of Property, Lighting, Heating and Power.

Bulletin No. 2 relates to the hazard of locomotive sparks. The members of the committee, without exception, believe one of the greatest hazards to contend with in connection with railroad risk is that of the spark hazard, and it has, therefore, through a sub-committee, gone into the subject very minutely. The bulletin aims primarily toward the elimination of the hazard and invites uniformity of action in connection with the proposed maintenance safeguards. The bulletin is given herewith almost in full:

The hazard of locomotive sparks and the consequent fire damage to railroad and other property has received special study by the railroads and insurance companies.

It seems to us that this subject having been given such careful thought and attention by the departments of railroads vitally interested, is one in relation to which your committee should consider positive means of eradication of the hazard, rather than some of the auxiliary methods that have been pursued to lessen the result of the hazard. By the former is meant that the principal place to offset this hazard is in the roundhouse and shops in keeping the screens, fittings, flues and appliances, ash pans and dampers up to the standard as set forth in the bulletins of most railroads. By the latter we mean consideration in construction of buildings, such as has been undertaken in the past through the substitution of a better class of roof coverings, the avoidance of unnecessary pockets in roofs for the accumulation of sparks, etc., the cutting of weeds in the vicinity of railroad property, digging of ditches, cutting of avenues in timber tracts and the application of fire resistive coatings to woodwork exposed to the accidental lodgment of sparks or hot coals; and by keeping the towers and trestles of bridges and trestles in good order.

While sparks from smokestacks or cinders from ash pans may be classed as the primary cause of fire started in this way, the secondary cause is running with damper doors not entirely closed. What may also be termed secondary is the bad condition of shingle roofs, platforms, tres-tle, roofs of wooden cars, exposed inflammable merchandise in cars, or rubbish about buildings. If the secondary causes were taken care of the result through the primary cause would be reduced to a minimum.

The various motive power departments of the railroads, as well as the Master Mechanics' Association, have given this matter a great deal of consideration and standards have been adopted which, it has been believed, would give generally satisfactory results, by meeting both the conditions of service and minimizing the hazard. On some of the large railroads severe service tests have been made; spark arresters have been given careful constructive consideration, and in many instances the losses from sparks have been greatly decreased. It is a question for the committee to emphasize whether it may not be possible in the future to eliminate fires from this cause entirely. It seems to be a question for the master mechanics, shop and roundhouse foremen to solve by periodical inspection and careful maintenance, as we who are studying the prevention of loss by fire, must necessarily defer to a large extent any investigation of or judgment as to the correction or elimination of the spark hazard to those dealing more directly with the mechanical contrivance concerned.

The main point that this committee can emphasize, therefore, is the importance of the inspection of spark arresters and ash pans; not a haphazard inspection, but an examination of the screen to see if it is stripped or worn out; if the wires are spread, if the fittings around the sides of manhole cover, the nozzle and steam pipes are tight; to see if the ash pan dampers, damper controlling devices and the extension of pan outside of mud ring are in good order. There should be a weekly inspection of all engines and a duly authorized form of report provided, on which the signature of the inspector making the examination should be recorded. There should also be an inspection when any repairs are completed and the locomotive again turned over for road service with the corresponding signature of the inspector making the final inspection. In addition to this, we would recommend that efficiency committees be authorized to check up the inspectors. We also recommend that whenever fires occur on or near the right of way, alleged to be caused by sparks, a report be immediately made of the condition of the spark arresters and ash pans of the locomotives passing the location several hours prior to the fire and that such report be checked against the last weekly inspection of these engines. We also recommend the following as a systematic method of dealing with the subject:

"Master mechanics and engine house foremen should see that all locomotives are properly inspected after each trip, and that any defects in ash pans or ash pan gear are properly reported on special form for that purpose and repairs made.

"Weekly, or at staybolt or boiler wash period, the front end of locomotive must be opened and examined and a special examination of ash pans made. The condition of front ends and ash pans must not only be reported on special form for that purpose, if repairs are necessary, but the condition as found must be carefully noted in book or blank form and signed for by the inspector or inspectors actually making the inspection.

"If repairs are necessary, the front end and ash pans must be re-inspected upon completion of repairs and proper notations as to condition made in the book or blank provided for that purpose and signed by the inspector actually making inspection.

"Books or blanks when filled should be forwarded to the master mechanic upon whose division the locomotive has been in service, and he will send them to the superintendent of motive power."

Accompanying these suggestions is the blank form of report recommended for use.

We believe with a uniformity in respect to careful maintenance of the corrective influences that have been devised that much can be done in preventing the large fire waste caused by flying sparks.

This, however, must receive careful individual co-operation on the part of all railroads and then the motive power departments, and our hope is that we may be able in the future to acknowledge the result of the work of some inventive mind that will bring about the entire elimination of fires caused by sparks thrown from the smoke stacks of locomotives.

Bulletin No. 3 gives general recommendations in connection with chimney flues, stoves and furnaces. Bulletin No. 4 relates to boiler houses, boiler settings and boiler stacks.

Bulletin No. 5 deals with the storage of railway fusees and torpedoes. The handling of these supplies possibly has not resulted in any serious fire loss, but there have been sufficient damage resulting from lack of care and difference of opinion as to proper methods to lead the committee to take up the subject with a view to possible improvements. An abstract of the bulletin follows:

Railway fusees and track torpedoes are classed in the group of "Less Dangerous Explosives" as fireworks; more specifically fusees as "Common Fireworks" and torpedoes as "Special Fireworks" with placards "Inflammable," "Handle Carefully" and "Keep Fire Away."

The hazard of railway fusees and torpedoes is recognized by the "Bureau of Explosives," to whom due acknowledgment is given for suggestions as to handling or storage.

Fusees when handled in original unbroken shipping packages in quantities at distribution centers should be stored in a small magazine, preferably forty feet from other buildings or lumber, The magazine should be lightly constructed and covered inside and out with incombustible material. It should keep out rain, snow and sparks, and should be provided with a ventilator. No artificial means of heating or lighting should be employed. The magazine should be sufficiently dry if supported on posts or pilings a foot or more from the ground, and so arranged that there is free circulation of air beneath.

Not more than four gross of fusees should be kept in the general storehouse at one time. Any broken packages should be kept in a tight metal lined or asbestos board lined wood box with a spring hinge or self-closing cover. This box should be used for no other purpose and kept in a dry place, not in proximity to any artificial source of light or heat.

Torpedoes when handled in original unbroken shipping packages in quantities at distribution centers should be stored in a separate magazine similar to that used for fusees.

Not more than ten gross of torpedoes should be kept in the general storehouse at any time. Broken packages or loose torpedoes should be kept in a tight asbestos board lined wood box, with sliding cover, used for no other purpose. A sliding cover is recommended in preference to a drop hinged cover to prevent premature explosions in case a torpedo should rest over the edge of the box. The box should be kept in a dry place not in proximity to any artificial source of light or heat, and care should be taken to prevent the accidental dropping of torpedoes on floors where they might be stepped on or run over by trucks.

Placard all magazines and storage boxes: "Explosives—Handle Carefully—Keep Fire Away." Do not store fusees and torpedoes in same magazine or box. Do not store fusees and torpedoes with other explosives or inflammables. Exercise care in keeping fusees dry—improperly made fusees if damp are liable to spontaneous ignition. Broken, wet or oily fusees should be destroyed by burning. Broken or defective torpedoes should be destroyed by immersion in water.

We suggest as a suitable receptable for such loose supplies as have been obtained by trainmen from storehouses a small metal or rectangular shaped wood box with spring hinged cover. The box should be only large enough to hold the requisite number of fusees and one end partitioned off for torpedoes. In cabooses racks may be used to advantage for fusees.

The above suggestions are not meant to interfere with any special and safe practice now followed, such as that relating to trainmen's metal receptacles as are now used for carrying flags, fusees and torpedoes.

Bulletin No. 6 deals with storage and handling of small oil supplies at miscellaneous properties. An abstract follows:

One of the greatest hazards is the storage of oil without proper safeguards, and this undoubtedly is one of the most difficult hazards to guard against.

On railroads having little fire prevention supervision, small supplies of oil will be found scattered around throughout the various station buildings, the quantity and location depending on the convenience of the user. At many places the oil supplies will be surrounded by an oil soaked floor and small quantities of oily waste or rags will be in evidence, no thought whatsoever being given to the hazard involved. The danger of such storage without proper precautions is evident, particularly where floors become thoroughly saturated from constant lamp filling drippings.

The fire loss records show that too little attention is being paid to safeguarding the country stations against loss; and a study of this subject will show that a large percentage of fires in them are of unknown origin. Many agents use oil for illuminating purposes; many also take care of signal lights, and in some cases they keep a supply of gasoline for cooking and motor car purposes. Sometimes this oil is kept outside of buildings, but more often it is found stored in the coal bin, or in one corner of the freight room, and quite frequently with records or in concealed places like closets underneath stairways.

The hazard of spontaneous ignition is often present with improper oil storage and handling, for although pure mineral oils in combination with cotton or oily waste or rags will not oxidize and the hazard of spontaneous ignition is not present when they are used, they are often adulterated with vegetable or animal oils and therefore the presence of oily waste in railroad properties is always a menace.

We therefore make the following suggestions and recommendations: Oil storage of every nature at properties other than standard oil houses, wherever possible, should be entirely removed from station buildings and other properties and housed in a separate and inexpensive structure built expressly for that purpose, in a portion of which provision can also be made for the coal supply. This combination coal and oil house should be located a sufficient distance from all other properties to permit possible destruction by fire without endangering any other structure, but not far enough away to be inconvenient. All lamps and lanterns should be filled and trimmed in this structure.

The use of ordinary metal trays or sand boxes is better than allowing cans of oil to set on wooden floors of freight house, but your committee recommends that a separate, isolated coal and oil house be given preference and that if for any reason this cannot be arranged or wherever it becomes impracticable to constuct a separate building, a metal lined oil cabinet be installed in the freight room.

Regardless of where or how oil is stored a supply of fine dry sand for extinguishing fires should always be on hand.

At large terminal warehouses, where electricity is used oil is frequently kept in buildings (generally in the basement) often in large quantities, for use in car heaters during the Winter months or for oiling warehouse trucks, etc. No matter what precautions are taken to guard against fire the danger is too great for the

values at risk. It is recommended in such instances that a separate building be constructed similar to that suggested for station buildings and miscellaneous properties. Where it is felt that a large expense is warranted, or the city ordinance or fire authorities prohibit the construction of a wooden building, a brick oil house should be built.

In the report of the Committee on Statistics and Forms, presented by B. F. James (Colorado and Southern), chairman, there were submitted several forms as follows: Causes of fires; classification of property losses; telegraphic advice of fire; detailed report of fire (by mail); card notice of fire to be thrown off by trainmen notifying section men of fire; local fire prevention report; fire department drill report; fire inspector's report.

Two of these had been used by the committee in connection with its work in the past year, and it was ascertained that the fires in the past five years on the roads investigated (ranging from 19 roads operating 27,596 miles in 1909 to 28 operating 39,576 miles in 1913) were traceable to the following causes:

Unknown	44.29 per cent
Sparks from engines	20.47 per cent
Heating and appliances and flues	6.17 per cent
Caught from adjacent property	4.55 per cent
Tramps and trespassers	3.87 per cent
Incendiary	2.79 per cent
Coals dropped by engines	2.45 per cent
All other causes	15.41 per cent

The total fires in these five years numbered 10,160, the total loss was, including railroad property and lading liability, $5,840,644, an average of $574.86 per fire.

The report on Fire Fighting Organization presented by E. B. Berry (Southern Railway) chairman, emphasized the necessity of forming fire fighting brigades and of regular drills at frequent intervals.

The report on Fire Fighting Apparatus presented by B. S. Mace (B. & O.) chairman, treated primarily of the apparatus used or needed at local freight and passenger stations, at coaling stations and on engines and cars. A brief description was given of the practices that are generally followed on most roads and various recommendations were made for the further extension of good practices or for the remedying of bad ones.

The officers of the association were re-elected to serve for the following year. They are: President, F. H. Elmore, Southern Railway; vice president, P. Hevener, Chicago, Rock Island and Pacific; secretary and treasurer, C. B. Edwards, Mobile and Ohio.

New executive committee members were chosen as follows: One year, C. S. Sherwin, Missouri, Kansas and Texas; three years, B. F. James, Colorado and Southern; C. N. Rambo, Norfolk and Western.

INDUSTRIAL AND INSURANCE DEVELOPMENT IN THE AUTOMOBILE FIELD

By A. T. Graham.

THE appearance of the automobile a few years ago called forth a form of insurance protection theretofore unknown, namely, that of motor car insurance, such as would protect the owner of a gasoline or electrically propelled vehicle against practically all financial losses incident to the ownership and operation of his car, except deterioration, wear and tear.

An address before the Fire Insurance Club of Chicago.

The growth of the automobile industry during the last six years has exceeded that of any other industry for a like period in the history of the world. The appearance of motor cars upon all the public highways of the habitable globe bears testimony of this phenomenal growth.

When we realize that the automobile industry in this country had its inception only about sixteen years ago, and that it is now and has been for some time the third largest industry in the United States, we will have some faint idea of the magnitude of this business.

The value of the automobile output in the United States increased over 5,100 per cent between the years 1899 and 1909, and the wage earners in this industry increased nearly 3,300 per cent in the same period. Notwithstanding these enormous percentage increases, these statistics are of little significance as regards present-day conditions in the industry. The government collects this sort of statistics and publishes it in a census report at five-year intervals. There will be another census published in 1915, and it will, no doubt, show an unprecedented development since 1909.

The total capital employed by companies in North America making automobile accessories is over $200,000,000, exclusive of companies making tires.

It is estimated that one in every sixty-six persons in the United States is a motorist.

There were over 1,450,000 cars registered in the United States in 1913. Of this number 88 per cent, or 1,276,000, were pleasure cars, and 12 per cent, or 174,000, were commercial cars.

Less than 4,000 cars are said to have been imported from other countries during the past three years, while an enormous number were exported. No exact figures showing imports and exports will be available until next year, when the Government census report is issued.

Ninety-four per cent of all the cars in use in the United States were made in this country. This shows that only 97,000 cars of foreign make are owned in America, due, no doubt, to the high duty imposed on imported automobiles.

There were 696,348 licensed drivers in the United States in 1913, and if these and others employed about cars at an average wage of only $15 per week, the compensation for services alone would have aggregated upwards of $598,038,584 for that year.

It is estimated that one million persons are employed, in one way or another, in the motor trade, and that three millions of our population are supported directly and indirectly by the manufacture of motor cars.

The output of American cars for the sixteen years, ending with 1913, was as follows:

Year.	No. of Cars.	Est. Value.	Year.	No. of Cars.	Est. Value.
1898	200	$200,000	1906	33,300	$45,000,000
1899	600	600,000	1907	45,300	65,000,000
1900	2,000	2,000,000	1908	55,400	100,000,000
1901	5,000	5,000,000	1909	82,000	130,000,000
1902	9,000	15,000,000	1910	180,000	185,000,000
1903	15,300	20,000,000	1911	215,000	275,000,000
1904	20,100	25,000,000	1912	300,000	375,000,000
1905	28,400	30,000,000	1913	400,000	500,000,000
Totals				1,397,609	$1,772,809,000

Conservatively estimating the 1914 output of cars at 500,000, with an average value of $1,250 each, this would add $625,000,000 more to the aggregate value of $1,772,809,000, making a grand total of 1,897,609 cars, and $2,397,809,000. If all these cars were placed end to end they would form a line reaching from San Francisco to New York and from New York back to Chicago.

The estimated number of American-made pleasure cars in use

at this time in the United States is 1,350,000, with an approximate value of $1,350,000,000.

Over half the cost of a motor car represents labor, in one form or another, and half the cost of repairs and renewals also goes to labor.

The benefits of all the expenditures of motor cars goes directly to the industrial classes, at the rate of about one billion dollars annually.

The annual outlay in the United States for tire renewals and tire repairs alone can safely be placed at $234,630,000, divided as follows:

Cars one year or more old (not Fords)..	850,000 @ $240.50 =	$173,442,500
Ford cars one year or more old.....	150,000 @ 98.50 =	14,700,000
New cars (not Fords)	325,000 @ 121.50 =	39,487,500
New Ford cars	175,000 @ 40.00 =	7,000,000
	1,500,000	$234,630,000

The editor of "Motor," one of the leading trade journals, recently worked out the following interesting table of tire costs:

Cars one year old or more:	
Not Fords:	
Four shoes at $30.00.....	$120.00
Adjustment on shoes	40.00
Six tubes at $5.75.....	34.50
To repairs	10.00
	$204.50
Fords:	
2 shoes at $12.50	$25.00
2 shoes at $18.50.....	37.00
Adjustment on shoes	10.00
3 tubes at $3.00	9.00
3 tubes at $4.00	12.00
To repairs	5.00
	$98.00
New Cars:	
Not Fords:	
2 shoes at $30.00	$60.00
Adjustment on shoes	40.00
2 tubes at $5.75.....	11.50
To repairs	10.00
	$121.50
Fords:	
To new shoes, adjustments and repairs.....	$40.00

The total tire cost above mentioned is based on the foregoing estimates.

American motorists paid approximately $9,500,000 for licenses alone in 1913, and when we add to this the running expenses, incidentals and purchase cost, and the indirect expenses, such as cost of suitable clothing, hotel and traveling expenses, it will be seen that the total cost of motor ownership and operation must reach up to billions of dollars per year, and that a great many people must be benefitted thereby, either directly or indirectly, especially the industrial classes. If we add depreciation to the above expenses the total expenditure upon all branches of motoring will reach the enormous sum of over three billions of dollars annually at this time.

In less than seventeen years 547,609 cars and $1,047,809,000 have disappeared, due to fire and collision losses, and depreciation, making an average annual loss of automobile product of $61,635,823.

There are probably 1,509,000 motor cars of all kinds, including commercial cars and cars of foreign make, in use in this country at the present time, conservatively valued at $2,000,000,000.

Motoring is a popular pleasure, and therefore the demand for pleasure cars will continue to keep pace with the financial ability of the people to indulge in this form of pleasure.

The motor truck is rapidly taking the place of the horse, and therefore we may reasonably expect a largely increased output of this type of car in the future. This branch of the automobile industry is growing in leaps and bounds. The horse is not immune from the numerous ills to which flesh is heir, nor can he escape the infirmities of old age. He must be fed and sheltered and harnessed. He becomes an unproductive asset when sick. His ability to pull a load cannot always be employed to its fullest extent, because the law restricts man from imposing too heavy a burden upon him. These are some of the considerations which prompt merchants to substitute the motor truck for the horse.

Eventually, when the demand for the gasolene-propelled pleasure vehicle shall be on the wane, many manufacturers will undoubtedly retire from the business, either voluntarily or through failure, and only the builders of the better grade of cars will remain in the field. These, in turn, through their efforts to reduce operating expenses, will, in all probability, form combinations, and the competition of these combinations—one with the other—will, in the end, result in further consolidation, so that, eventually, only a few large manufacturers will be left to carry on the business.

While this process of elimination and curtailment is going on the annual output will gradually decrease until it reaches a certain level, and thereafter the fluctuation will be above or below this level, according to the natural conditions of trade. Standard cars will then be built and the demand for a new model every year will be reduced to a minimum.

While we are leading up to this stage the insurance companies will have an ever-increasing moral hazard to deal with. It has been truthfully said that a motor car is the rich man's plaything. Most men of ordinary means do not realize that the first cost of a machine is not the only heavy expense to be considered. The cost of maintenance and incidental expenses are important items to be reckoned with. People will continue to deplete their savings accounts, to borrow money on their life insurance policies, to mortgage their homes and even their household furniture, for the purpose of raising money with which to buy automobiles, and these are all danger signals to a well-conducted insurance company.

The question of depreciation is another important item that should not be lost sight of. There is only a short span between the date of purchase and the time when the investment vanishes. Any car used moderately for pleasure driving and kept in the best of condition is bound to depreciate from 20 per cent to 30 per cent the first year, and from 10 per cent to 20 per cent during every succeeding year; and when a car is used for touring long distances, over rough roads, it depreciates more rapidly.

Cars used for livery purposes, especially those equipped with taximeters, are usually subject to the greatest depreciation, on account of frequent use and the resulting wear and tear. Starting a machine suddenly to run at a rapid pace, and stopping abruptly, as is often the case with taxicabs, does not conduce to longevity in a machine. I have been told by owners of taxicabs that it takes about two years' receipts to defray the cost of a car of this sort, and the expense of maintenance, and that the car is of little value thereafter.

Ordinarily the taxicab chauffeur makes his car cover the greatest distance in the shortest time, because the mileage registered indicates the price of the service. Rapid running increases the danger of damage from collision, and every time an injury from this cause is repaired, the desirability of a car is lessened and its value decreased.

You may, perhaps, be interested to know why a motor car is subject to so high a percentage of depreciation the first year as compared with the low percentage of depreciation for each succeeding year. This is due, in a large measure, to the practice of

the manufacturer in placing a new model on the market every year. The style of each model is slightly different from its predecessors, and frequently some new device, which experience has suggested, is added. Any one wanting to buy a car would naturally select the latest model, or demand a concession in price. Therefore, the builder himself is responsible for the first year's depreciation on an unused car. If the car has been used, then the depreciation caused by the builder, plus the depreciation caused by wear and tear, or by the fact that the car is second-hand, would have to be deducted from the original list price and the balance would be the selling price at that time.

Most dealers will sell a new car for from 20 per cent to 40 per cent of its list price and take the preceding year's model in trade; hence the dealers generally have come to consider it necessary, in many cases, to sell two cars in order to earn one commission. The car traded in is supposed to be again sold, for its actual cost to the dealer, which includes the cost of repairing and repainting, but it is hard for one to disabuse his mind of the impression that the selling price of the made-over car carries with it at least a small profit.

The component parts of a car are not all subject to the same rate of depreciation. For instance, tires will depreciate much more rapidly than any other part of a machine, because they are constantly in contact with the road and are, therefore, subject to the greatest wear and tear. The machinery for transmitting the power is an important item in the cost of the car and, as this is constantly or frequently in action when the car is being operated, it stands to reason that it is quite liable to wear and tear. Frames and bodies, particularly closed bodies, such as limousines and coupes, are not necessarily liable to abnormal depreciation. Good leather upholstering will last a long time if properly cared for. A leaky radiator will speedily put a good engine out of commission.

There are two sides to the question of depreciation. When the owner of a car applies for insurance he almost invariably assures the agent that his car has had the best of care and is in excellent condition. This representation usually entitles him to the maximum amount of insurance and gives him the benefit of minimum depreciation. I should call this theoretical, or underwriters', depreciation. Actual depreciation is rarely, if ever, determined until after a loss has occurred. Then the adjuster, with the assistance of an expert, if necessary, goes into details, and in a majority of instances his investigation results in the discovery that the depreciation was under-estimated and the car over-insured. Occasionally, in such a case, the assured will refuse to settle on the basis of the adjuster's figures and will demand an appraisal. Ordinarily the reasonableness of the adjuster's offer is borne out by the award of the appraisers.

The Boston Insurance Company was the first American company to write an automobile policy. Lloyds of London soon followed and their contracts were so favorable to the assured that a great majority of motorists selected them in preference to the forms of indemnity furnished by the Boston and by other stock companies which subsequently came into the field.

The first motor car policies issued by Lloyds of London, in this country, were known as Form No. 1, No. 2, No. 3 and No. 4, and the rates were 2 per cent, 3 per cent, 7 per cent and 6 per cent, respectively. These forms are substantially the same to-day as they were when originally introduced, the only important difference being that the assured was obliged to bear the first loss of $50 by collision under Forms No. 2, No. 3 and No. 4. The broker or agent placing the business was required to inspect every car and was allowed a fee of $5 in each case, in addition to the regular commission. The assured was compelled to pay the $5 fee. Subsequently the rates for Forms No. 3 and No. 4 were reduced to 4½ per cent and 4 per cent, respectively, on all kinds of cars—steam, electric and gasolene—used for both private and public purposes, and the $5 fee was abolished. The deductible average under collision policies was also reduced, first to $25, and later there was no deductible average if the collision loss amounted to or exceeded $25.

At the present time Lloyd's policies cover as follows:

Form No. 1—Against fire, theft (if $25 or more), lightning, explosion, self-ignition, salvage, and the risks of transportation and navigation, such as collision, derailment, sinking and stranding. The territorial limits are the United States, Canada, Europe and elsewhere if required. Detached bodies and equipment are covered under a clause which in effect requires the owner to carry full insurance, or, failing so to do, restricts recovery to a pro rata proportion of the value insured.

Form No. 2 is the same as No. 1 and contains an additional clause assuming liability for collision damage to the car insured (except the first $25, which must be borne by the assured) if the damage is caused by collision with a railroad or street car, or with a municipal fire department vehicle, or fire insurance patrol wagon. There is very little demand for this form.

Form No. 3 also insures against all the perils covered under Form No. 1 and, in addition, covers damage by collision with another object, to the assured's car, and to other property, if the assured shall be held to be legally liable for and shall pay for the same. It also covers loss or damage to the assured's car caused by running into open draws. The underwriters exclude, under this policy, the initial collision loss of $25.

Form No. 4 is the same as Form No. 3, except that it does not cover collision done, or third party liability; that is, it does not cover the assured's liability for physical damage to the object collided with. (The underwriters do not cover collision damage to tires under Forms No. 2, No. 3 or No. 4 unless the total collision damage to the car is at least $50.)

For an additional premium of $15, the underwriters will pay all theft losses under any one of these four forms.

A discussion of the subject of motor car insurance necessarily involves a reference to Lloyds of London because these underwriters were instrumental in the early stages of the business in furnishing the only forms of indemnity in this line that met with popular favor. Lloyds gets its name from Edward Lloyd, who kept a coffee house in London more than 200 years ago. In those early days British citizens interested in shipping were in the habit of congregating at Lloyd's Tavern and speculating with one another as to the outcome of certain ventures upon the high seas.

History furnishes fragmentary evidences of the existence, at earlier dates, of crude schemes of indemnity in certain parts of Continental Europe, but it is generally admitted by the best authorities that the business of insurance originated with our British cousins at the time stated.

The speculative habit referred to subsequently projected itself into the maritime world, thus affording the owners of ships and cargoes an opportunity, for a money consideration, which we now call a premium, to protect their property against the perils of the sea during the time consumed in reaching the port of destination.

These speculators afterwards became known as insurers, or underwriters, and the business grew to enormous proportions. This growth suggested the necessity of safeguards and the Corporation of Lloyds was formed under Royal Charter. This corporation has absolutely no control over a member's business

transactions. Its principal functions are to provide a meeting place and agencies for the collection of shipping news. Its executive committee enforces certain rules of eligibility to membership, and among these it requires from every underwriter a deposit of £5,000, or its equivalent in gilt-edge security, before permitting him to transact a marine business, and an additional £5,000 before granting him authority to take up other lines.

The standard of membership is kept at a high point because the commercial honor of Lloyds must be maintained. Each member voluntarily carries insurance with other underwriters against insolvency. Every underwriter must have his accounts audited by public accountants once every three months, and if the reserve on his outstanding business has fallen below 40 per cent, he must immediately make good the deficit or submit to a suspension of his privileges.

Commissions only are deducted from premiums and the balance must be kept intact (except that losses are deducted) until the expiration of the policies. It will thus be seen that Lloyds are required to put up a larger reserve on their business than is required of the stock companies.

There are approximately 800 underwriting members at Lloyds and possibly half of this number only do a general insurance business, the remainder confining their operations to marine and kindred branches.

Nearly all the American and foreign stock companies engaged in writing automobile insurance in this country issue a standard policy known as the conference form; that is to say, the policy of each company is identical as to phraseology with the policies of all the other companies. This policy covers the body, machinery and equipment of a described car within the limits of the United States (excluding its possessions), and Canada; also while on coastwise steamers between ports within said limits. It covers loss by fire from any cause whatsoever; loss by collision and derailment while aboard a railroad car, and loss by sinking, stranding and collision with another vessel, while aboard a steamboat. It also covers theft, if amounting to $25, excepting theft committed by persons in the employment, household or service of the assured. It stipulates that passengers shall not be carried for compensation and that the car insured shall not be rented or leased.

Extra bodies, equipment not in use or on the car, robes, coats, hats, caps, gloves, leggings, boots, goggles and chauffeurs' livery are not insured under this policy, except by endorsement and for a specific amount. If the car insured has more than one body, the additional or detached body would not be covered, unless the additional body clause should be attached to the policy. This clause states that the amount of the policy shall be divided into three parts—one part applying to the chassis and equipment, one part to the touring, or other open body, and one to the limousine, or other closed body. It is necessary to employ this rider, for the reason that without it a loss might occur to a detached body, and, in that event (there having been no predetermination as to its value), it would be difficult, if not impossible, to fix the liability of the company, or rather to fix the measure of loss that the company should pay in such a case.

If personal effects, such as chauffeurs' livery, gloves, goggles, etc., are to be insured, they must be covered under the "Personal Effects" endorsement, for a specific amount, and in consideration of an additional premium, to be computed at the same rate as is charged on the automobile. This endorsement excludes loss from theft, robbery and pilferage; that is to say, losses from these causes must be borne by the assured.

Should a policyholder require insurance on his car while abroad, it would be necessary for him to secure what is known as the "European Privilege Clause." This clause permits him to take his car to the United Kingdom of Great Britain and Ireland, and to Continental Europe, and covers it while there. It also includes the ocean risk both ways. An additional charge of one-half of one per cent is made for this extension of coverage, to take care of the water-borne risk. While the present war is raging in Europe, it would probably be impossible to secure the European coverage.

When a car is used for carrying passengers for compensation a special rider must be attached to the policy permitting the same, and the assured must pay an additional rate of 1 per cent for the privilege.

The fire companies will, upon request, eliminate the theft and automatic reinstatement features from their policies and allow a reduction of one-half of one per cent on gasoline livery, renting, pleasure and commercial cars, and one-fourth of one per cent on steam, electric and all dealers' cars. It is a foregone conclusion that but few policies excluding loss by theft can be sold in large cities, although there is a possibility of a large demand for this form of contract in the smaller places where the danger of theft losses is at a minimum.

Damage from collision to an insured car is assumed under what is known as the "Collision Damage Sustained Clause," which covers damage to the automobile in excess of $25, by being in collision with any other automobile, vehicle or object, excluding loss to tires, unless the total collision damage to the insured car exceeds $200. This clause excludes damage caused by striking any part of the road-bed; by striking the rails or ties of street, steam or electric railroads; by being operated in a race or speed contest, or while being operated by any person under sixteen years of age, or under the age limit fixed by law. The first loss of $25, which the assured is obliged to stand under this clause, will be assumed by the company in consideration of an additional premium of $35.

The "Collision Done," or property damage rider, indemnifies the assured, in case he is legally liable, for physical damage by collision to the property of others, when caused by the automobile insured. Should the object collided with be another automobile, and should a fire occur in the other automobile, as a result of the collision, then the damage done by the fire would also be covered under this rider to the extent of the insurance covered thereby. This risk is sometimes called third party liability.

Many policyholders and, I am sorry to say, some agents and brokers, labor under the impression that the face of the policy should be paid when the subject of the insurance is a total loss. Even if it were possible to determine the value at the time of issuing the policy, there would be no sure rule of predetermining the depreciation up to the time of loss, if one should occur during the policy period. If an attempt should be made to appraise every car when insured the rates would have to be raised considerably in order to meet the added expense of the business.

When the assured holds a valued contract the company has no alternative but to pay the face of the policy in case of total loss, even though the value at time of destruction be much less than the amount insured. This emphasizes the absurdity of the valued form and the necessity for its abolishment. Scarcely any kind of property depreciates as rapidly as a motor car; hence, a company should reserve the right to ascertain the actual loss after the occurrence of the accident and not pledge itself at the time of issuing the policy to pay a stipulated amount in the event of total destruction. The valued policy creates a moral hazard, it encourages fraud, and its use should therefore be discontinued

except in such cases where the amount of insurance is limited to the sound value at expiration of policy.

A public liability policy covers the legal liability of the assured to any one or more non-employes for fatal and non-fatal accidents to the extent of $5,000 for any one person and $10,000 for more than one person involved in one accident. This policy also pays the cost of first medical or surgical aid and the expenses of litigation, even if the case be groundless.

Inasmuch as fire from any cause whatsoever is covered under both Lloyds and the Conference form, there is no necessity for excluding it in the collision riders of these organizations, but it must be remembered that the collision clause of the liability companies specifically excludes loss from fire caused by collision. In other respects, however, all collision clauses are practically alike, except that under a liability policy the assured can almost invariably recover up to $5,000 for collision, whereas under the other forms he would be limited to the amount of the policy. The explanation is that automobile liability policies are, almost without exception, issued for a limit of $5,000 on any one person or automobile.

The property damage rider of the liability companies is a broader cover than that used by the automobile companies, because it, as well as the liability policy itself, covers all the assured's legal liability to financial loss resulting from the maintenance or operation of his car.

I have often wondered why the fire insurance companies ever undertook to cover third party losses. This is purely the function of a liability company. The liability companies have also usurped the function of the fire insurance companies by covering, under their policies, collision damage sustained, which is purely the function of the fire insurance companies. I believe the day is not far distant when this inconsistency will be corrected. No assured can be made legally liable to himself, and therefore it is not within the province of a liability company to indemnify the assured for such losses as he may sustain to his own property, any more than it is within the province of the fire insurance companies to assume the obligations of the assured for third party liability, damage done, or property damage, all of which terms are synonymous.

The charge for property damage should be based on the weight of the car and not the horsepower. The extent of third party damage depends very largely upon the ability of the colliding car to damage the thing collided with. A heavy car coming in contact with a light car is quite likely to damage the latter to a greater extent than would be possible if the impact were caused by a light body. On this theory the more a car weighs, the higher the rate thereon should be for property damage insurance.

The Chauffeur's Endorsement covers the legal liability of the assured to his chauffeur as defined in the Workmen's Compensation Law of any State of the Union.

The automobile rating system in force in the United States for a short time was so complicated that insurance agents and brokers generally did not pretend to understand it. This system was the outgrowth of the limited experience and ideas of different interests, but it had to give way last April to a more simplified system.

The old rate schedule covered by provided starting or basis rates under twenty four different headings embraced in two schedules, known as No. 1 and No. 2. These headings were denominated "A to H" and "J to Z." These letters of the alphabet indicated, in Class No. 1, original list prices of cars when new, excluding cost of additional equipment and extra bodies. Class No. 2 schedule covered rates on old cars and cars not in the hands of the first owners. As a car decreased in value from age, wear, tear and other causes, the rates decreased under each one of the alphabetical denominations enumerated, stopping only when the value left was indicative of what might have been regarded, from an underwriting standpoint, as an uninsurable risk. The maximum rate shown in these schedules was 4⅞ per cent. If the underwriter was willing to write a car for any amount below the minimum for which a rate was provided, it was optional with him to charge a higher rate, if it could be collected. These schedule rates applied to private pleasure gasoline automobiles and commercial cars only.

Electric cars were insured at 1½ per cent for any amount, or for 1.375 without theft.

Private and commercial steam cars, of current or succeeding year's model, could be written at 3 per cent and older models at 3½ per cent. If the boiler and burner were located in front of the dashboard, the rate could be reduced one-quarter of 1 per cent in each case. One-eighth of 1 per cent was allowed for the elimination of theft.

If a car were used for carrying passengers for compensation the schedule rate was increased 1 per cent.

Cars in the hands of dealers, if second-hand, were insurable at 1 per cent over the schedule rates for dealers.

The rates charged by the fire and liability companies for collision damage sustained—that is, collision damage to the car insured—on private, gasoline, steam and electric cars, and cars at sales agencies, ran from $28 to $200, according to the type and value of the car insured. The rate manual prescribed twenty-six different premium charges, each charge being designated by a letter of the alphabet for the sake of convenience. These premiums were computed at 2 per cent of the original list price of the car, with equipment, except that the minimum charge was $28 and the maximum $200. Lloyd's rates for this coverage were 5 per cent less than the stock companies' rates.

The new schedule does not discriminate between old and new cars, except as age is reflected in reduced amounts of insurance, the theory being that as a car increases in age the amount of insurance necessarily decreases, due largely to wear and tear, and also to reduced market values. The partial loss ratio, however, is not reduced on old cars, and hence the necessity for increasing the rate in order to produce a sufficient amount of revenue with which to meet partial loss payments. The new schedule is also competitive.

There are but three classes now, namely, A, B and C. All cars listing at over $3,500 come in the "A" class, all cars listing from $1,500 to $3,499 come in the "B" class, and all cars listing from $700 to $1,499 come in the "C" class.

For models of this year and next year the starting rates are 1½ per cent, 1¾ per cent and 2 per cent, respectively. For last year's models the rates are 1½ per cent, 2 per cent and 3 per cent. For models of year before last the rates are 2¼ per cent, 3½ per cent and 4 per cent, and for cars three years and older the rates are 2¾ per cent, 4½ per cent and 5 per cent, on the A, B and C class above mentioned, respectively. The schedule also carries with it minimum premiums of from $7.50 to $15. The above cars may all be written for 50 cents less than the rates specified for what is known as the "stripped" policy; that is, where the theft and automatic reinstatement features are eliminated.

For cars listing at less than $700, the rate for this and next year's models is 2½ per cent for fire and theft, minimum pre-

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FINANCE AND COMMERCE

FOREIGN developments have not been adverse to the hopeful efforts to revive general business represented by the decision finally arrived at this week to make a gradual beginning of open dealings on the New York Stock Exchange, starting with listed bonds, transactions remaining under certain supervisory restrictions not customary in normal dealings. Such progress as this denotes in the readjustment of financial and commercial affairs could not have been made if events abroad had furnished any disturbing surprises, but this is no reason for qualifying satisfaction over the actual foreign occurrences. American sympathies and convictions amount to a persuasion that the world's interest will be served by a defeat of Germany's pretentions, and military and financial news has lately suggested the steady weakening of the German position in the war.

The effectiveness of the Russian offensive has astonished military observers, and it would seem to be only a question of time now before the German nation must realize that it has undertaken an impossible task. This may not mean the early collapse of the war, but once it becomes clear that Germany can only wage a losing conflict, the banking and business world will be endowed with the power to hasten the conclusion of the war which they lacked to prevent it. This is all the more strikingly suggested by the consideration of the price of the German reichsmark. All the official news and press bureau advices which are controlled by the wonderful German organization of every field of human interest assert the wonderful financial preparedness of Germany for the war and the astonishing record of economic stability which it is making. Nevertheless there is the 10 per cent discount at which the reichsmark is quoted in all money markets, a discount which is increasing, not diminishing. It is not our purpose to review the obvious and probable causes for the depreciation of the German monetary unit. It suffices to direct attention to it as a sign of the weakness underlying the German military situation.

On the other hand, the foreign financial features with which we are most concerned, the phenomena of the London money market in all its aspects, have grown even more auspicious for American fortunes. The British war loan of $1,750,000,000 has had an immense popular success in flotation. It was so largely oversubscribed by individuals that it is doubted if financial institutions will receive any considerable share of the issue. Of course, artifices were employed, such as the Bank of England's offer to make advances on the Government loan without margin and at a price below the Bank rate, but we have to reckon the London money market to-day in terms of a good deal of artifice and take it as it is. So regarding it, the reception accorded to the war loan cannot fail to enhance British banking confidence and the confidence of alien creditors and debtors alike in the British monetary situation.

Loanable funds in London are becoming almost a drug and are bound to find employment, which must mean recovery in trade volumes as well as in financial values, whatever subsequent reaction or decline may be in store. Among other things it is likely that the circumstances of money in London will operate against continued heavy liquidating pressure in securities even though the aggregate of such liquidation is eventually large, and this is of good omen for the experiment which Wall Street is undertaking in reopening the organized securities market. A token of the international improvement is furnished by the recall of Sir George Paish and his colleague of the Exchequer. While they have been conferring with Secretary McAdoo and the Federal Reserve Board, affairs have been righting themselves, to a large extent automatically. The British financial mission does not seem to have accomplished anything along the lines of its original intent, which was undoubtedly to arrange for increased exports of gold from this country, but it may have achieved a satisfactory understanding of the attitude of American finance and arrived at a clearer perception of the prospect which this country has for recovering and maintaining business and financial activity. The departure of representatives of our finance to continue conversations in London on the return of Sir George Paish and Mr. Blackett is very evidently designed to outline policies dealing with future contingencies, involving among other things the probability that command of the foreign exchanges will, in the course of a few months, shift to New York, except as the transfer may be interfered with by international dealings in American stocks and bonds. That is a bridge which we can cross when we come to it, but something will be gained by examining the approach.

Accompanying the movement for Stock Exchange reopening which has made such a brave beginning are significant signs of an incipient speculative fever which may express itself during the Winter in something like a boom in stocks. This might very well be the precursor of a general business expansion, both being responsive to the same underlying cause, the abundance of funds in the money market which is bound to find occupation in some form. The decision to feel out the financial situation by permitting open dealings in bonds is a symptom of the progress which has been made in overcoming the effects of the outbreak of the war and is on all accounts to be commended. There are some things in the financial position and outlook which cannot be ascertained in any other way, and until the organized securities market is restored the country will be handicapped in its efforts to promote a trade and industrial revival. What the consequences of Wall Street's enterprise will be are of course only a matter of conjecture, but as has just been said, the portents of the money market do not only favor Stock Exchange resumption; they imply that processes of inflation have already been prepared by some of the emergency measures resorted to during the last three months, including among other things the haste in setting up the Federal Reserve banking system.

Clearing house certificates are being retired and there has been a retirement of more than a quarter of the total amount of emergency currency taken out. Nevertheless these devices have alrady had an influence in enlarging the lending capacity of the money market, and no matter what the Federal Reserve Board attitude is, the conduct of the Treasury Department is not conducive to a complete and quick withdrawal of all the emergency currency still outstanding. Secretary McAdoo exemplifies to a certain extent all the proclivities of his party for cheap money and plenty of it, and unless we are greatly mistaken the country is about to experience the pleasurable and exciting dangers which result from cheap money policies. A considerable percentage of the emergency currency issue is going to stay in circulation for a long time, to the extent at least of reposing in the vaults of State banking institutions, which can use it as reserve against deposits and therefore as a basis for lending operations. Mr. McAdoo's cotton pool, if it works at all, will have the effect of keeping emergency currency outstanding, and unless we misread the signs in the South, which is already protesting against the discount rate fixed by the Federal Reserve Board as too high, there is an excellent chance that the Winter season at Washing-

ton will be characterized by a struggle in and out of Congress to accelerate the tendencies of the inflationary money market processes already referred to.

The most significant of these processes is denoted by the monetary plethora which has been created by the establishment of the Federal Reserve banks. The management of the New York Clearing House Association is urging people not to regard the colossal surplus reserve of some $175,000,000 as a real surplus, but it is there just the same. There have been similar consequences elsewhere from the setting up of the Federal Reserve banks and the incidental reduction of statutory reserve requirements. Probably the majority of bankers do not yet realize the situation which has been precipitated, but unless we misunderstand it the money market is stuffed with an unprecedented supply of funds for which employment must be found. Inflation which does not take the shape of redundant currency issues, but is represented by a sudden vast access of credit supplies, may obscure the facts, but does not alter them, and of all forms of inflation the hardest to deal with and the one which is most difficult to control is credit inflation. To day the banks have been abruptly vested with a huge lending power and we can be pretty sure that they are going to use it.

At this juncture all thoughtful persons will turn their eyes toward the Federal Reserve Board and observe its action closely. So far the board as a whole has evinced its desire to avoid making any contribution to a stimulation of borrowing operations, but the board labors under impediments. The Federal Reserve Act is a highly defective instrument. It provides for a banking system admirably adapted to cope with a monetary strain however abnormal and excessive. What it does not provide for is a system which will work of itself at normal times or in times of abnormal ease. It is going to be a very expensive system to support, and with the best will in the world the Federal Reserve Board is going to have trouble in refusing to allow the reserve banks to try to make money by fostering a resort to the facilities which they have to offer by way of enhancing the lending power of the open money market. All the time also the board will have to contend with the political considerations that converge in the Treasury, especially in a Treasury administration which has done everything it could to encourage the idea that the function of Government was to make money plentiful.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

[illegible] 1914.

Actual Status [illegible]

	[illegible]
Loans	[illegible]
Deposits (net)	[illegible]
Cash reserves	[illegible]
Other reserves	[illegible]
Reserve ratio (%)	[illegible]

PHILADELPHIA BANKS STATEMENT.

	[illegible]
Loans	[illegible]
Deposits	[illegible]
Cash reserves	[illegible]

BOSTON BANKS STATEMENT.

	1914			
	July 11.	July 18.	July 25.	Aug. 1.
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.8	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913.	1914		
	Oct. 21-22	Jan. 13-14.	June 30.	Sept. 12.
Loans	700.4	667.2	701.2	704.7
Deposits	1,003.2	997.4	1,024.3	964.4
Cash, other reserves	449.5	470.2	335.2	311.9
Reserve ratio (%)	44.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914			
	Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,175.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week Ending	New York.	Outside.	Total.	New York.	Outside.	Total.
November 21	1,515	1,905	3,421	1,156	1,714	2,870
November 14	1,559	1,868	3,428	1,166	1,634	2,800
November 7	1,511	1,898	3,409	1,096	1,493	2,589

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week Ending.	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
November 27	10	5	5¼	4½	4½	5
November 20	3½	4¾	5½	5	5½	5½
November 13	4	5	5¾	5½	6	6

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Nov. 5.	Nov. 12.	Nov. 19.	Nov. 27.
Deposits	156,743	156,535	163,621	170,344
Circulation	37,330	35,518	35,313	35,314
Gold	69,474	69,280	72,570	72,222
Securities	124,108	122,094	125,704	137,601
Reserve ratio (%)	33.42	33.55	34.04	31.60
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 16.	July 23.	July 30.	Oct. 1.
Deposits	1,218.9	1,343.5	1,331.0	2,117.0
Circulation	6,067.0	5,911.9	6,683.1	9,299.0
Gold	4,092.6	4,104.3	4,141.3	4,092.0
Silver	679.7	664.6	625.3	319.0
Discounts, etc.	1,506.8	1,611.8	2,444.2	4,476.0
Coin to notes (%)	77.9	80.6	71.0	58.1
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	Oct. 7.	Oct. 15.	Oct. 23.	Oct. 31.
Gold and silver	1,858.7	1,863.7	1,878.1	1,890.3
Loans and discounts	3,014.9	3,006.6	2,955.3	2,809.1
Circulation	4,106.8	4,061.1	3,967.9	4,170.7
Discount rate (%)	6	6	6	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	July.	August.	September.	October.
Loans on call	153.0	163.7	159.5	151.4
Loans, current	824.0	853.8	847.8	858.6
Deposits, demand	340.1	338.9	348.2	348.7
Deposits, other	768.9	757.1	759.3	755.6
Circulation	118.8	114.5	120.3	123.1
Cash reserves	149.3	159.7	176.2	183.2

THE COUNTRY'S COMMERCE

	September		October	
Merchandise.	1913.	1914.	1913.	1914.
Exports	$121,084,843	$139,204,267	$132,949,292	$137,978,778
Imports	228,240,001	156,188,730	227,858,071	195,283,872
Specie.				
Imports	4,826,748	2,761,593	5,391,085	5,934,866
Exports	190,837	23,857,209	197,580	50,341,972
Net Imports	2,078,248	1,641,213	2,565,446	2,549,117
Net Exports	5,878,197	5,380,981	4,878,349	3,972,446

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	49	48⅞	49⅛	49¼	[illegible]	49¼
London	22 11-16	22	22 13-16	23	[illegible]	22 13-16

COTTON

November 28, 1914.

ALTHOUGH there has been little real activity in the cotton futures markets during the past week and although the general feeling of uncertainty as to the course of prices (which now lies wholly with the Southern farmer) prevents the making as yet of any large forward commitments, it is a noticeable fact that the markets have been rather better than steady, and those who have been expecting an immediate decline to a lower level of values have had little encouragement from the general tone of the trading. Since the last ginning report of the Census Bureau it is commonly believed that the season's crop cannot be less than 16,000,000 bales, and may turn out several hundred thousand bales above this figure. The size of the crop, however, appears to have ceased to be a market factor, at least for the present. Everybody knows that there is more cotton in the South than ever before at this time of the year; but it is also a visible fact that most of this surplus cotton is carried by the farmers themselves. There is no pressure of it upon the spot markets anywhere, and shippers who need cotton to fill contracts often find that they must pay rather more than they like to obtain the cotton. The futures markets both those in the United States and the Liverpool Exchange, are still feeling to some extent the selling out of old contracts carried over form the days before the war, and this liquidation has thus far been sufficient to prevent the price of future contracts from rising sufficiently to be completely on a parity with the price of cotton in the South. There is consequently only a very moderate volume of hedge selling and the process of restoring the floating supply of contracts at the new low level of values, which may freely be traded in by would-be buyers and sellers, is correspondingly slow. One cause that is undoubtedly operative to diminish hedge selling is the reluctance of the Southern banks to make advances to local cotton merchants and shippers, on considerable lots of cotton. The banks still have large sums of money owing to them from farmers, to whom they made advances for the raising of the crop. The cotton which the farmers are carrying is the real collateral against these loans; and the banks not unnaturally hesitate to lock up more of their resources in cotton whose sale may be spread over a long period of time. It is possible that the Secretary of the Treasury and the Federal Reserve Board will ultimately discover a practicable method of loaning upon cotton the $135,000,000 of the Cotton Loan Fund, of which there has been so much said. Should they succeed in this, it is probable that the Southern banks would be relieved of some portion of their old loans and put in a position to make new ones. But thus far lack of adaptation to the requirements of the trade has characterized the proceedings in connection with the Cotton Loan Fund, and it cannot be said that the latest reports about it indicate any real progress in the right direction. Perhaps at the moment the project is doing more harm than good, inasmuch as it is rousing in a multitude of minds hopes that can hardly be realized commercially. In this connection, it may be said that very positive harm will be done, in respect of the price of cotton, if Congress, as soon as it meets, begins to agitate again the fantastical schemes for great bond issues in behalf of cotton which were on the carpet when Congress adjourned. There is but one way to obtain a good and moderately advancing market for cotton during the next few months, and that is gradually to enlarge the trading in cotton, on and off the exchanges. The general interest in cotton, at least in the United States, has never been keener than it is at present and a very large number of persons are closely watching the market with the idea that purchases even at the present price level must eventually prove very profitable. But the ventures of these persons must be gradually extended through the action and interaction of example and cooperation. As time goes on they will assume more and more that burden of the risk of a decline in prices which, according to the economists, it is the function of the speculator or speculative investor to carry for the benefit of producers, merchants and manufacturers. Gradually, too, the burden will become more easy to carry, as the great supply of cotton moves out for consumption and export. There is a very obvious acceleration of this movement already, and before many weeks are past we may expect to hear less of the gloomy prognostications of a calamitously small distribution and use of cotton this year. By this it is not meant to say that the problem of a record-breaking surplus at the end of the season will be done away with, nor that it can be counted as assured that there will at no time be some further temporary decline in the price of cotton. It may well happen that the risk-carrying speculator will prefer to buy some of his cotton at what he considers an irreducible minimum of price and may calculate that all the price-affecting factors of the situation warrant a decline, even if temporary, to the level of prices reached in December and January of 1904-1905,—i. e. approximately 6¼ cents per pound for immediate deliveries in New York, or 6 cents per pound for cotton in the local Southern markets. There can be little question, however, that by the time these prices had been reached the volume of buying would have become ample to care for any possible surplus of this crop over and above the requirements of actual consumption. For this surplus cannot at the most exceed the world's normal consumptive requirements for four or five months; and it is a well known commercial fact that the world's future markets have carried a full year's surplus supply of coffee on a similar basis of prices, having regard to the cost of production.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	7.40	7.38	7.26	7.35	....	7.43
Low	7.17	7.23	7.20	7.19	....	7.30
Close	7.26	7.29	7.23	7.31	....	7.37
January (Old Contract)—						
High	7.43	7.39	7.37	7.49	....	7.50
Low	7.43	7.39	7.37	7.36	....	7.38
Close	7.37	7.40	7.34	7.49	....	7.41
January (New Contract)—						
High	7.60	7.51	7.42	....	....	7.55
Low	7.45	7.47	7.40	....	....	7.52
Close	7.15	7.47	7.40	....	....	7.52
March (New Contract)—						
High	7.69	7.65	7.55	7.63	....	7.69
Low	7.54	7.53	7.49	7.52	....	7.60
Close	7.57	7.59	7.52	7.59	....	7.63
March (Old Contract)—						
High	.....	.....	.....	7.38	....	7.51
Low	.....	.....	.....	7.38	....	7.49
Close	7.37	7.42	7.36	....	....	7.47
May (New Contract)—						
High	7.88	7.82	7.70	7.75	....	7.80
Low	7.74	7.69	7.61	7.60	....	7.70
Close	7.75	7.75	7.63	7.70	....	7.75
May (Old Contract)—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	7.51	7.55	7.43	....	....	7.60
July—						
High	8.05	7.99	7.87	7.93	....	7.93
Low	7.94	7.90	7.81	7.79	....	7.87
Close	7.94	7.93	7.81	7.88	....	7.90
August—						
High	.....	.....	.....	....	....	8.02
Low	.....	.....	.....	....	....	8.02
Close	.....	.....	.....	....	....	....
September—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....
October—						
High	8.16	8.14	8.05	8.14	....	8.18
Low	8.06	8.04	7.99	8.01	....	8.11
Close	8.10	8.07	8.03	8.10	....	8.12
November—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	....	7.28	7.26	....	....	7.26
Low	....	7.28	7.22	....	....	7.24
Close	7.22	7.26	7.22	7.22	....	7.28
January (New Contract)—						
High	7.42	7.41	7.36	....	....	7.45
Low	7.32	7.35	7.32	....	....	7.35
Close	7.36	7.39	7.33	7.37	....	7.37
February—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....
March—						
High	7.55	7.53	7.47	....	....	7.60
Low	7.47	7.46	7.43	....	....	7.50
Close	7.46	7.49	7.45	7.51	....	7.55
May—						
High	7.74	7.72	7.66	....	....	7.78
Low	7.67	7.69	7.61	....	....	7.69
Close	7.66	7.67	7.62	7.67	....	7.72
June—						
High	....	.....	.....	....	....	....
Low	....	.....	.....	....	....	....
Close	....	.....	.....	....	....	....
July—						
High	7.90	7.90	7.83	....	....	7.91
Low	7.83	7.82	7.83	....	....	7.91
Close	7.86	7.85	7.79	7.81	....	7.90
August—						
High	....	.....	.....	....	....	....
Low	....	.....	.....	....	....	....
Close	....	.....	.....	....	....	....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
September—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
October—						
High	.....	.....	.....	....	. .	S.17
Low	.....	.....	.....	. .	....	S.16
Close	7.95	S.00	S.04	S.08	....	S.14
November—						
High	.....	.....	.....	.....	.....	.....
Low	....	.....	.....	.....	.....	.....
Close	. .	.....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for cotton delivery on each day of the past week, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
May-June—						
Opening	4.18	4.17	4.21	4.12	4.16	4.18
12.30 p. m.	....	4.20	4.18	4.14½	4.17	4.18½
Close	4.14½	4.20	4.16	4.14	4.14	4.21½
June-July—						
Opening	....	....	....	....	....	....
12.30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
July-Aug.—						
Opening	4.20½	4.21½	4.28	4.19½	4.27	4.24½
12.30 p. m.	....	4.26	4.23½	4.20	4.24½	4.25
Close	4.20½	4.27	4.22½	4.20½	4.24½	4.24½
Aug.-Sept.—						
Opening	....	....	....	....	....	....
12.30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Sept.-Oct.—						
Opening	....	....	....	4.27	....	....
12.30 p. m.	....	....	....	4.27	....	....
Close	....	....	....	....	....	....
Oct.-Nov.—						
Opening	4.31	4.31	4.37½	4.29½	4.33½	4.35
12.30 p. m.	....	4.31½	4.37½	4.29½	4.33	4.34½
Close	4.29½	4.35	4.34½	4.31	4.34	4.36
Nov.-Dec.—						
Opening	....	....	....	....	4.35	....
12.30 p. m.	....	....	....	....	4.35	....
Close	....	....	....	....	....	....
Dec.-Jan.						
Opening	....	....	....	....	....	....
12.30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Jan.-Feb.—						
Opening	....	4.41	4.48	4.37	4.38½	4.41
12.30 p. m.	....	4.40½	4.48	4.36	4.40	4.41
Close	4.39	4.41½	4.38½	4.35	4.40	4.42½
Feb.-Mar.—						
Opening	....	....	....	....	....	....
12.30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Mar.-Apr.—						
Opening	....	....	....	....	....	....
12.30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Apr.-May—						
Opening	....	....	....	....	....	....
12.30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds) net weight:

Month.	Sat	Mon.	Tues.	Wed.	Thurs	Fri.
July	....	....	....	....	....	....
August	....	....	....	....	....	....
September	....	....	....	....	....	....
October	....	....	....	....	....	....
November	....	....	....	....	....	....
December	....	....	....	....	....	....
January	....	....	....	....	....	....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets of the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs	Fri.
New York	[illegible]					
[illegible]						
[illegible]						
[illegible]

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	191,729	138,133	122,84(
France	44,734	54,203	16,093
Continent	152,588	174,474	75,022
Mexico	.....	.....	1,351
Japan	5,780	20,574	22,140
Totals	394,831	387,384	237,453
Great Britain	1,819,145	1,463,732	580,645
France	591,629	638,875	64,147
Continent	1,531,088	1,780,662	427,998
Mexico	753	17,981	23,054
Japan	66,790	133,874	149,672
Totals	4,009,405	4,035,124	1,245,516

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	380,000	390,000	.....
Since September 1	3,876,640	4,207,859	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	9,000	76,050	5,000	81,714	.....	.....
To Manchester	11,500	79,301	9,000	75,753	.....	.....
To Continent	11,250	82,161	19,250	114,526	.....	.....
To America	2,500	25,618	1,250	7,636	.....	.....
Total exports	34,250	263,130	34,500	279,629	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year		
	Week.	Season.	Week.		Season.
Receipts	88,000	425,000	.....	.....	.....
Exports to Great Britain	.....	4,000	.....	.....	.....
Exports to Continent	22,000	203,000	.....	.....	.....
Exp. to Japan and China	.....	117,000	.....	.....	.....
Afloat in harbor	15,000	.....	.....	.....	.....

Exchange, 1s. 4 11-32.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	746,000	541,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses	73,000	46,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	13,000	2,000	.....	.....
Bremen	315,000	311,000	.....	.....
Havre	325,000	320,000	.....	.....
Other ports—Continent	61,000	37,000	.....	.....
Alexandria	341,000	.....	.....	.....
Bombay	270,000	.....	.....	.....
U. S. interior towns	726,796	726,796	.....	.....
U. S. ports	1,027,112	1,027,112	.....	.....
Afloat for—				
Liverpool	453,000	394,000	.....	.....
London	.....	.....	.....	.....
Continent	845,000	717,000	.....	.....
Afloat in Bombay harbor	15,000	.....	.....	.....
Coastwise to New York	19,000	19,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	5,234,908	4,140,908	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 292,499. Increase in American visible supply for the week, ———, against 217,499 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	7,630,833	.....
Total supply	8,962,973	.....
Less visible supply, American, to-day	4,147,513	.....
World's takings, American, to date	4,815,460	.....
American Takings.		
Stocks at United States ports July 31	161,289	.....
Returned from foreign countries	.....	.....
Receipts at United States ports to date	5,601,072	.....
Total supply at ports	5,765,361	.....
Deduct.		
Stocks at ports to-day	1,032,827	.....
*Exports to date	4,054,124	.....
Southern mill takings from ports	24,718	.....
Burnt at ports	.....	.....
Totals	5,111,669	.....
To Northern mills from ports	653,699	.....
Overland to Northern mills	387,130	.....
Total Northern mill takings	1,040,822	.....
Southern mill takings	1,079,511	.....
Total American mill takings, including Canada	2,120,336	.....

*Includes ——— in transit between Southern ports and New York, against 19,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	203,630	2,120,336	.....	.....
Great Britain	66,133	1,032,732	.....	.....
Continent	158,677	1,510,537	.....	.....
Mexico	.....	17,981	.....	.....
Japan and China	20,574	133,874	.....	.....
Totals	449,014	4,815,160	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	38,000	450,000	41,000	32,000
Sales, American	31,000	36,000	27,000	24,000
Sales, speculation	5,000	5,000	1,000	1,000
Sales, exports	2,000	4,000	3,000	2,000
Forwarded	117,000	119,000	83,000	77,000
Imports, all kinds	238,000	179,000	61,000	69,000
Imports, American	198,000	125,000	60,000	52,000
Actual exports, all kinds	16,000	3,000	4,000	7,000
Stock, all kinds	927,000	746,000	711,000	694,000
Stock, American	784,000	541,000	441,000	427,000
Afloat for Great Britain, all kinds	605,000	457,000	265,000	.....
Afloat for Great Britain, American	524,000	398,000	196,000	.....

FIFTH COTTON GINNING REPORT OF THE SEASON.

On Saturday, November 21, the Bureau of the Census issued its fifth report of the season on cotton ginned from the American crop of 1914-1915. The figures cover the period from the beginning of the season up to November 14. The following table gives the returns by States, with comparisons for last year and for the large crop year, 1911:

COTTON GINNED FOR SEASON TO NOVEMBER 1.

	1911, Bales.	1913, Bales.	1914, Bales.
Alabama	1,239,211	1,181,232	1,263,430
Arkansas	563,115	606,388	735,228
Florida	65,236	53,217	65,903
Georgia	2,106,305	1,823,789	2,061,251
Louisiana	269,548	276,271	341,342
Mississippi	719,638	734,988	838,355
North Carolina	716,200	493,360	555,401
Oklahoma	657,497	666,736	840,634
South Carolina	1,163,984	995,398	1,091,289
Tennessee	264,777	233,663	238,401
Texas	3,473,702	3,313,443	3,511,138
All others	74,023	66,044	82,336
United States	11,313,236	10,444,529	11,624,708

The amount of cotton ginned from November 1 to November 14 was 1,795,626 bales, as compared with 1,342,331 bales ginned in the same period in the season of 1911-1912, or 454,000 bales more. Included in the figures for this year were 32,454 round bales (taken as half-bales), as compared with 74,167 last year, 62,768 in 1912, and 76,011 in 1911. Sea Island cotton included amounted to 53,875 bales, compared with 51,950 bales last year, 40,389 bales in 1912, and 71,199 bales in 1911.

The average quantity of cotton ginned prior to November 1 in the last seven years was 9,406,715 bales, or 74.2 per cent of the average of the seven crops.

NEW YORK COTTON EXCHANGE REVISION OF DIFFERENCES FOR THE GRADES OF COTTON

On Wednesday, November 25, the Revision Committee of the New York Cotton Exchange met for the revision of the differences, or relative valuations of the grades of cotton, for delivery on contracts. Under the new system (which after February 18, 1915, will be superseded by the full commercial difference system), the

differences made at the present session are applicable only to deliveries on December contracts. The following table shows the new differences with comparisons of the old differences:

	Old.	New
Middling Fair	.56 on	.80 on
Strict Good Middling	.42 on	.60 on
Fully Good Middling	.35 on	.56 on
Good Middling	.28 on	.40 on
Barely Good Middling	.21 on	.30 on
Strict Middling	.14 on	.20 on
Fully Middling	.07 on	.20 on
Middling	Basis	Basis
Barely Middling	.25 off	.25 off
Strict Low Middling	.50 off	.50 off
Fully Low Middling	.85 off	.85 off
Low Middling	1.25 off	1.25 off
Strict Good Ordinary	2.00 off	2.00 off
Strict Good Middling Tinged	.14 on	.20 on
Good Middling Tinged	Value of Middling	
Strict Middling Tinged	.20 off	.20 off
Middling Tinged	.10 off	.40 off
Strict Low Middling Tinged	1.25 off	1.25 off
Middling Stained	1.25 off	1.25 off

It will be noted that the grades of Fair, Strict Middling Fair, Good Ordinary and Middling Tinged, all of the New York Cotton Exchange or American standard of classification, are not included in the above schedule of differences, being no longer deliverable on New York Cotton Exchange contracts after December 1, 1914.

Resignation of Sir Charles Macara.—Sir Charles W. Macara's advocacy of reciprocal dealings of cotton has led to his resignation of the presidency of the Federation of Master Cotton Spinners' Associations, says the "Journal of Commerce," the general committee of that body not being in accord with his views on that subject. An official communication states that on Friday, November 6, arising out of a report from the cotton committee of the Federation, the general committee unanimously adopted the following resolution: "It is the opinion of the general committee, no member of any committee or subcommittee of the Federation is entitled to express opinions affecting the interests of the Federation in the press without submitting them to the committee for approval." The terms of the resolution were forwarded to Sir Charles Macara, who was unable to attend the meeting, and in [illegible] letter:

"You will, no doubt, remember that I intimated at the last annual meeting I should be relieved of the position I had held for the past [illegible] only continued it for another year on account of the peculiar circumstances in which the cotton industry [illegible] the resolutions passed by the general com-

(Continued on Next Page.)

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following were the New York market for typical [illegible] (in cents per [illegible] the present week:

	Monday.	Wednesday.
[illegible]	3	3
[illegible]	4	4
[illegible]	4	4
[illegible]	4	4

mittee would interfere with my freedom of action and render it impossible for me to carry on most of the important work I have done in the past, and which I intend to continue in the future as opportunity occurs, I beg to tender my resignation of the presidency of the Federation."

AN ANALYSIS OF CHINA'S TRADE IN COTTON GOODS

IN the issue of this paper for November 21 the larger possibilities of the foreign trade of China were discussed. Among other things, it was there shown that out of China's $415,000,000 of imports of merchandise, in 1913, more than $110,000,000 in value consisted of cotton goods. This means a tempting market for cotton manufacturers, wherever they may be, and at the present juncture a particularly tempting market for American manufacturers. It is true that for long years American cotton goods have been exported in considerable quantity to China, and that more than once it has seemed as if a commanding position in the Chinese trade was about to be won for the American mills. In recent years, however, American cotton goods exports to China have been decidedly disappointing, both in absolute and in relative amount. Despite the rapid growth of cotton manufacturing in the United States, in both the Northern and the Southern States, there has been during the past decade virtually no gain in the volume of sales of the products of this manufacture to one of the chief consuming markets in the world. Indeed, there has been some falling off of late years from the record of the first two or three years of the decade. The natural growth of the Chinese consumption of cotton goods has been somewhat more than taken care of by the English, the German and especially the Japanese manufacturers. It would appear, therefore, either that the American mills cannot meet the competition of their rivals in costs and prices, or that there is on their part some defect of adaptation to the particular requirements of the Chinese cotton goods trade.

Whatever the cause, however, of the comparative retardation of the American commerce in cotton goods with China, the present situation, with its unparalleled disturbance of the world's cotton trade, seems to call attention anew to what may possibly be accomplished in the way of a real and permanent development of the Chinese market for our cotton products. American cotton manufacturers have such an opportunity as perhaps never before presented itself to turn cheap cotton into the kinds of goods that are specially suitable for the important consuming and importing countries; and thus to establish a substantial export business of a continuous, instead of spasmodic and irregular, character. At the present time, the United States, though spinning more cotton than any country in the world, participates in the Chinese cotton goods trade to the extent of but little more than 5 per cent of the total of that trade. More than this, the American cotton goods actually exported to China are limited to only a few of the simplest kinds required by the Chinese market. Virtually nothing appeals to have been done as yet by our manufacturers in the way of meeting the demand for the numerous varieties of specialized goods which the statistics show to be salable to the Chinese. Perhaps, then, the time is not inopportune for calling the attention of American manufacturers of cotton products to the latest information upon the subject. This is contained in a recent report made to the United States Department of Commerce by Mr. Thomas Sammons, Consul General at Shanghai. As preliminary to Mr. Sammons' statistics and recommendations, however, it will be well to give the figures of the Department of Commerce for the exports of cotton goods from the United States to China for each of the years from 1909 to 1913, inclusive. These are as follows:

MANUFACTURES OF COTTON EXPORTED TO CHINA FROM THE UNITED STATES.

	1909.	1910.	1911.	1912.	1913.
Cloths, unbleached:					
Yards	120,951,387	92,452,575	78,300,455	103,563,291	78,161,164
Value	$6,983,774	$5,609,713	$5,138,515	$7,088,033	$5,373,877
Cloths, bleached:					
Yards	17,415,127	543,238	1,570,050	875,984	25,597
Value	$908,681	$23,817	$96,918	$50,468	$2,732
Cloths, colored:					
Yards	1,620,499	2,045,232	869,037	3,976,194	2,275,086
Value	$111,402	$122,788	$57,961	$233,457	$208,376
Wearing apparel, knit goods, value	$17,759	$17,717	$77,567	$50,413	$120,330
Wearing apparel, all other, value	$22,340	$22,197	$13,692	$31,856	$67,804
Yarns, value	$7,749	$2,210	$1,180	$3,236	$1,685
All other products, value	$15,171	$27,211	$16,065	$11,912	$21,523

With these few classes of goods,—all, with the exception of unbleached and colored cloths, showing small quantities and small values,—may be compared the table, derived by Mr. Sammons from the statistics of the Chinese Maritime Customs and of the Shanghai Foreign Chamber of Commerce, showing the quantity and value of the various classes of cotton goods imported into China in 1912 and in 1913, and the estimated quantities of the several kinds of goods in stock at Shanghai on December 31, 1910. This table is as follows:

IMPORTS OF COTTON GOODS INTO CHINA, 1912 AND 1913.¶

		Imports			
	Stocks on Hand	Quantity		Value	
Articles.	Dec. 31, 1913.	1912.	1913.	1912.	1913.
Blankets, number	.....	890,530	1,104,924	$377,609	$459,890
Cambrics, lawns & muslins, white, dyed & printed, pieces	112,692	322,262	331,856	255,082	238,948
Chintzes and plain cotton prints, pieces	.....	793,265	1,131,920	1,352,503	2,034,899
Cloth, Japanese cotton, yards	.....	11,928,136	13,312,560	544,449	668,726
Crape, Japanese cotton, yards	.....	540,022	309,358	40,919	23,911
Drills:					
American, pieces	295,045	462,287	525,291	1,457,285	1,539,621
English, pieces	28,778	75,034	85,708	249,566	286,125
Indian, pieces		974	497	3,247	1,119
Japanese, pieces	2,380	824,031	1,677,111	2,051,051	4,600,251
Other, pieces	540	.....	2,820	.....	10,732
Drills, furniture cover'gs & twills, printed, pieces	.....	63,779	82,590	107,997	120,017
Fancy woven cottons, yards	32,943	3,838,987	5,705,911	389,212	595,899
Flannel:					
Plain, dyed, pr'ted:					
Japanese, pieces	.....	101,902	112,271	240,026	268,150
Other, pieces	.....	461,992	538,541	1,164,451	1,436,812
Striped:					
Japanese, pieces	4,010	51,510	82,077	108,410	194,455
Other, pieces	121,235	69,593	146,141	152,177	295,736
Handkerchiefs:					
Japanese, dozens	193,475	48,822	81,655	7,915	14,800
Other, dozens		892,183	1,203,028	224,233	313,176
Italians, venetians, crape & lastings:					
Plain:					
Fast black, p'ces		1,183,008	1,745,901	4,692,667	6,865,147
Colored, pieces	1,016,358	776,412	1,021,779	2,649,318	3,393,171
Figured, pieces		903,596	905,446	3,087,416	3,210,350
Jeans:					
American, pieces	200	650	41,201	2,265	132,359
English, pieces	*200,070	1,102,077	1,554,688	2,639,453	3,776,825
Japanese, pieces	.....	28,255	86,454	58,026	219,604
Other, pieces	.....	24,552	38,525	51,488	84,859
Lenos & Balzarines, pieces	3,583	77,238	124,533	136,290	191,817
Sateens, reps, etc., printed, pieces	.....	122,960	148,103	346,439	390,812

Articles.	Stocks on Hand Dec. 31, 1913.	Imports—Quantity— 1912.	1913.	Imports—Value— 1912.	1913.
Sheetings, gray, plain:					
American, pieces	473,280	1,464,076	1,608,716	3,907,856	4,451,851
English, pieces	167,936	76,774	133,833	220,972	406,805
Indian, pieces		120	.....	322	.....
Japanese, pieces	6,440	1,735,796	3,307,362	4,938,597	6,909,358
Other, pieces	...	...	9,080	...	24,204
Shirtings:					
Plain:					
Gray:					
American, p'ces	233,420	3,814	45,014	7,760	121,417
English, p'ces	1,450,321	3,210,731	3,109,011	7,272,177	9,616,967
Indian, p'ces	...	453	28	3,444	87
Japanese, p'ces	2,720	62,148	184,218	126,347	540,332
Other, p'ces			345	.....	1,229
White, pieces	1,712,114	1,077,264	1,537,700	12,230,708	13,986,334
Dyed:					
Hongk'g, p'ces		129,150	120,723	246,851	265,146
Other, p'ces		218,733	107,958	814,219	315,477
Figured, brocad'd, striped & spotted:					
White, pieces		55,085	70,005	206,119	240,053
Dyed, pieces		27,051	33,477	107,000	117,940
Spanish stripes, 6¼ inches, pieces	1,167	35,063	47,161	108,743	140,930
T cloths:					
32-inch:					
English, pieces	204,362	701,782	1,167,640	2,103,708	2,340,625
Indian, pieces		22,737	39,100	30,600	53,050
Japanese, pieces		177,061	370,192	189,655	445,222
Other, pieces		5,230	800	15,160	2,640
36-inch:					
English, pieces	24,910	82,124	116,596	178,256	247,577
Indian, pieces		2,018	420	5,317	1,251
Japanese, pieces		36,406	1,257	36,219	3,044
Printed, pieces	131,537	107,395	50,548	140,221	78,415
Thread:					
Balls, pounds		321,600	551,600	154,280	254,187
Spools, gross		557,541	639,139	744,323	830,279
Towels:					
Honeycomb and huckaback:					
Japanese, dozens		387,054	546,523	136,100	133,708
Other, dozens		230,372	326,810	103,112	124,870
Other kinds, doz.		760,035	1,308,258	337,957	439,717
Turkey-red cottons and dyed T cloths, pieces	346,762	304,073	985,988	550,264	1,848,237
Velvet:					
22 inches, yards	344,446	2,054,775	5,683,791	402,282	1,195,817
18-26 inches, y'ds		261,004	606,640	48,260	130,476
Embossed & dyed cords, yards		326,895	283,605	85,147	59,160
Woolen or berlinette, pounds		9,466	3,733	4,866	2,041
Yarn:					
English, pounds	371,466	1,162,000	683,733	344,675	159,654
Hongk'g, pounds		1,823,400	1,290,933	297,417	163,156
Indian, pounds	1,231,733	142,743,733	177,438,933	26,525,386	26,533,665
Japanese, pounds	13,250,000	130,050,133	150,456,133	17,620,371	23,729,604
Other, pounds		1,739,600	5,298,666	786,240	1,211,715
All other, yards		52,792,133	77,436,971	3,186,567	4,454,800
Totals				$106,907,180	$132,983,468
Less excess of exports over imports				36,472	.....
Net totals				$106,870,718	$132,983,468

Included Indian, Egyptian T cloths. Turkey reds only. §Pieces. 'In this and other tables in Mr. Sammons's report the equivalent of Chinese money in dollars is based upon a valuation of the Haikwan tael of 74.4 cents in 1912, and of 72.9 cents in 1913, as estimated by the Director of the United States Mint.

The countries of origin of some of the unclassified cotton fabrics appearing in this table under the designation, "All other," are given by Mr. Sammons as follows: Fancy goods, printed drills, sateens, Spanish stripes, Japanese crepe, Jeans—Japan and Hong Kong; cotton yarn—British India, United Kingdom, Hong Kong, Japan, Macao and French Indo-China; T cloths, towels, thread—United Kingdom, Japan, Hong Kong, Belgium; shirtings and jeans—United Kingdom; sheetings—Japan, United States; cotton handkerchiefs, cambrics—United Kingdom, Hong Kong, Japan; cotton drills—United States; chintzes, cotton prints—United Kingdom, Russia, Hong Kong; cotton blankets—France, Germany, The Netherlands, Belgium, Japan, Hong Kong; flannels—United States, Canada, United Kingdom, Austria-Hungary, Japan, Hong Kong.

The shares of the principal countries in China's imports of plain cottons are shown for the years 1909 to 1913, inclusive, in another table included in Mr. Sammons' report. The figures cover shirtings, sheetings, drills, jeans and T cloths. The table is as follows:

IMPORTS INTO CHINA OF PLAIN COTTON CLOTH FROM PRINCIPAL COUNTRIES, 1909 TO 1913.

Country of Origin.	1909. Pieces.	1910. Pieces.	1911. Pieces.	1912. Pieces.	1913. Pieces.
United Kingdom	10,691,448	6,511,126	11,317,630	9,618,386	11,705,426
United States	3,856,231	1,385,819	1,988,061	1,930,836	2,281,123
Japan	1,396,207	2,389,693	2,832,625	3,043,747	5,716,594
British India	132,855	147,952	21,935	26,807	40,054
Totals	16,077,831	10,434,590	16,160,251	14,619,776	19,743,197

Of 40 yards each.

The striking feature of this table is the uninterrupted growth exhibited in the imports from Japan, which were less than half as large as our own in 1908 and were more than twice as large in 1913. Both the United Kingdom and the United States showed a sharp decline in the 1910 figures, and the United States has not yet equalled its showing of 1909. As bearing upon the Japanese success in this field the following remarks of Mr. Sammons are of interest:

"To understand the possibilities of the Chinese market for American cotton products reference must be made to Japan's competition as well as to China's growing production of cotton goods. To hold and increase trade goods of equal quality must be offered at competing prices. Cotton piece goods from Japanese mills and mills operated in China are sold at somewhat lower prices than similar American products, as is shown by the following recent quotations at Shanghai on cotton goods, per piece of 40 yards: American—14-pound sheetings, $3.28, and 13½-pound sheetings, $2.97; Japanese, 13⅓-pound sheetings, $2.44; Chinese—14-pound sheetings, $2.66, and 13-pound sheetings, $2.47.

"Quotations are originally made in local currency, and the fluctuation in exchange is a serious consideration in satisfactory competition. The chief, if not the only, claim of American piece goods to a footing in the Chinese market is based largely on quality; but under the present conditions of commercial stress and uncertainty, the advantage of quality is practically overcome by the higher prices.

"The method of distributing foreign cotton goods employed by Japanese importers is to send such goods to the interior themselves, thus accepting the risks of credit and currency transfers involved and eliminating the Chinese distributing agent. The method used by importers of American goods is to sell for cash to Chinese dealers at Shanghai, thus permitting the Chinese merchant to distribute the cloth throughout the interior. Much criticism has been aimed at the latter method, to which the failure of the United States to gain as rapidly as Japan has sometimes been attributed. Some of the foremost American dealers in American piece goods, however, who have given much attention to the trade questions involved, think it has not been proved that foreign merchants can distribute foreign goods in China at a smaller cost than would be incurred by Chinese traders."

The point made by Mr. Sammons in the above quotation with regard to the difficulties arising from the uncertainties of Chinese

exchange, must be recognized as one of very great importance. American cotton manufacturers are unquestionably handicapped in the competitive struggle for the Chinese cotton goods trade by the lack of direct banking and exchange facilities between China and the United States. This difficulty, of course, affects not only the trade in cotton goods, but that in all the American commodities for which a Chinese market might be built up. Perhaps the new Federal Reserve Act may lead to the speedy establishment of branches of American banking institutions in the Far East. It is sincerely to be hoped so.

A further matter of interest, and one which has probably remained unknown to the majority of American cotton manufacturers whose eyes are turned towards China as an outlet for their products, is the practice of disposing of goods to native buyers by means of auction sales. Of this Mr. Sammons says:

"A large proportion of the total receipts of cotton piece goods imported into China is handled through the port of Shanghai, and it is estimated that one-third of such imports is sold to native buyers at weekly auctions. The goods thus purchased at auctions find their way into the interior and to various treaty ports of China. The Shanghai piece-goods auctioneers are all British and deal mostly in British shirtings, sheetings, jeans, T cloths, fancy cottons, etc. These auctioneers charge a commission of 1 per cent, to which are added incidental expenses, such as advertising, insurance, cartage, storage, etc. Practically no American cotton products are sold in this way."

Obviously, it is a disadvantage to American exporters of cotton goods to China, whether these be merchants or the manufacturers themselves, that a custom which finds favor in the chief Chinese distributing markets should not be practicable for American goods. It is not to be expected that a class of auctioneers exclusively English, whose banking and commercial affiliations are naturally also English, should be satisfactory intermediaries for the disposal of goods competing with English goods. A comparatively simple remedy for this difficulty, however, would be co-operative action on the part of American exporters to China, looking to the development of auction sales of American goods, in Shanghai and other Chinese ports, through competent American auctioneers.

In conclusion, some idea of the conditions obtaining at the present time in China, in respect both of the facilities for the interchange of goods, whether cotton or other, between the United States and China, and also of the commercial conditions resulting in China from the European war, may have its value for such of our cotton manufacturers as are seriously studying what may be done towards the development on a larger scale of this outlet for their products. With regard to these matters, Mr. Sammons reports as follows:

"The available American shipping facilities at Shanghai contemplate the movement of a large part of the outgoing freight now offered (Sept. 15, 1914). To these more bottoms may be added. For the time being the utilization of Japanese and British vessels for Government purposes tends to curtail available tonnage; but with the export trade retarded by a lack of confidence and further hampered by the withdrawal of the usual banking accommodations, the immediate demand for ships is neither as great nor as urgent as it will be once normal trading conditions obtain. With ample American shipping available the direct freight-forwarding business from China to the United States would increase very rapidly.

"Freight rates on goods destined for the United States remain unchanged, as a rule, regardless of the war in Europe. Prior to the war the leading shipping interests had abolished all rebates by mutual agreement. At present marine insurance on neutral ships is 1 per cent and on British and Japanese ships 2 per cent, plus one-half of 1 per cent for the general average rate.

"While there is at present an abundance of money in the Shanghai banks, they are endeavoring to keep their resources in as liquid a state as possible, and are, therefore, more than usually cautious in financial operations. The usual practice of purchasing one, two, three and four months' drafts has been largely discontinued for the present, and the banks are not attempting to finance shipments for any but their old, regular clients.

"A disadvantage under which the banks are now laboring is that silver quotations from London give the bare selling or purchasing price, with no reference to the cause of fluctuations either way. Consequently, the Shanghai banks are unable to form an opinion as to the general tendency of the money market, which is one of the principal reasons for the timidity displayed. However, it is quite possible for merchants, by means of letters of credit established in the United States, to obtain money upon shipments of cargo from Shanghai to America.

"As there is a United States postal agency at Shanghai, payment for goods received from America can be easily arranged by means of post-office money orders. The United States postal agent, having been asked for a statement regarding transactions of this kind, has kindly reported as follows:

"'In reply to your memorandum relative to remitting moneys for goods purchased in the United States, I would say that it has been the custom for Americans and other nationalities to forward Chinese money orders to this agency to purchase American money orders, and forward same to the United States in payment for their purchases. As you are aware, the rate of exchange fluctuates daily, and the purchaser of a money order usually remits more than the necessary amount in Mexican dollars to cover the cost of a money order in gold dollars. In all such cases the difference is returned to him in United States postage stamps.'

"There are at present in Shanghai—which port handles upward of 43 per cent of the foreign trade of China—a number of American importing and exporting houses that undertake to cater to any and all new business. The managers of these houses feel, as a rule, that they may be depended on to take advantage of such trade opportunities as arise from time to time. Some of these firms have connections in the United States.

"At other ports of China, notably Canton, Tientsin, and Hankow, American trading concerns may find it to their advantage, having in mind the present situation, to investigate conditions with a view to making such commercial arrangements or connections as may seem warranted. As a general proposition, further commercial activities in China should not be of a makeshift nature, a mere seeking for emergency markets. Permanent trade should be sought; and with suitable business investigations on the spot and resulting satisfactory trading connections, the present situation offers inducements worthy of careful examination."

Only one remark need here be made upon these statements of Mr. Sammons. It is that the extreme closeness of modern competitive commercial calculations makes the use of the postal service, either American or other, quite out of the question for remittances or reimbursements. Banks, and banks alone, suffice for this service.

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INSURANCE DEVELOPMENT IN THE AUTOMOBILE FIELD

(Continued from Page 692.)

minum $12.50, and 1½ per cent for fire only, minimum premium $7.50. On older cars the rates are 3¼ per cent for fire and theft, minimum premium $12.50, and 3 per cent for fire only, minimum premium $10.

The rate on electric cars, used for pleasure and commercial purposes, is reduced from 1½ to 1¼ per cent, and when the theft and automatic features are eliminated the rate is 1 per cent, minimum premium $10.

If it is warranted that an approved fire extinguisher shall be carried on the car the assured is entitled to a reduction of 15 per cent in the fire and theft premium.

What we need to know in this business, more than anything else, is the combined experience, for several years, of all the companies and of Lloyds with the perils insured against. A universal classification system of premiums and losses should be adopted and the business classified back as far as possible. The results could be furnished to disinterested parties, and they, in turn, could supply compiled statistics to a committee of automobile underwriters, who would then be in a position to intelligently formulate a schedule of rates that would have some merit, which is more than can be truthfully said of the present system.

In the Chicago territory the minimum and maximum premiums for public liability on private cars propelled by gasoline are $32.50 and $103.50 respectively. The premium in each case is based upon the insurable horsepower of the car covered. Practically every car on the market has an advertised and an insurable horsepower and, for obvious reasons, the former is almost invariably greater than the latter. The term "insurable horsepower" denotes the actual horsepower which a motor is capable of developing, and is determined by the size of the bore of the cylinders and the number of the cylinders. The premium for any horsepower up to and including 16 is $32.50. This premium increases at the rate of $4 for each additional horsepower up to and including 20. It then increases at the rate of $3 per horsepower up to and including 25; $2 extra per horsepower up to and including 30, and $1 extra per horsepower up to and including 60, where it reaches the maximum premium of $103.50. The liability premium for private electrics and motorcycles is $22.50.

Prior to May 1, 1914, the premium for $1,000 property damage insurance on private gasoline cars was exactly one-fourth of the premium charged for public liability insurance in each instance, except that the minimum premium for this coverage was $10. Since that time, however, the liability premium has been reduced $2.50 for each horsepower, but the property damage premiums remain unchanged. Therefore, if we will add $2.50 for each liability premium, and then take 25 per cent of the total, we will have the correct charge for property damage feature, provided it amounts to $10 or more. $10 premium for property damage in connection with private electrics and motorcycles is $7.50.

The following additional charges are made for coverage outside of the limits of territory named in liability policies:

For liability alone	$50.00
For liability and property damage	62.50
For liability, property damage and collision	100.00

The premiums for public liability on such vehicles are as follows:

For each horsepower up to 3	$150.00
4 horsepower	167.50
25 horsepower	185.00

Five dollars extra for each horsepower up to and including 30; $2.50 additional for each horsepower up to and including 60. Maximum premium, $265. Electrics, $62.50.

The cost of property damage insurance on all livery vehicles is exactly three-tenths of the premium charged for public liability on the same class of cars.

The annual charges for collision sustained insurance on livery vehicles are 20 per cent more than the premiums for private pleasure cars.

On public automobiles other than livery cars the premium runs from $350 to $600 for liability insurance, and from $105 to $180 for property damage insurance, according to the use of the car and the number of passengers carried.

Collision sustained insurance on this class costs 4 per cent of the manufacturer's original list price, plus cost of extra equipment.

Commercial automobiles are rated for public liability at from $60 to $250 per car, and for property damage at from $24 to $100 per car, according to the use of the car.

Fire patrols, ambulances, factory and dock trucks are rated at from $30 to $500 for public liability, and from $4 to $200 for property damage, per car. Collision sustained insurance on this class is figured at a rate of $2.40 per $100 of manufacturer's list price, plus cost of extra equipment.

Manufacturers' and dealers' cars are rated for public liability and property damage on two different plans, viz:

Named chauffeur or specific car basis and payroll basis, and when a private car is occasionally used for livery purposes, it takes the liability and property damage charges for named chauffeur or specific car basis of manufacturers' and dealers' cars, plus 100 per cent additional. Manufacturers' and dealers' cars may also be rated for public liability and property damage, according to livery or commercial livery earnings, the rates being $5 per $100 of livery earnings for public liability and $1.50 per $100 of livery earnings for property damage and $3 per $100 of commercial livery earnings for public liability and $1 per $100 of commercial livery earnings for property damage. For collision insurance this class takes a rate of $2.40 per $100 of manufacturer's original list price, plus cost of extra equipment.

It will be observed that flat premium charges are made for collision and property damage insurance, the practice being to charge the same premium every year, regardless of the amount of the policy. At first glance this rule may appear to be inconsistent, but it must be remembered that the partial loss liability increases with age and thus offsets any advantage that the insurers might have by reason of a diminishing total loss liability. In the event of a partial collision or property damage loss to an old car, it is difficult, in many instances, to secure depreciation, and quite impossible for the adjuster to determine the value of the parts destroyed by the accident; therefore the assured, or the owner of the damaged car, receives the benefit of the doubt by having the damaged or destroyed parts replaced by new parts, the same as would have to be done if the car were new. Consequently there is an element of fairness in charging the same premium for these risks every year.

If all the cars in the country were insured for their full value against fire and theft at an average rate of about 2.81 (which would be the average schedule rate), they would yield an annual premium income of $56,200,000. If we assume the average cost of these cars when new to have been $1,500 each, the premium for collision insurance would yield $15,000,000 more. There is no way to calculate the average horsepower, but, assuming the average to be 42 horsepower, the returns for liability and property damage insurance of $1,000 in each case would aggregate $103,125,000 per

annum, making a grand total of $204,325,000 per year. These estimates are all based upon private car rates and, if we make a reasonable allowance for the higher rates charged for public and commercial vehicles, we can easily place the total premium income at $250,000,000 per annum.

An important matter that should receive the earnest consideration of automobile underwriters is the question of more stringent laws against careless operation of cars. Chauffeurs, and even owners of cars who do their own driving, should not only be licensed, but should also be compelled by law to make reports of all accidents to the authorities on blanks provided for that purpose. If the driver of a car should have two accidents in one year for which he cannot account to the authorities in a satisfactory manner, he should be prevented from receiving a renewal of his license, and if he has more than two accidents his license should be revoked. Such a law would not only reduce collision losses to property, but it would also prevent many fatal and non-fatal accidents to persons.

For a period of ten years both the fire and liability companies doing an automobile business in Chicago had no alternative but to pay to dealers and repair men the outrageously high prices exacted for rebuilding and repairing motor cars that had been damaged by fire, explosion and collision. The adjusters and agents knew that the companies were being charged unjustly, but were powerless to prevent it. In September, 1911, after several futile efforts had been made to induce the agents writing automobile insurance to start an underwriters' repair shop, two agents—one representing a leading liability company and the other a leading fire company—and three adjusters organized what subsequently became known as the "Insurance Shop." They rented about 4,000 square feet of space and fitted it up in an unpretentious manner, and from this humble beginning, a shop of 60,000 square feet, employing nearly 100 men during the busy season and capable of handling 100 jobs at a time, culminated within eight months.

The invoice cost of the insurance work done by this shop within a period of two years aggregated nearly $200,000,000, and exceeded the most sanguine expectations of the promoters. The work was all done at a minimum profit, and the profit was all absorbed in the expansion of the plant which became necessary to take care of the ever-increasing business.

This enormous growth called for considerably more capital than the promoters were able to furnish and an effort was made to induce the companies which were directly benefitted to come to the rescue. Unfortunately, insurance companies are prohibited by law from investing in enterprises of this kind, and, as the organizers were unwilling to place the control outside of insurance hands for fear of losing the advantages gained, which were and would have remained on the side of the companies almost entirely, the venture failed, resulted in a financial loss of approximately $15,000, to say nothing of the loss of time and energy to the promoters.

In compliance with a rule of this shop, established at its inception, an estimate of the cost of repairs was procured from some reliable outside source on nearly every job done, and a comparison of these estimates with the shop bills rendered, revealed the startling fact that they were on an average 40 per cent higher, showing that the insurance companies saved about $133,000 as a consequence of patronizing an institution in which neither they, nor their agents generally, had any financial interest.

It is usually difficult, if not impossible, for an owner to identify a stolen car, especially a Ford car. A thief will, almost without exception, either change the motor number or eliminate it entirely and will so disguise the car in other respects as to make it impossible of identification. For this reason companies are frequently compelled to pay theft losses. In order to prevent this unnecessary outlay of money, the manufacturers should place some secret mark of identification upon every car made and thereby facilitate recovery in case of theft.

The manufacturers should also, in co-operation with the automobile conference, number their engines and chassis consecutively, and the conference should print in the official list price book the beginning numbers of each year's model. This would prevent misrepresentation as to age of car and insure proper depreciation when effecting insurance and making loss adjustments.

The Automobile Protective and Information Bureau, a Chicago organization, covering the entire United States, but more particularly the Western Union Territory, has been in existence since September 5, 1912, and is composed of thirty of the leading American and foreign companies. The record of this bureau shows that during the first year of operation forty-seven stolen cars, with an insurable value of $57,500, were recovered, and that convictions were secured in nineteen cases—four different organized gangs of automobile thieves having been broken up and the leaders having been sent to penal institutions.

The cost of this service to the members of the bureau was only $1,309.09, of which the secretary's assistant received the meagre sum of $300.

The record of this bureau for the second year was as follows:

One hundred and ninety-eight cars were reported stolen, and 114 cars, insured for $123,767, were recovered. Of the 84 cars missing at the end of the second year, 62 were Fords. The expenses of the bureau for the second year were only $1,290.88.

Early in October of this year, the bureau was instrumental in securing the conviction of the ringleader of one of the most daring bands of automobile thieves in the Middle West. This man is now serving a term of fourteen years in the penitentiary.

This bureau is conducted by three officers and four directors, all of whom render their services gratis for the good of the business. Too much cannot be said in praise of this organization. Its work speaks for itself. Every company writing fire and theft insurance on automobiles in the United States should, for selfish reasons if for no other purpose, be affiliated with this bureau and support it financially. Its officers and directors are untiring in their efforts to trace stolen cars and to apprehend and cause to be prosecuted the automobile thieves.

The Western Automobile Conference—an association of practically all the leading fire insurance companies writing automobile insurance in Western Union Territory, and conducted by the leading insurance managers of the West—is an organization which seeks to establish and maintain, except in States where prohibited by law from so doing, correct practices in the conduct of this important and rapidly growing branch of the insurance business. The work of this conference should have the hearty approval alike of the insuring public, the insurance commissioners of the various States, and the insurance companies. Its members are all trained in the business and are keenly alive to the necessity of co-operation with the insuring public—to the end that both interests may work in mutual harmony—and thereby make possible the fullest measure of indemnity consistent with safeguarding the solvency of the companies, which at all times, but at this time particularly, is so essential to the welfare and credit of the nation.

INSURANCE NEWS IN THE WEST

Successful Organization of Iowa Insurance Federation. The Insurance Federation of Iowa is getting that State splendidly organized, according to W. S. Diggs of Cincinnati, who spent two

FOREIGN EXCHANGE QUOTATIONS

Sterling—	Saturday	Monday.	Tuesday	Wednesday	Thursday.*	Friday
Cables	[illegible]	4.90 1/8	4.90 5/8	4.89 1/2	.....	4.89 3/4
Demand	[illegible]	4.84 1/8	4.89 5/8	4.88 1/2	.....	4.88 3/4
Sixty days sight	[illegible]	4.86 1/2	4.86 1/2	4.86 1/4	.....	4.86 1/4
Ninety days sight	[illegible]	4.85	4.85	4.84 3/4	.....	4.84 3/4
Francs—						
Cables	[illegible]	5.10 1/4	5.08 1/2	5.10 1/4	.....	5.09 1/4
Demand	[illegible]	5.11 1/4	5.09 1/2	5.11 1/4	.....	5.10 1/4
Reichsmarks—						
Cables	[illegible]	86	86	85 7/8	.....	85 3/4
Demand	[illegible]	85 3/4	85 3/4	85 3/4	.....	85 5/8

*Holiday.

weeks in Iowa. A number of successful meetings were held in various parts of the State, at which Mr. Diggs and prominent members of the federation made speeches against the State fund monopoly of workmen's compensation insurance, which Industrial Commissioner Garst is advocating. The newspapers gave much publicity to these meetings and this helped stir up interest among insurance men who were apathetic. The State has been organized by districts, each with a president, vice-president and secretary and an executive committee consisting of a member from each county in the district, all under the general supervision of the State federation officers.

To all appearances the insurance interests will be better prepared to look out for themselves when the next Legislature convenes than ever before. The big fight is expected over the State fund insurance plan mentioned. It is understood that Senator Clarkson will lead the fight for the State fund. He drafted the bill which, after many amendments, became the present law. He was strongly inclined towards the State fund plan at that time. He was at one time a coal miner. Then he studied law and has handled much litigation over personal injuries both as plaintiff's attorney and as attorney of insurance companies. He is a man of force and influence, especially among the coal miners, who constitute an important element in Iowa. Not only is Industrial Commissioner Garst speaking in favor of his proposed plan, but men from Ohio in sympathy with the programme of Governor Cox are at work in the State on similar lines.

* * *

The Fire Insurance Companies and the War Tax.—Plans of the fire insurance companies to collect the emergency stamp tax from the assured became considerably upset within a few days past. The Michigan department ruled that the companies could collect the tax from the assured only as a part of the premium and not as a separate item, as the Michigan law forbids the collection of any fee in addition to the premium named in the policy. The department holds that the agent may not pay it, as that would constitute a rebate. The Wisconsin department also made a ruling adverse to the companies' plans. The local agents at Chicago, Milwaukee and St. Louis made protests. Arthur Hawxhurst, insurance manager of Marshall Field & Co., protested against the companies calling on assured for the tax. He said if the companies would cut down their selling expenses, do better underwriting and more careful adjusting they would have enough to pay the tax and leave a margin.

Work to Improve Contract Bonds in the West.—For some time past there has been agitation in parts of the West for improvement in the form of contract bonds offered by architects and engineers to the surety companies. The Kentucky Surety Underwriters' Association of Louisville has done perhaps more in this direction than any other body, securing the co-operation of architects and contractors and working some valuable reforms. Now the Milwaukee association has taken the subject up. At Cleveland the surety men tackled the question from the standpoint of rates and secured the co-operation of city and county officials in securing the adoption of a form of bond under which the surety does not become liable to material men and laborers, thus keeping the rate at 50 cents instead of $1, the rate which would have been required for the old form of bond. In Chicago the surety men, architects and contractors held some conferences on bond forms some time ago and it is proposed to take the question up again in the near future, as some of the architects' offices have forms which are objectionable to the surety companies.

* * *

Question Constitutionality of Texas Compensation Act.—A strong effort is being made to get a Supreme Court decision on the constitutionality of the Texas compensation act before the Legislature convenes, so that that body can correct defects if the court should point any out. A number of cases raising points of constitutionality are in the lower courts of the State, but one of them, docketed to come before the Court of Civil Appeals this week, will be rushed forward if possible. It is understood the Court of Civil Appeals has declared its willingness to certify the case directly to the Supreme Court without passing upon its merits itself.

Whatever the decision of the Supreme Court may be on this case, however, a number of changes in the law will be recommended. The Industrial Accident Board will not make its report until next week, but the Insurance Commissioner already has made his. He desires that certain provisions be harmonized and others be made clearer. He also asks for a liberal appropriation for a merit rating system with a view to more adequate inspections for rating purposes and penalizing bad risks and giving good ones due credit for their excellencies.

* * *

Fight Expected on Ohio Compensation Amendments.—As the time for the session of the Ohio Legislature approaches, it is recognized that amendment of the compensation law is a delicate undertaking. While a committee appointed by the Industrial Board is examining the act and its operation to learn whether improvements can be made, certain interests, especially labor, are fearful about the way amendments may be offered lest they give opportunity for other changes not desired by these interests. The Ohio Industrial Commission has looked after publicity so well that apparently many of the citizens of the State believe that the benefits of workmen's compensation are inseparably connected with the State fund monopoly of insurance. Boldly to set forth to revise the compensation law itself would meet with strong opposition and possibly stir up unnecessary antagonisms. On this account there has been talk of undertaking changes by separate bills, so that each important proposition can be fought out on its own merits without involving other features of the law.

Chicago, November 27, 1914. LA SALLE.

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Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

MR. SAMUEL REA, President of the Pennsylvania Railroad Company, in his address delivered before the New York Chamber of Commerce on Thursday of this week, and printed on other pages of this paper, made the illuminating and, as we believe, just remark that: "Failure in the last decade to protect the railroads and railroad investors has at last produced a lack of confidence in public regulation; and we now know that, through the weakness of the railroads, the whole country is suffering." It was, however, in no spirit of antagonism to the principle of public regulation of the railroads that Mr. Rea said this, for the concluding paragraph of his address was as follows:

"I believe in regulation by commission, and I urge, therefore, that we do not encourage destruction of such regulation, but rather its conservation, by adapting it, as we have banking regulation and other laws, to suit the needs of the country as they change from time to time. We must look beyond the present obstacles and view the whole subject from the statesman's standpoint. Under an enlightened policy of public regulation, but not repression, the railroads will be placed and kept in a strong position to meet increased traffic demands, as well as to live healthfully in times of depression. If we now by equitable dealing ensure their strength, one of the greatest obstacles to the recovery of financial confidence and business enterprise can be removed."

Three weeks ago, in discussing in these columns what we believe thinking Americans desire and expect from the Interstate Commerce Commission in the matter of the reopened five per cent rate increase case, we were led to describe at some length the tendencies of the enlightened public's reasoning upon the matter, as we observe these tendencies; and by reason of the consonance of what we there said with Mr. Rea's intimation, we venture to quote the following passage from ourselves:

"It appears to us to be a manifest fact that the case of the railroads is, so to speak, 'getting away' from the Interstate Commerce Commission. Ingenious as their decisions have been of late years in arraying plausible reasons for their course, that course began, at least as early as two years ago, to meet with only half-hearted approval from the thinking part of the American public; and more recently no small part of this public has ceased to approve at all, having become more and more impatient with the Commission's apparent lack of ability to determine great matters upon those grounds of the larger good of the community, which keep questions of detail, perhaps deserving attention yet relatively insignificant, in proper subordination to the main issue. We do not think, for example, that the informed public was pleased or satisfied by either the method or the manner of the previous determination of this very case of the five per cent rate increase. It had been borne in upon the public mind, not by reason of the arguments of railroad officials but because of the great aggregate of financial and economic facts about railroads which the public could see for itself, that the time had come for one of those root and branch decisions which the great leaders of business must from time to time make at a stroke, because of a perilous juncture which has come about. It was a time for disregarding detail, postponing it to a more appropriate and convenient occasion. But the Interstate Commerce Commission dwelt only upon detail, turning it this way and that, endeavoring to combine it into a coherent whole, allowing it to obtrude itself as the main matter; and in consequence the real question was not considered or passed upon, except feebly and ineffectively, although the Commission's decision had the practical effect of determining it for the time being. The intelligent public, we believe, saw this; and, as has been said above, it was not pleased."

It is an interesting and highly important fact that for the first time in a quarter of a century,—indeed, for the first time since its creation,—the Interstate Commerce Commission is itself actually at the bar of public opinion; and that a multitude of persons are beginning to say that the Commission, just as much as the railroads, must be judged by its works. Until recently, it is safe to say, the Commission has had little to fear from the public at large. Virtually its only critics have been the immediate representatives of the railroads, whose frequent chafing at the acts of the Commission has inspired comparatively little sympathy in the generality of persons in the country. Even the real owners of the railroads, the investors in their stocks and bonds, have been decidedly lukewarm in their adherence to the contentions of the managers of their properties, feeling that no great amount of harm could result even for them, from a powerful curb upon the will and the ambitions of these masterful personalities. Then, too, the whole tendency of the times has been in the direction of imposing some form of governmental restraint upon the free activities of all those who have come, in whatsoever manner, to have in their hands the control and direction of economic services of prime importance to the community. The doctrine that whatever is

prima facie "affected with a public use or service" must not be left to the judgment and initiative of mere individuals, but must somehow be brought within the circle of governmental activities, has grown to vast, though often unconscious, influence over the minds of a majority of Americans. Reliance upon the inexorable working out of fundamental laws of human relationship in a free society, so that in the long run abuses are relieved and justice is attained, has been greatly impaired, and to a large extent lost altogether. Hence what may be called the social impulse, reflected in legislation, has been all towards exaggeration of the authority of what is conceived to be the Government, meaning thereby not a sovereignty of general laws faithfully executed according to their terms by executive officers and courts, but an extensive system, or hierachy, of public officials endowed with a discretionary authority reaching far beyond any specific provisions of law. In pursuance of this theory there has seemed to be no end of the creation of commissions or of the lifting of departments of the Government from the plane of pure executive function to that of the function of commissions. Whenever the legislature, whether National or State, has undertaken to deal with a matter of large public interest, its immediate inclination has been to constitute a new commission, by name or in fact. And through it all there has been singularly little scrutiny of the actual accomplishment of the commissions thus created. Have they, as a rule, rendered the service expected of them? Have they shown a superior capacity in dealing with the matters entrusted to them? Have they worked constructively and creatively for the public good? Are the great departments of affairs in which regulative authority has been given them displaying a deeper vitality and a higher efficiency than when they were uncontrolled and unregulated? These are questions which the community at large, up to a very recent date, has scarcely asked at all.

On the face of things, the principle of discretionary and personal public regulation of the economic concerns of society is to-day in the hey-day of its success; the substitution of a government of men for a government of laws in this country has never appeared nearer to complete realization. Not only are new realms of business being continually subjected to the authority of governmental commissions or of executive departments of the Government, but the powers of the older commissions are being confirmed and enlarged. The Interstate Commerce Commission, for instance, has never in its whole history possessed and known that it possessed such powers as it has at this moment. Congress has now given it virtually a free hand to deal with the common carriers of the country as it will; and practically the last doubts and uncertainties in respect of the right of Congress to do this, and in respect of the plenary and sovereign character of the powers delegated to the Commission, have been resolved by the Supreme Court decisions in the Shreveport Rate Case and the Intermountain Rate Case. As things now are, the Commission may work its will with the railroads; it may adopt its own conception of their position and function in the body politic, and it may stretch them on the Procrustean bed of that conception, amplifying or diminishing the place they occupy in our economic life as it pleases. It may be that the conception adopted is that suggested by Mr. Rea, in his address. "The inherent weakness of the present situation," Mr. Rea said, "is that we as a people seem to have assumed that the present railroads and their equipment and facilities are complete, and are sufficient for present and future needs, and that the chief function of public regulation is to curtail their revenues, increase their expenses and lessen the margin of return." If it be true that the Commission takes this view of the matter, there is no doubt that it can, for the time being at least, bring the railroad policy of the country within these lines. Then the superb and in the main socially beneficent ambitions of our railroad managers will be checked; our pride in the continuous achievements of these managers will be quenched; our gratification in the unmatched service of our railroads will die away; and our railroads will, once and for all, be removed from the characteristically American realm of eager invention, ambitious rivalry in accomplishment and strenuous effort to make each day's record of improvement surpass the record of the previous day.

The Interstate Commerce Commission, we say, has the power to adopt such a conception of our railroads as has just been described, and to put it into effect. But the very fullness of this power is now the greatest danger to which the Interstate Commerce Commission is itself exposed. Whatever may be the superficial aspect of the matter, the American people has not the slightest intention of having any such policy adopted. It is by reason of the suspicions which the Commission has aroused that its thinking is along these lines, that the impatience and doubt about the worth to the community of the Commission itself, of which mention has been made, have begun to manifest themselves. We are ourselves surprised at the number of persons we meet, —neither railroad officials nor even investors in railroads,— who would be very far from agreeing with Mr. Rea, when he says: "I believe in regulation by commission, and I urge, therefore, that we do not encourage destruction of such regulation, but rather its conservation, by adapting it, as we have banking regulation and other laws, to suit the needs of the country as they change from time to time." Many of the persons to whom we refer have already in their own minds given up the Interstate Commerce Commission, as inherently detrimental to the larger public good, as necessarily an impediment to the effective development of our railroads in the public interest, as inevitably tending to a gradual destruction of those fruitful energies in the construction and management of our railroads, which have made them, despite every fault and abuse that ever has been or ever can be alleged, the most remarkable servants of the general welfare of the whole nation of whom any record can be found in this or any other country.

We said three weeks ago, and we say again to-day under the impression of Mr. Rea's address: "It is a condition precedent to the provision by our railroads of the service which the country requires of them, that they should be incessantly enlarging and developing, hiring or otherwise obtaining new capital and investing it in their properties, reaching out in new directions with all their facilities, continually devising and providing new means of usefulness. The mere increase of the population and of the business of the country would in any case make this necessary; but there is a further reason, inherent in the deep springs of all human activity. It does not lie in human nature for men, (and railroads after all must be operated by men), to be genuinely efficient and serviceable in businesses which no longer progress, which have reached their ultimate develop-

ment and afford no prospects of still greater successes in the future."

This is the great general truth with regard to the situation of the railroads of the United States; and all else is subordinate detail. The measure of the worth of the Interstate Commerce Commission to the country is its capacity to recognize this and to act upon it. It will be judged by its deeds in this regard. The over-riding consideration is that everything must be bent to the attainment of the ends described. In comparison with these ends all else is trivial. It is of no consequence whether or not freight and passenger rates are higher than this or that class of shippers, or this or that community, likes to pay, provided these rates have become, through the operation of world-wide economic forces, necessary for the maintenance of that energy, that resolute reaching forward to new achievement, that multitudinous rivalry in providing the country with its every need in the way of railroad service, which have characterized the builders and the managers of our railroads in the past, but which unhappily have shown some signs of diminution in recent years. If the Interstate Commerce Commission can see this, it may serve us well and maintain itself in the public esteem. If it cannot see it, there will, we believe, be no escape from the consequences of an ever growing public impatience and disbelief.

Arthur Richmond Marsh

THE FEDERAL RESERVE SYSTEM AS ESTABLISHED AND IN OPERATION

By Hon. Charles S. Hamlin*
Governor of the Federal Reserve Board

NOW that the reserve banking system has become established, and the Federal Reserve Banks have opened their doors, it may be profitable to look back and consider what an advance has been made by the new system.

Under the old system, there were approximately 7,500 National banks, each with its separate reserve and each independent of every other, the only interdependence being that arising from the deposit of reserves in other banks of the system,—an interdependence of danger rather than of strength.

Under the old system, when a bank discounted commercial paper, it tied up its funds, the investment being to all intents and purposes as dead as if buried in the ground until it came to life again at the time of maturity. If any bank, pressed by necessity, should, metaphorically, take this note up from the grave and rediscount it before maturity, such an act, if done openly, would tend to raise suspicion of the solvency of the bank.

The result of the old system was that in times of unusual, even though normal, demand, the banks needing more credit to assist trade and commerce had to rely on their own credit unassisted by that of the business interests of the country, although the latter constituted the safest and broadest basis for credit in the world. The old system, in short, separated entirely the credit of the borrower from that of the bank.

So, also, under the old system, a bank, to keep possession of liquid assets which it could turn quickly into cash, was compelled to place its money on call loans, to be loaned on stock exchange security, as such loans could presumably be called in speedily. Even this practice, however, did not always bring the required amount of money into the banks, as in times of great stress, the loans could not be called; and as a result practically all the resources of the banks would be tied up in non-liquid securities, as we saw in the recent disturbances in our financial markets, growing out of the European War.

In other words, the liquidity of credit, under the old system, was the stock exchange loan; and as the legitimate trade and commerce of the country is infinitely greater than the speculative transactions upon the stock exchange, the result was an inverted pyramid, the apex of which was never stable. When money was idle, it rushed into the call loan market and was poured into the stock exchanges. When, on the other hand, there was need of expansion, it was at times difficult to withdraw this money from the speculative markets without affecting injuriously all our securities.

As a result, even the normal seasonal demands for cash and credit created acute strain, and at times when we were enjoying the benefits of splendid crops and great prosperity, we learned to our cost that the greater the prosperity, the greater the strain upon our banking system, resulting in high charges for the use of credit or money, thus injuring the whole trade and commerce of the United States.

Under the old system, still surviving for the time being, we had National bank notes as a basis for currency. These notes were chained to Government bonds. While this system of note issue permitted expansion, such expansion could only be accomplished by new issues of Government bonds generated from the necessities of the Government. In other words, under the old system, National bank notes, issued to help trade and commerce, were linked together with Government bonds, the evidence of the destruction of trade and commerce during the Civil War, the Spanish War and other necessitous periods of the Government. Thus the extension of the trade and commerce of the 20th century was linked with the destruction of the trade and commerce of the 19th century. While there may have been some justification for this alliance in the 19th century, there is surely none in the 20th century, and I earnestly hope the method provided in the Federal Reserve Act for retiring these National bank notes may prove efficacious.

The National bank note system, as I have said, is capable of expansion only but responds feebly to any necessity for contraction, even in times when contraction is absolutely needed for the protection of the legitimate trade and commerce of the country. Experience has shown that even when expansion was legitimate and necessary, the response has often been so sluggish that when the expansion of note circulation had fairly begun, the need of it had already passed.

Under the old system, there was no broad discount market. In original discounts, the note broker was an important factor and, as I have pointed out, once discounted, the note remained in the bank vaults.

Furthermore, all eyes were fixed on the rate for call loans; and while in foreign countries a very small increase in the rates would bring to a country capital from all over the world, yet in the United States a rate for call loans of 10, 20, 50 or 100 per cent would have little effect on foreign investors, who well knew that such rates were but manifestations of a disturbed banking condition, rather than of legitimate demands for increased credit facilities.

Turning now to the Federal resrve system, it is easy to see what a change has been effected. In place of the scattered reserves, we have reserves mobilized in the Federal Reserve Banks. In place of bank notes issued by independent National banks, the Federal reserve system has provided notes based not upon Government bonds, but upon the trade and commerce of the United States. In place of fixed discount investments, we see the promissory note and accept-

*Outline of an address before the New York Chamber of Commerce, December 3, 1914.

ed bill based upon commercial transactions leap into life; and what was a fixed investment has become an investment far more liquid than any loan upon stock exchange security. Furthermore, we see the resources of the reserve banks, including all deposits of Government funds, forever pledged to the use of trade and commerce.

And finally, after three years, we shall have a system under which all the reserves of the banks must be deposited either in their own vaults or mobilized in the Federal Reserve Banks, thus taking away from the member banks the dangerous privilege of pyramiding said reserves unduly.

In short, a new system has been established,—a system based upon principles recognized over the world as sound,—upon mobilized reserves, liquid assets and a note issue elastic and responsive to the needs of trade and commerce.

I have noticed some comment upon a remark of the Governor of one of our Federal Reserve Banks recently that the new system will relegate panics to obscurity. I believe this remark was intended to be applied only in a limited sense,—that is, to financial as distinguished from commercial panics. If in the future business expands unduly under the spirit of speculation, the day of reckoning will surely come in the future as it has in the past. Undue expansion will correct itself just as the air bubble will ultimately burst. I believe, however, that the Federal reserve system will materially check undue expansion by making banks conservative as to their loans, because of the knowledge that any departure from strictly commercial transactions will take away their ability to liquidize such investments by rediscounts in the Federal Reserve Banks. It is a fact, however, that even under the Federal reserve system, or to speak more accurately, entirely outside the Federal reserve system, the banks still have it in their power to permit, if not to encourage, undue speculative activity; and if they do this, the inevitable result,—commercial stringency,—must follow. When, however, the State banks and trust companies of the United States join the Federal reserve system,—I hope in the near future,—even that possibility will be greatly minimized.

There is one form of panic, however, which I believe the Federal reserve system will relegate to its proper place, the museum of antiquities,—and that is the panic generated by distrust in our banking system, leading to a struggle for self preservation between bank and bank and individual and individual and, to ultimate hoarding by the people. I say ultimate hoarding by the people, for to my mind such hoarding usually follows hoarding by the banks and does not precede it. It is safe to say that if hoarding by banks should cease, hoarding by individuals would never occur; and both, I believe, will be relegated to obscurity under the Federal reserve system.

No hoarding can be imagined more injurious than the hoarding by banks when they have engaged in this operation in the past. Each bank retreats into its own citadel at the sound of danger and at a time when it should be drawing upon its reserves to help the business man of the community, it stays aloof, piling up reserves upon reserves like Pelion upon Ossa, and the business men have to care for themselves as best they can. Witness the condition of some of our banks during the financial panic of 1907, with reserves of 60 and 70 per cent, although the legal requirement was 15 per cent. Similar conditions could be observed in our recent disturbance growing out of the European War. Many of these banks defended their action by pointing to our defective banking system, and there was some force in this argument; but whether the justification was complete or not, such a state of affairs will never occur again under the Federal reserve system. The mobilization of reserves and the turning of commercial paper into a liquid investment, will enable every bank to draw down its reserves with confidence that it can replace them at will if it has proper commercial paper at its disposal.

The Federal reserve system, as I have said, rests upon sound banking and financial principles. These principles are not new,—they have been recognized for years abroad, and form the basis of the banking laws of many foreign countries. It is only the American people who have failed to recogize them and adopt them in the past; but this recognition has been accorded at last under the Federal Reserve Act.

Among these established principles are: the recognition of the fact that banking is not so much a cash as a credit problem; that the use of cash must be minimized and the use of credit extended; that a sound banking system cannot be predicated on cash alone, and that the more extensively credit is used, under proper safeguards, the sounder the banking system; that reserves should be mobilized so that the freest use can be made of them in times of unusual demand; that commercial paper must be turned from the non-liquid investment into a quick, liquid asset; that commercial paper based upon the trade and commerce of the people is the best self-liquidating asset that can be had; that, as has been so cogently pointed out by Mr. Warburg, my associate upon the Federal Reserve Board, the function of issuing money and the function of making money in banking should be kept separate and distinct in any sound system; that rediscounting institutions, such as the Federal Reserve Banks, should be conducted primarily for assistance to the commercial banks and not for profit, and that the latter should always be secondary to the former; that an open discount market is absolutely essential to any sound banking system.

All of these principles can be found in the Federal Reserve Act. We find there mobilization of reserves; the creation of a discount market; notes issued by the Government through the reserve banks, based upon adequate gold reserves and upon commercial paper; an elastic currency thereby created, which will contract as well as expand in accordance with legitimate demands of trade and commerce; Government influence in administration through the appointment of minority Government directors; Government examination, and Government taxation of surplus profits.

Furthermore, the Federal reserve system has taken for its foundation, not the call loan market, but the trade and commerce of the entire country. It has ear-marked as trust funds for the benefit of the trade of the country the resources of the Federal Reserve Banks, including all deposits of Government funds. Last, but not least, it has given to the Federal Reserve Board, a Government body, general control over the whole system, with power to fix discount rates of the reserve banks, and with power, in case of emergency, of permitting said banks, normally shut off from direct banking dealings with the public, to go into the open market and by purchase and sale of Government securities, and even also of bills of exchange, domestic and foreign, and bankers' acceptances, afford to the public engaged in trade or commerce such assistance as it deems necessary.

Such is the Federal reserve system established by the recent act. No man can say that amendments may not be desirable as to some features of the bill, but all will agree that it is a step, and a long step, in the right direction.

Much speculation exists as to the authorship of the Federal Reserve Act. It was finally presented to the country with the approval of a party caucus; in fact, it may be said to have been party but not partisan legislation. Republicans as well as Democrats voted for its provisions. Its underlying principles, as I have said, were not invented or newly created, but are the result of years of discussion and study. And let me add that your President, Honorable Seth Low, and the New York Chamber of Commerce, have pow-

erfully assisted in establishing these principles. I can say this with confidence, however, that no selfish interests assisted at its birth. I can further state that, beyond those primarily responsible for its provisions,—Mr. Glass and others of the House, Senator Owen and others of the Senate, and the Secretary of the Treasury, there looms up one figure more entitled to the credit for its provisions than any of the others, the man primarily responsible for this piece of wonderful constructive statesmanship,—The President of the United States, Woodrow Wilson.

THE NECESSITY FOR A CONSTRUCTIVE POLICY IN THE PRACTICE OF PUBLIC REGULATION OF RAILROADS

By Samuel Rea*

President, Pennsylvania Railroad Company

ALTHOUGH holding no commission to speak for the railroads as a whole, the seriousness of their present position may warrant an expression of my views on the general railroad situation. I therefore appreciate the fitting opportunity you have given me to present certain suggestions for the consideration of this thoroughly representative gathering.

It is no difficult task to sum up the present railroad situation. We can all see that something is wrong; but no useful purpose will be served unless we can suggest some constructive methods of improving railroad conditions.

Examine, for instance, the Eastern railroads, which reach the centres of the largest population and heaviest traffic of the country, and you will find greatly diminished gross revenues and a still greater proportionate reduction in net revenues; their purchasing powers are stringently curtailed, and their credit has been greatly weakened. This condition arises from causes largely beyond their own control, so that the return earned during the past year upon the money invested in the road and equipment of these railroads amounted to less than 4 per cent. This serious condition is not new, but it is now acute. We have been living on hope at least since 1910, when the downward trend was clearly indicated; how much longer we can exist on that precarious asset, I will not venture to say, except to suggest that it takes more than hope, advice or enthusiasm, or all combined, to pay wages and taxes, provide satisfactory service, pay dividends, and retain a proper credit basis to obtain capital for improvements and extensions.

Increased traffic will not cure the railroad malady; for remember that up to the present all their economies and efficiency, obtained by increased train loads, etc., have been offset by increased costs, wages and taxes. These companies, therefore, need not merely the very moderate increase in rates for which they petitioned the Interstate Commerce Commission, but also all the revenue that can be secured by working out in practice the various other means suggested by the Commission for increasing revenue.

A full consideration of the railroad position and the effects of public regulation must not, however, stop there. Irrespective of any decision in the rate case now pending, whether it be finally favorable (as we trust it will be) or unfavorable, it is evident that the time is ripe for suggestions concerning constructive railroad legislation and policy.

I need not remind you that after agriculture—and what would agriculture be without railroads?—the railroads are not merely the most important industry in the country, but they are also in their essence public institutions performing functions which are by their very nature of a public character. They are owned in part by an army of individuals, actually holding their stocks and bonds, and in part by institutions such as savings banks, insurance companies, universities, hospitals and other philanthropic enterprises, in the welfare of which many more millions of individuals are vitally concerned. These are largely dependent upon income derived from the money they have invested in the service of the public, and rightfully they hold railroad managers responsible for this income. It should be the business of government regulation, not merely to see that the public is properly served by these railroad managers, but also to see that the owners of the properties are fairly compensated, and that their revenues are sufficient to properly discharge their duties to the public. Otherwise the managements of these companies will be prevented from efficiently discharging their obligations to the public and their owners. The railroads must give the public good service, and their operation must be continuous in good times and in bad. Moreover, the railroads of the country pay over $140,000,000 in taxes every year, a sum equal to 5 per cent on nearly $3,000,000,000, requiring over 16 per cent of their net operating revenues. They pay good wages to their own employes and afford profitable employment for the industries which furnish railroad materials and supplies.

But apparently the interests of every one have been safeguarded under public regulation except the interests of those who furnish the money for the public service; and we must protect these investors, upon whom we must rely for future capital. Failure in the last decade to protect the railroads and railroad investors has at last produced a lack of confidence in public regulation, and we now know that, through the weakness of the railroads, the whole country is suffering. Upon this great industry, through the operation of too many hastily enacted Federal and State laws, and through failure to provide and adjust the machinery necessary to enforce these laws by reasonable and practical methods, a mistaken policy of repression has been imposed, which has not permitted railroad charges to increase with the enforced increase in the cost of their operation. This has caused a loss to existing railroads, and has precluded the building of new lines, and the making of needed improvements and betterments on the present roads. The inherent weakness of the present situation is that we, as a people, seem to have assumed that the present railroads and their equipment and facilities are complete, and are sufficient for present and future needs, and that the chief function of public regulation is to curtail their revenues, increase their expenses and lessen the margin of return. In this growing country, the present railroads are far from adequate; and therefore the policy of repression is bound to bring, if it has not brought already, a day of reckoning. Let us not forget that if we expect people to continue supplying their savings for our railroads, present and future, their earnings must continue to be what these investors regard as reasonable and sufficient; and they are not likely to be governed by the opinions of legislators or commissions in this respect. The present policy of repression must be modified and lack of confidence must be removed, or these millions of investors will seek other avenues to utilize their capital.

There are some particular features of the railroad situation, incidental to public regulation, to which I would direct attention.

The railroads are existing under conditions that breed business depressions, because of arbitrary, heavy and frequently unjustifiable burdens imposed upon them by legislatures, State and National; and there are still many wasteful legislative experiments forthcoming, unless the authors discover that the public will not willingly pay their cost. Public opinion is now convinced, I feel, that the railroads are entitled to more equitable treatment under

*An address before the New York Chamber of Commerce, December 3, 1914.

public regulation, and that opinion and your very kind invitation have opened the way for me to offer some suggestions.

The present situation is not the result of premeditated action or of a clearly defined punitive public policy; it is the result of our failure to fairly adjust our national conception of the rights and duties of these common carriers, and to adapt our new laws for public regulation to rapidly changing commercial and financial conditions. It is not, therefore, a case for mere sterile criticism, but for mutual study and co-operation, to the end that the evils now existing may be clearly recognized and corrected. The public, the railroads and the commissions, State and Federal, should unite in an effort to ascertain and finally establish the principles upon which wise regulation should hereafter proceed, so as to retain for the people at large the advantage of our American system of private ownership and operation under public regulation, and avoid being forced into another system far less desirable in a country such as this.

Can it reasonably be contended that any large and important business enterprise, whether individual or corporate, could be successfully conducted, if, notwithstanding radically changed conditions and substantially increased costs of production, it could only increase prices subject to the power of an administrative body which on its own initiative and without a hearing might suspend the increased prices for an extended period? Under the existing Federal law, increases in railroad rates, no matter how reasonable or justifiable, may be suspended without any hearing, for at least four months after they would have become operative. In practice, this means five months after the rate schedules are filed with the Commission, and the suspension may be extended by the Commission for a further period of six months. It is, therefore, possible even if the new rates are justifiable, for the railroads to lose nearly a year of benefit from them, while the Commission is determining their reasonableness. Is the public welfare promoted thereby? From practical experience and in a spirit of fairness and justice, I should say it is not; and the period of such suspension and of the determination of the question at issue, ought to be restricted to sixty days after the date of filing new rate schedules with the Commission.

Another trouble in the present situation is that the Interstate Commerce Commision has been over-burdened with work and with responsibilities, many of which must be deputed to a large corps of subordinates, so that in many instances direct consideration by the entire Commission is impossible. The work of the Interstate Commerce Commission, as originally designed in 1887, was to prevent unjust discriminations in rates or service, to see that rates were reasonable, to secure publicity of railroad rates and practices, to prescribe uniform railroad reports, and primarily to act as a referee between the public and the railroads. The Commission was given limited, but well defined, powers within reasonable scope. Now, however, as the result of new laws, the scope of its control of railroad operations and development has been largely extended. It could materially assist railroad development; but so far it has proved impossible for seven men in one centre to act, not merely as regulators, but as administrators of the railroads, leaving the financial results and the responsibility of that administration to be borne by the companies and their owners.

There is also a certain amount of disagreement between the Federal and State laws and orders of commissions, and of failure to recognize the inroads on railroad revenues of new laws, orders and governmental awards.

Let me use just one example of the commercial chaos resulting from such conflict. The recent difference in the views of the Interstate Commerce Commisison, on the one hand, and the Public Service Commission of New York, on the other, in connection with the allowances to industrial railroads, has, during the last eight months, resulted in freight rates, via the lines of the New York Central (whose route is intrastate) from one of the large industries at Buffalo to New York City, and to other places on its line, lower than via any of the other trunk lines, as their routes between Buffalo and New York are interstate; and there was nothing that the other railroads could do to meet this situation, injurious as it was, not only to themselves, but also to industries local to their lines. The same situation, arising from the same cause, existed in the State of Pennsylvania, as between the Pennsylvania Railroad Company and other trunk lines. These differences must be reconciled for the welfare of the public and of the railroads.

In the practice of public regulation, from the constructive side, I would at this time suggest:

First.—That the Interstate Commerce Commission should be materially increased, and so organized as to be able to deal promptly with the very important railroad questions affecting all parts of this large country; and thus conserve the time and energy of railroad officers, the public and the Commission. The additional members of the Commission should be selected from men having experience in railroad management, operation, traffic and finance; and if men of broad business experience were also added, it would be very helpful.

Second.—That the Commission should be placed beyond political influence, by a long tenure of office, and with compensation sufficient to attract and retain men of the widest experience and greatest ability. We recognize the necessity for men of this character and technical experience in dealing with banking and other broad business enterprises, and we must recognize that equally wide experience is just as essential to deal intelligently and wisely with the railroad problems.

Third.—That the regulatory power of the Interstate Commerce Commission should be clearly extended to the supervision and control of all rates and practices which directly, or remotely, affect interstate transportation or commerce.

Fouth.—That the Interstate Commerce Commission should be given the power to interfere, by appropriate action, whenever necessary to maintain a rate structure approved by or satisfactory to it, even though, to accomplish this, it should be necessary for the Commission to prevent reductions of rates which would have a contrary effect, or to compel advances of rates found by the Commission to be unreasonably low. An unreasonably low rate may be beneficial to some one or more shippers, but the rates of some other shippers are sure to be disadvantageously affected thereby.

Fifth.—That for the existing repressive policy of public legislation a conservative policy should be substituted; and existing legislation should be so modified as to permit the railroad companies to do their full share in the development of the country's resources. It will naturally follow that the Commission should be enabled, and indeed required, in the determination of questions involving railroad rates and practices, to deal with the questions before it, not merely from the standpoint of the shipper and the carrier, but from the larger standpoint of the entire country, and on such economic and business lines that due and controlling weight may be given to these larger interests essential to the public welfare. Such a change in public policy and legislation is requisite to encourage the investment of private capital for railroad extensions and additional facilities.

For instance, I seriously question the practical utility of railroad valuation, for I believe that very few railroads are overcapitalized, and I know the public is not required to pay higher rates on weak roads than on the more conservatively capitalized

railroad lines. Therefore, while the railroads are cordially and fully co-operating in the work of Federal valuation, yet under present conditions and when economies are being enforced everywhere, I look to the Commission, under such an equitable public policy as I have in mind, not to commit the country and the railroads to so vast an expenditure, until one system, or the lines in one section of the country, shall first be valued and the results demonstrated to the country.

Sixth.—That, as another necessary result of a constructive and equitable policy towards railroads, and with a Commission amply strengthened to deal with railroad questions, Congress would no doubt refer to the Commission for investigation and report, such legislation as affected wages, employes' working hours and conditions, increased taxes, boiler inspections, extra and unnecessary men on trains, non-compensatory mail and parcel post service, railroad valuation, improved stations, grade crossing elimination, and other matters which seriously affect railway revenues and expenses. Due weight to these heavy expenditures would thus be given in approving rate schedules, and a tangible basis would be thereby provided on which to continue the regulation of these matters (if essential to the public welfare), without injustice to the railroads. The inability of the railroads to protect themselves in respect to increased wages fixed by governmental action could not be more forcibly presented than in the November, 1913, report of the Board of Arbitrators under the Newlands Act, relating to conductors' and trainmen's wages, on which your President served as chairman.

Seventh.—That the extraordinary power to suspend rates without a hearing should be limited to a period not exceeding sixty days after rates are filed with the Commission, or some such reasonable period. If, after such hearing as could readily be had within this period, coupled with the information and data already possessed by the Commission, from the current and special reports made by the railroads, under its uniform accounting regulations, the Commission could not be satisfied that the increase proposed ought not to be made, the rate should rightfully become effective, and the present confusion and delay would end. The railroads, as an act of self-preservation, will always endeavor to make their service and facilities satisfactory, and their rates reasonable, because only in this way can they make friends, encourage business and earn profits.

In conclusion, I would say that considerable emphasis has been laid upon the fact that the railroad companies, and their owners, are deprived of an appeal to the courts for the protection of what they conceive to be their just rights, as against the orders of the Commission. I am willing, however, to continue relying upon public regulation and public opinion to protect the railroads, although I cannot overlook the fact that the Eastern railroads are earning a return of less than 4 per cent on their property investment. If this is not approaching confiscation, how much less must we earn before reaching that point? Surely the country does not want impoverished railroads, unduly restricted in the conduct of their business. What it does want is strong, aggressive lines, built and improved with private capital, efficiently managed and operated, subject to equitable public regulation.

What I have suggested may not meet all the difficulties in the public regulation of railroads. Other helpful suggestions will doubtless be forthcoming from railroad and business men and commercial bodies, etc.,—and, I trust, from some statesmen. There can be no difference of opinion that public regulation must be equitable so far as the railroads are concerned, and must be adjusted to promptly respond to business conditions. Such a change will encourage initiative and enterprise in railroad management and will assure investors, here and abroad, that their money has the full protection of our laws and that they will be equitably dealt with.

I believe in regulation by commissions, and I urge, therefore, that we do not encourage destruction of such regulation, but rather its conservation, by adapting it, as we have banking regulation and other laws, to suit the needs of the country as they change from time to time. We must look beyond the present obstacles and view the whole subject from the statesman's standpoint. Under an enlightened policy of public regulation, but not repression, the railroads will be placed and kept in a strong position to meet increased traffic demands, as well as to live healthfully in times of depression. If we now by equitable dealing ensure their strength, one of the greatest obstacles to the recovery of financial confidence and business enterprise can be removed.

THE COTTON TRADE AND THE EUROPEAN WAR CRISIS OF 1914

By Arthur Richmond Marsh*
Editor, "The Market World and Chronicle"

THE re-opening for regular business of the New York and New Orleans Cotton Exchanges, on November 16th, was generally accounted in all parts of the United States, even those not directly concerned with the production or manufacture of cotton, as an event of the most considerable importance for the economic and financial welfare of the country. For weeks, before the members of the exchanges were able to repair and restore the machinery of trading in contracts for the future delivery of cotton, which had been gravely disordered by the sudden paralysis of commerce and credit occasioned by the war in Europe, there had been anxious and urgent appeals from all directions for the speedy resumption of business. Not only cotton merchants, cotton manufacturers and very numerous cotton producers, but also leading bankers, large manufacturers and merchants in other fields than cotton, and the very officers of the Government of the United States, had repeatedly given expression to their desire that the great authoritative markets for trading in cotton should begin again to fulfil their function, both of establishing a calculable valve for cotton and of affording the means whereby the oppressive surplus of cotton in the United States might begin to be distributed as widely as possible, whether geographically or over future months and years. Impatience was shown in more than one quarter at the slowness with which the the cotton exchanges appeared to be resolving the difficulties with which they had to contend. Few except the members themselves comprehended the world-embracing character of the business done in these institutions, the vast complexity of the international commitments outstanding when the war broke out, the losses and the possibilities of loss necessarily resulting from the interruption of financial and commercial communications, the unavoidable defaults or partial defaults of manufacturers and merchants and traders in all directions whose resources were insufficient to meet the sudden and violent strain,—in short, all the unparalleled confusion and harm in one of the greatest departments of the world's commerce, caused by the unparalleled catastrophe to modern society. To restore order and safe conditions in such a situation was a work of time, no less than of resolute courage and the highest technical skill, both in the things of commerce and in those of finance; but while the country waited the work was gradually accomplished and at last the cotton exchanges were able to

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take up their usual business again. Then followed the chorus of expressed satisfaction to which reference has been made. For the members of the New York Cotton Exchange, there was an element of strangeness and even perhaps grim humor, both in the urgency of the general appeal for the restoration of the instrumentalities of these institutions and in the gratification with which this restoration was received. For it happens that in recent years these cotton exchanges have had to undergo an amount of private and public criticism and even obloquy, such as rarely falls to the lot of those associated in any great industry or trade. At the very moment when the war burst upon the world, and cotton at a stroke became the greatest single problem of the United States, there was pending in Congress a bill severely restrictive and, by implication, condemnatory of the customary activities of the American cotton exchanges,—the so-called Lever Bill,—which on August 18, at the height of the disturbance and distress, became law, under the title of the "United States Cotton Futures Act." Behind this legislation lay a series of years of bitter denunciation of the alleged abusive and immoral practices of the cotton exchanges; of virulent attacks within and without Congress upon the very nature of the business transacted by the members of the exchanges; and of clamor either for the total abolition of these institutions by the Government or for such minute and comprehensive regulation of them as would deprive their members of most of the natural rights of citizens of the United States in the pursuit of their private affairs. The hue and cry had become general; the Congressional Record was filled with the noise of it; the press, especially in the South, with few exceptions had joined in it; and even among the business men of New York in the close vicinity of the New York Cotton Exchange, there were found many who lent their voices to it.

The sudden change from this preponderant note of criticism and denunciation to the congratulatory tone of the expressions with which the re-opening of the cotton exchanges has been received, has probably made a greater impression upon the members of the exchanges than upon the public at large. To be called "gamblers" one day and public benefactors the next is an experience vivid and unforgetable for those who undergo it. The members of the cotton exchanges, however, do not delude themselves with the belief that it is some sudden change in them and in their practices which has brought about this *volte-face* on the part of their critics and of the public which so short a time ago was accepting at their face value the utterances of these critics. The cotton trade of the United States to-day, whether individually or associated in the cotton exchanges, is exactly what it has been for long years, unless it be that it is now purged of some of its misconceptions about men and things by the fires of adversity through which it has just passed. Taken as a whole the American cotton trade holds the same commercial position, in all essentials, that it had before the war,—no better and no worse. It still has the same commercial probity and the same high credit that have enabled it to carry the burden of the distribution of the annual cotton crop of the United States. Members of the New York Cotton Exchange have long handled at least 80 per cent of this annual crop, having in normal years a money value of some $800,000,000; they have provided the complicated machinery for buying it from the farmers, bringing it together, separating it into its many grades and qualities, and distributing it to the uttermost parts of the globe. Their credit and financial relaions have been infinitely more extensive and complex than those of the Stock Exchange; and the reliability and security of their dealings have been successfully put to a far severer test,—high though the standard of the Stock Exchange unquestionally is. In all these respects the American cotton trade stands to-day just where it has always stood; it "gambles" neither more nor less; it conceives its duties to be no whit different; it has the same rules of fair dealing with the cotton producers, on the one hand, and with the spinners, near and remote, on the other; it is prepared to serve the economic welfare of the country in no different sense than before.

The change that has come about, within the past four months, in the public attitude towards the American cotton trade, and towards the cotton exchanges in which its members are associated, is accordingly not due to a reformation of the cotton trade itself, but to a sudden appreciation, on the part of a multitude of persons throughout the country, of the indispensableness of the cotton trade and the cotton exchanges to the welfare of the United States. And this appreciation itself has been due to the discovery (for such it has been to most), compelled by the European War, that the country has become extraordinarily dependent upon the sale of two-thirds of its annual cotton production, both for the settlement of its international debts, and for the domestic prosperity and even solvency of a most important part of its population. Until the war interrupted the activities of those who have hitherto quietly attended to the foreign sale of our cotton, there had prevailed a certain lack of correspondence between common thinking about cotton and the actual facts in regard to it. Cotton had come to be surrounded with a kind of glamor; it had had associated with it a mass of economic misconceptions; the producers of it and their spokesmen had come to apply to it the fallacious phrase that "cotton is always gold"; the assumption about it was rife that its indispensableness gives it a kind of primacy among commodities, and that this primacy confers upon the producers of it an authority with regard to the price it should bring and the manner of dealing in it, which is asserted by the producers of no other commodity in the world, unless it be the miners of African diamonds. It had become impossible for the communities in this country primarily dependent upon cotton to conceive that a condition of things might come about in which there would be no buyers of their product; and the country as a whole, even as represented by its bankers, had lost the power to visualize a situation in which the foreign demand for our cotton would not be enough to enable us, as a matter of course, to liquidate thereby the greater portion of the adverse annual balance of our international commerce. As a consequence, the sudden stoppage of the machinery of distribution of cotton, brought about by the war, proved a rude shock to the confidence with which cotton had been traditionally regarded.

It has been intensely interesting to follow the course of events in connection with cotton since early August, as illustrative of a growing perception that there is nothing automatic about the method by which the United States derives from its annual cotton crop the great economic benefits which the ability to produce abundantly this most important of all fibrous materials for human use confers upon the country. When the war began, over-night as it were, virtually nobody could realize the paralysis of world commerce and credit which was speedily to ensue. The cotton crop of the United States for 1914 was even then beginning to be picked and marketed; and, on the other hand, there had accumulated a balance of short-term indebtedness abroad of not far from $500,000,000, whose rapid reduction through shipments of the new cotton everybody was counting upon. The crop itself, after having appeared in its earlier stages to promise only a moderate yield, was already beginning to show that rapid gain in condition which has resulted in fact in the largest production of cotton ever achieved in the United States. The world's consumption of American cotton has been advancing

(Continued on Page 731.)

INSURANCE

AN unsettled condition of things continues with respect to the incidence of the new war revenue tax imposed upon the policies of insurance issued by fire, casualty, liability, surety and other kinds of insurance companies enumerated in the emergency revenue act that went into force on December 1. One question is whether the insurance company issuing a policy should itself pay the tax, either as a matter of law or of essential equity. Another question is whether it is or is not the better policy for the company to pay the tax. Most of the casualty, liability and surety companies appear to have come to the conclusion that, inasmuch as a ruling of the Commissioner of Internal Revenue will enable them to obtain a refund of the amount of revenue stamps affixed to policies and renewals of policies returned as "untaken," they had best assume the burden themselves and raise no question about it with their policyholders. With the fire insurance companies, however, the case is different. To begin with, the sum total of the tax is immensely greater for them than for the other companies, both because of the volume and because of the character of their business. Then, the underwriting margin in fire insurance is at the best far narrower in fire insurance than in any other form of insurance, and in fact tends to be a minus, rather than a plus quantity. Finally, the National Board of Fire Underwriters, after a careful consideration of the entire financial situation of fire insurance in the United States, has concluded that it is little short of financial folly for the fire companies to cut even by a little into the scanty net returns they are realizing in reasonably good years or to add to the net losses they are continually exposed to in years when they must pay for one or more conflagrations. Consequently, the fire insurance companies have undertaken to pass the cost of the new stamp tax on to the buyers of fire insurance.

This determination, as was pointed out in this paper last week, has stirred up a considerable amount of opposition and led to not a few bitter criticisms of the companies. Almost as a body the agents have protested, both on the natural ground that it is vexatious to their customers to have to pay anything more than the premiums on their policies and also because they have perhaps had some apprehension lest they should themselves in the last resort be compelled to provide the revenue stamps out of their own pockets. But buyers of fire insurance, both individuals in a large way of business and associations of manufacturers and merchants, have endeavored to resist the determination of the fire insurance companies that the insured must meet the cost of the tax. Thus the Merchants' Association of New York City has sought unsuccessfully from the New York State Insurance Department a ruling to the effect that the insurance companies must provide the revenue stamps. Failing here, the Association has applied to the Commissioner of Internal Revenue for a construction of the terms of the taxing act to the effect that the intent of the legislation is that the insurance companies alone are to be taxed. Upon this point, however, the Commissioner of Internal Revenue has declined to commit the Government, but has sent the following indeterminate reply to the Merchants' Association: "You inquire whether the tax should be borne by the insurance company or the policyholder. In reply, you are informed that, if the company insists that the insured party pay the value of the stamp, it is not a matter which the internal revenue laws can deal with. It is a matter between the insurance company and the policyholder." This ruling is, of course, subject to review by the courts; but it is improbable that the interest of any single buyer of fire insurance would be large enough to warrant him in taking the question there.

In contrast with the New York Insurance Department, (and, it may be added, of the New Hampshire and one or two other departments), a number of State insurance commissioners have entered the lists in behalf of the policyholders, as against the insurance companies. These commissioners have sought to find in the anti-rebate laws or other statutory requirements of their respective States means to compel the insurance companies to assume the tax. A good illustration of rulings of this tenor,—one which aims to do all possible for the policyholder without taking an extreme position as regards the companies,—is that of the Michigan Insurance Department, which runs as follows:

"The situation in Michigan is such that a company cannot pass this tax as a separate item on to the assured or to the agent. If the company seeks to have the assured pay the tax it will be in violation of Act No. 285 of the Public Acts of 1913, which prohibits the collection from the assured of any fee or charge in addition to the premium charge made by the company for assuming the risk. If the company seeks to have the tax paid by the agent it will be in violation of Act No. 127 of the Public Acts of 1911, prohibiting rebates on premiums of fire insurance policies. The only method by which the company can pass the tax on to the assured would be by including it in the premium itself, as written in the policy, and it would have to be included as a part of the premium, and not as a separate item. The company could do this, because we have no law regulating rates. The company could not, however, make a premium rate and a revenue tax charge also, nor can the matter be billed as two items to the assured. The entire charge must appear as the premium. The above ruling is subject to an investigation as to whether in the past a Federal court has ever ruled that an insurance company may pass a similar Federal tax on to an assured. If such is the case, I do not believe our anti-policy fee law would operate against the decision of the Federal court."

No doubt, the practical effect of this ruling is intended to be that the fire insurance companies will assume the tax rather than incur the expense either of resorting to the courts or of reframing their schedules of rates. It may, however, be said of the ruling that it is not violent or peremptory in its terms, and above all that it contains no assertion that the equities of the matter are all in favor of the policyholders. Very different in form and in tone are the ruling and accompanying memorandum of Mr. Ekern, Commissioner of Insurance of Wisconsin. These are printed on another page of this paper in exemplification of what State supervising officials should not do or say. Mr. Ekern constitutes himself a Federal court for the interpretation of the terms of the taxing statute; he summons to his aid provisions of the statutes of Wisconsin, obviously not intended for this purpose; and, finally, he attempts a financial analysis of the profits of fire insurance, both in Wisconsin and in the country as a whole, from which he deduces in effect that the fire insurance companies are guilty of insatiate greed, in that they are unwilling to surrender a part of their inordinate gains for the benefit of the hard-pressed buyers of fire insurance. All that need be said of his figures is that, to begin with, they are wholly misleading and open to the charge of being disingenuous; and that, further, even if they correctly represent the situation, they abundantly prove the accuracy of the assertion of the managers of fire insurance that, in comparison with the results obtained in other commercial and financial enterprises, fire insurance capital in the United States is inadequately compensated as things have been, and will be still less adequately compensated if Mr. Ekern succeeds in preventing the companies from transferring the new tax from themselves to the insured.

FIVE YEARS' EXPERIENCE UNDER FEDERAL WORKMEN'S COMPENSATION ACT OF 1908

THE Bureau of Labor Statistics of the United States Department of Labor has just issued a report upon the Federal workmen's compensation act of May 30, 1908, which gives in great detail the experience of the National government under this act during the first five years of its being in force. The report is of decided interest and great value to students of social insurance both because it is the first available tabulation of compensation insurance in this country over a period of years of sufficient length to make the statistics in the least trustworthy, and because it is convincing proof of the contention long maintained by a few of the more analytical students of compensation that experience in the United States would not prove contrary to that of the several European countries as to the rapid increase in the number of accidents compensated and in the annual cost of the law. This last fact is shown in that while the number of employes covered, which was approximately 82,650 under the law as enacted, was increased to a trifle over 100,000, or by about 20 per cent., by various amendments during the five years 1908-1913, the number of reported accidents increased from 4,887 in 1908-9 to 10,876 in 1912-13, an increase of 122.7 per cent, and the amount of compensation paid from $242,937.05 in 1908-9 to $392,124.80 in 1912-13, an increase of 61.0 per cent. It would be well for those States which are planning to adopt new compensation laws or to amend old ones during the coming year to take some of these facts into their calculations lest they find that they have reckoned without their host.

There are given below such excerpts from the Department of Labor report as it is possible to print in the limited space available.

* * *

Introduction and Summary.

By the act of May 30, 1908 (35 U. S. Stat. L., p. 556), entitled "An act granting to certain employees of the United States the right to receive from it compensation for injuries sustained in the course of their employment," the United States Government established a system of compensation for industrial accidents for the majority of its industrial employees, this being the first general accident compensation law in this country.

This act came into effect August 1, 1908, and this report presents data for the first five completed years of its operations. As enacted this law covered artisans and laborers in manufacturing establishments, arsenals, and navy yards, river and harbor and fortification work, hazardous employment in the reclamation of arid lands and work on the Isthmian Canal Commission. It was later extended to include all employees under the Isthmian Canal Commission and to take in employees in the Bureau of Mines, the Lighthouse Service, and the Forestry Service engaged in hazardous employment, and is estimated to embrace at the present time approximately 95,000 persons, or somewhat less than one-fourth of the civilian employees of the United States.

The law is a pioneer one in this country as a general compensation measure, though a form of compensation had been allowed for injured railway mail clerks and employees in the Life Saving Service for some years. While effective in force from the compensation laws enacted in the States, it must be regarded as having had a measure of influence in the direction of the enactment of such legislation, and since the enactment of this law 21 States have made provision for compensation in some form or other.

The administration of this act is committed to the Secretary of Labor, the consequent duties in connection therewith being performed in a large measure by the Bureau of Labor Statistics. An amendment of the act bearing date of March 4, 1911, transferred the duty of administration, so far as it affects employees of the Isthmian Canal Commission, to the chairman of that commission; as a matter of statistical completeness, however, the operations under the act on the Isthmus are annually reported to the Department of Labor and are combined with the reports of operations in other establishments.

The number of accidents reported in all departments during the first year (11 months) was 4,887, for the second year 6,989, rising to 9,381 in the third year, to 10,157 (computed) in the fourth, and to 10,876 in the fifth, making a total of 42,290 for the 5 years. Of the total number of accidents, 1,006 were reported as fatal, the numbers for the 5 years being 233, 231, 207, 218, and 117, respectively. Approximately 10 per cent of these fatalities were in occupations not subject to compensation under this or any other law. The number of claims increased from 1,818 for the first year* to 3,526 for the fifth, the total for the period covered by the report being 14,963. Of this total, 14,046 were allowed, 911 were disallowed, and 6 were not acted upon. The total paid out as compensation amounted to $1,803,923.27. The payments for the first year (11 months) were approximately $243,000, for the second year $337,000, for the third year $411,000, for the fourth $435,000, and for the fifth $378,000.

The basis of the accident reporting is much broader than that for compensation, the Secretary of Labor having made a request of all Government offices that they should report cases of accident arising in the course of employment causing disability for one day or longer. Nearly one-half of the accidents and of the compensation paid refer to employment under the Isthmian Canal Commission, with its 25,000 to 30,000 employees, largely unskilled, and working under conditions involving a high degree of hazard.

The law is restricted not only to certain classes of employment, but also to accidents causing disability in excess of 15 days. Injuries resulting from the negligence or misconduct of the injured person are not compensated, and claims on account of death must be filed within 90 days. It is obvious that employees in establishments not covered by the provisions of the act will refrain from making claims for compensation when that fact is known, so that the number of claims submitted will be affected to some extent by the injured person's estimate as to the probability of his securing relief in this way. Thus, of the number of claims rejected on account of the occupation not being covered by the act, there were 45 in the first year,* 34 in the second, 29 in the third, 21 in the fourth, and 23 in the fifth, while failure to furnish sufficient evidence to support the claim was the ground for rejecting 15 claims the first year,* 48 claims the second, 89 in the third, 100 in the fourth, and 25 in the fifth. Negligence or misconduct of the injured workman prevented recovery in 109 cases during the 5 years.

The basis of compensation payments is the injured workman's wages, the amount awarded being the same as the rate of such wages during disability, not exceeding one year, or, in fatal cases, an amount equal to one year's wages of the deceased workman. The amount paid for fatal cases approximated 18 per cent of the total amount during the first three years, falling to about 15 per cent the fourth year and 10 per cent the fifth. The average payment per fatal case was $704 for the first year, $633 for the second, $595 for the third, $681 for the fourth, and $661 for the fifth. For non-fatal compensated accidents the average amount paid the first year was $121, for the second year $113, for the third year $120, for the fourth $109, and for the fifth $107. The Isthmian Canal Commission is chargeable with by far the largest

* Eleven months.

amount of costs for compensation, the Navy Department ranking next, the War Department standing third, and the Interior Department fourth.

The distribution of costs on the basis of the period of disability for the third year shows approximately 38.7 per cent of all costs expended for injuries causing disability for not over three months, while cases lasting three months but not over six months absorbed 8.7 per cent of the amount paid for compensation for the year. Cases causing disability for more than six months required 35.0 per cent of the total amount, while fatal cases required but 17.7 per cent of the total cost.

By reason of the fact that compensation for non-fatal accidents terminates on the recovery of the injured person to an extent sufficient to allow him to resume work, but little can be determined from the data of this report as to the results of accidents causing permanent partial disability, nor is there any accurate information as to the effects of accidents causing a disability for over one year, since at the end of the compensation period, which can not exceed one year, the accounts of the injured persons are closed and no further record kept of them, so far as this act is concerned.

While a very considerable number of serious injuries were debarred from compensation under this act because of the restrictions of its applications, the failure to recognize permanent partial disability on a different basis from disability from which complete recovery may be anticipated, results in very inadequate compensation of such cases. Thus, fractures of an arm or leg led to payments in amounts less than $25, the loss of an eye in amounts varying between $25 and $50, and in a case of the loss of a right arm the injured workman was entitled to a payment of less than $50, while in three cases of the loss of both legs, occurring during the third year, the average compensation was $377.40. These small amounts were due to the fact that compensation payments (limited to usual wages) must cease when the injured employee is able to resume work, and in any case not continue beyond 12 months.

In view of the wide range of employments covered by the act it is but natural to expect to find a large variety of causes of accident. The use of railroad transportation in work on the Isthmus co-operates with the hazards of railway employees to make railway operations the leading cause of accident. One of the most frequent causes of injury is the collapse and fall of materials, while falls of the person injured are likewise a very frequent cause. The use of hand tools and simple instruments ranks above the use of working machinery using power as a cause of injury, but this is doubtless due to the fact that the number of workers with such tools is much larger than the number of machine workers.

Considering the report as a whole, it is of special interest as showing the results of the operations of a law which was enacted to relieve the situation of a class of employees who are without legal redress, and which, despite its incompleteness, has been one of great benefit to a very considerable number of injured employees and their dependents.

This report is of special interest at this time in view of the movement for the amendment of the law and its extension to cover all employees of the United States and to provide compensation for all accidents (including occupational diseases) resulting in death or disability continuing for more than three days. The fact that the bill providing for these changes has received a favorable report from the House Committee on the Judiciary after extended hearings makes the record of the experience under the existing law of more than usual value in the consideration of the details of this proposed legislation.

Summary of Accidents Reported and Injuries Compensated.

The principal data for this period may be summarized as follows:

NUMBER OF ACCIDENTS REPORTED, CLAIMS FOR COMPENSATION, AND AMOUNT OF COMPENSATION PAID FOR THE FISCAL YEARS, 1908-09, 1909-10, 1910-11, 1911-12, 1912-13.

	1908-09.*	1909-10.	1910-11.	1911-12.†	1912-13.
Number of accidents reported (all departments)	4,887	6,989	9,381	7,997	10,876
Number of claims received	1,818	2,656	3,171	3,793	3,525
Number of claims allowed	1,692	2,530	2,948	3,489	3,387
Number of claims disallowed	126	126	220	301	138
Amount of compensation paid	$242,937.05	$337,257.77	$410,698.53	$435,137.66	$392,124.80

*Eleven months.

†Not including Isthmian Canal Commission meritorious sick-leave cases reported from November 1, 1911, to June 30, 1912.

The number of injuries reported for the fiscal year 1911-12 does not include meritorious sick-leave cases handled on the Canal Zone from November 1, 1911, to June 30, 1912, as this information is not available for tabulation.

The total number of meritorious sick-leave cases reported for the fiscal years 1910-11 and 1912-13 was 6,477, an average of 270 per month. The approximate number of meritorious sick-leave cases not reported during the year 1911-12 would be 2,160, using 270 cases per month as the average. These, added to the 7,997 cases reported, would give a total of 10,157 cases for the fiscal year 1911-12.

It is apparent that the monthly average of accidents reported and of claims received was considerably larger for each successive year. This accords with the experience of other countries which have adopted an accident-reporting system, as it is commonly found that a fair degree of accuracy and completeness in reporting accidents is obtained only after some years of experience and familiarity with a new law.

The ratio of claims to accidents reported varies for the years 1908-9, 1909-10, 1910-11, 1911-12, and 1912-13, being 37.2 per cent, 38 per cent, 33.8 per cent, 37.3 per cent, and 32.4 per cent, respectively. The ratio for 1911-12 is based on 10,157 accidents, being the approximate number of cases for that year. The percentage of claims rejected was highest for the year 1911-12, 7.9 per cent being disallowed for that year, and lowest in 1912-13, 3.9 per cent being disallowed. For the year 1909-10, 4.7 per cent of the claims filed were rejected, and 6.9 per cent were disallowed for each of the years 1908-9 and 1910-11.

The number of fatal accidents reported, the number of resulting claims for compensation, and the number of claims approved is shown below:

Years.	Fatal Accidents Reported.	Claims Filed — Number.	Claims Filed — Per Cent.	Claims Approved — Number.	Claims Approved — Per Cent.
1908-09*	233	93	39.9	64	68.8
1909-10	231	124	53.7	97	78.2
1910-11	207	148	71.5	122	82.4
1911-12	218	131	60.1	98	74.8
1912-13	117	69	59.0	56	81.2

*Eleven months.

The large proportion of fatal accidents in which no claims were made is explained in many cases by the remoteness or non-existence of dependent relatives, or, when the law first went into effect, of their ignorance of it, or by the evident fact that the establishment in which the decedent was employed is not covered by the law.

Amount of Compensation Paid.

The total amount of compensation paid under the act for accidents which occurred during the 11 months ending June 30, 1909,

was $242,937.05, of which 18.6 per cent was paid for fatal accidents and 81.4 per cent for non-fatal accidents. The average amount of compensation for a fatal compensated accident was $704.48 and for a non-fatal compensated accident, $121.53.

Similar compensation paid during the fiscal year 1909-10 amounted to $337,257.77 for all classes of accidents, of which 18.2 per cent was paid as compensation on account of fatal accidents and 81.8 per cent on account of non-fatal accidents. The average amount of compensation paid per fatal compensated accident was $633.15 and per non-fatal compensated accident, $113.52.

In the fiscal year 1910-11 the total was $410,698.53, of which 17.7 per cent was for fatal and 82.3 per cent for non-fatal accidents. The average amounts paid this year per fatal and non-fatal compensated accident were $595.05 and $119.64, respectively.

For the fiscal year 1911-12 the total amount paid was $435,-137.66, of which 15.3 per cent was for fatal and 84.7 per cent for non-fatal accidents, the average amount paid for the former class being $681.31 and for the latter class $108.89.

For the last year covered by this report, 1912-13, $392,124.80 was paid, 9.44 per cent of this amount being for fatal and 90.6 per cent for non-fatal accidents. For this year the average amount paid for fatal cases was $661.12 and for non-fatal cases, $106.96.

Rates of Pay of Injured Employees.

The figures for the 11 months in 1908-9 indicated that nearly two-thirds (65.5 per cent) of all injured employes were earning less than $1,000, more than one-half (55.5 per cent) less than $800 and nearly two-fifths (39.1 per cent) less than $600; in 1909-10, 68.5 per cent of all injured employees were earning less than $1,000; 59.3 per cent less than $800; and 42.3 per cent less than $600. The percentages for the corresponding wage groups in 1910-11, 1911-12, and 1912-13 are 70.8, 63.6, and 49.3; 70.3, 61.3, and 41.8; 72.8, 64.9, and 47.2, respectively.

Causes of Accidents.

In the tabulation of the causes of accidents, the standard classification of causes as used by many European countries has been adopted with some modifications.

The following summary table shows the distribution of injuries by causes for all departments and services combined. During the first year the collapse, fall, etc., of materials stands out as the largest single cause of injury, during the second year it ranks third, and for the remaining years it was the second principal cause. With the exception of the first year, loading, unloading, lifting, etc., caused the greater number of injuries, with railway operations, flying bodies, and hand tools as the other principal causes.

NUMBER AND PER CENT OF ACCIDENTS REPORTED FROM EACH SPECIFIED CAUSE FOR THE FISCAL YEARS 1908-09, 1909-10, 1910-11, 1911-12 AND 1912-13.

Cause of Injury.	1908-9. No.	Pct.	1909-10. No.	Pct.	1910-11. No.	Pct.	1911-12. No.	Pct.	1912-13. No.	Pct.
Motors	24	0.49	19	0.27	24	0.26	11	0.14	9	0.08
Power transmission apparatus	48	.98	74	1.06	95	1.01	61	.80	69	.63
Working with machinery:										
Using power	362	7.41	407	5.82	156	[illegible]	[illegible]	5.44	522	4.80
Not using power	15	.31	30	.43	103	1.10	52	.65	90	.83
Elevators, hoists, cranes, etc.	137	2.80	233	3.33	380	[illegible]	[illegible]	1.[illegible]	[illegible]	5.01
Steam boilers, piping, explosions, etc.	69	1.41	22	.31	129	1.38	[illegible]	.[illegible]	52	.[illegible]
Explosions of dynamite, powder etc.	185	3.79	61	.87	75	.80	94	1.18	176	1.[illegible]
Inflammable, poisonous, hot, corrosive materials, gases, vapors, etc.	104	2.13	245	3.51	260	2.77	230	2.88	328	3.02
Elect. current	16	.33	45	.64	50	.53	26	.33	39	.36
Collapse, fall, etc., of materials, etc.	995	20.36	924	13.22	1,352	14.41	1,068	13.36	1,287	11.83
Falls from ladders, stairs, scaffolding, etc., or into excavations, etc.	336	7.28	565	8.08	756	8.06	688	8.60	734	6.75
Falls on even surface	177	3.62	391	5.59	315	3.36	354	4.43	439	4.04
Loading and unload'g, lifting, carrying, etc.	549	11.23	934	13.36	1,672	17.82	1,571	19.64	2,331	21.43
Vehicles (run over by wagons, carts, etc.)	91	1.86	151	2.16	174	1.85	91	1.14	232	2.13
Railway operation (run over, etc.)	606	12.40	929	13.29	950	10.13	794	9.93	816	7.50
Anim'ls (kicks, bites, etc., & riding)	92	1.88	128	1.83	82	.87	111	1.39	122	1.12
Shipping and water transportation	121	2.48	94	1.34	124	1.32	46	.58	74	.68
Flying bodies, splint'rs, cuts from rough or sharp edges, etc.	53	1.08	665	9.51	1,000	10.66	710	8.88	1,072	9.86
Hand tools & simple instruments	464	9.49	440	6.30	689	7.34	595	7.44	956	8.79
Stepping on nails & similar sharp bodies	112	2.29	172	2.46	295	3.14	204	2.55	391	3.60
Other causes.	299	6.12	412	5.89	357	3.81	444	5.55	574	5.28
Cause not reported	12	.25	48	.69	43	.46	8	.10	18	.17
Totals	4,887	100.00	6,989	100.00	9,381	100.00	†7,997	100.00	10,876	100.00

*Eleven months.

†Not including Isthmian Canal Commission meritorious sick-leave cases for seven months.

Duration of Disability.

Some caution is necessary in considering these data. First, there is apparent a very low proportion of injuries reported as permanent. As a matter of fact, the information concerning permanent disability is necessarily incomplete, since the law does not concern itself with the results of the injuries after the expiration of the first year, and the department has no means of determining accurately how many of the injuries lead to permanent disability. Whether or not ultimate recovery will take place can only be estimated, and it is very likely that many of the cases reported as of a duration of 365 days, or a longer period, may actually be cases of permanent disability. No method exists, however, of following up cases of injury after the termination of the first year of disability.

A further important qualification is found in the failure of the law to recognize partial permanent disability. In case of return to work the disability is considered as having terminated, though the results of the injury are often permanent and such as seriously to impair the earning capacity of the employee in any other employment which he might be forced at some time to seek. In some cases the permanent nature of the injuries and the permanent reduction of earning capacity are quite evident, as may

be ascertained by an examination of the tables in which the accidents are classified according to the nature of the injury and duration of disability.

In the following table a comparison is made of the duration of compensated accidents with that of non-compensated accidents for the purpose of determining whether the fact of compensation appears to influence in any way the duration of disability. Accidents causing disability of 15 days or less and fatal accidents are eliminated.

PER CENT OF COMPENSATED AND NON-COMPENSATED CASES, BY CLASSIFIED DAYS OF DURATION, FOR THE FISCAL YEARS 1908-09, 1909-10, 1910-11, 1911-12, 1912-13.

	Compensated Cases				
	1908-09.	1909-10.	1910-11.	1911-12.	1912-13.
Duration of Disability.	Pct.	Pct.	Pct.	Pct.	Pct.
Over 15 but not over 21 days....	27.15	25.72	27.92	29.56	31.56
Over 21 but not over 28 days....	20.70	23.21	22.79	23.85	23.07
Over 28 but not over 35 days....	13.45	13.42	13.87	12.68	11.82
Over 35 but not over 42 days....	8.85	8.85	7.82	6.74	7.16
Over 42 but not over 49 days....	5.84	4.77	5.02	6.09	4.87
Over 49 but not over 56 days....	3.44	4.12	3.22	2.54	3.13
Over 56 but not over 63 days....	3.07	3.05	2.55	2.25	2.44
Over 63 but not over 70 days....	2.03	2.02	1.77	1.74	1.81
Over 70 but not over 77 days....	1.60	1.52	1.34	1.21	1.20
Over 77 but not over 84 days....	.98	1.19	.71	1.12	1.26
Over 84 but not over 91 days....	1.11	.86	.96	.59	.99
Over 91 but not over 119 days...	2.76	2.63	2.02	2.54	2.77
Over 119 but not over 147 days..	1.54	1.19	1.45	1.42	1.32
Over 147 but not over 182 days..	1.41	1.40	1.24	1.27	1.53
Over 182 but not over 365 days..	2.46	3.42	3.64	4.00	3.16
Over 365 days but not permanent	1.29	.70	1.91	1.74	1.35
Permanent	2.33	1.93	1.77	.65	.54
Totals	100.00	100.00	100.00	100.00	100.00
	Non-Compensated Cases				
Over 15 but not over 21 days....	26.97	20.86	22.94	21.19	23.96
Over 21 but not over 28 days....	13.14	13.29	14.00	13.30	13.91
Over 28 but not over 35 days....	13.83	16.43	14.86	14.40	17.16
Over 35 but not over 42 days....	6.36	5.13	6.93	5.81	6.33
Over 42 but not over 49 days....	4.70	5.24	5.48	5.26	5.72
Over 49 but not over 56 days....	4.01	4.55	2.60	4.43	4.33
Over 56 but not over 63 days....	5.95	7.93	5.63	5.12	6.33
Over 63 but not over 70 days....	3.04	1.63	2.02	2.77	2.32
Over 70 but not over 77 days....	1.38	2.21	2.45	2.22	1.24
Over 77 but not over 84 days....	1.24	1.52	1.59	1.39	.31
Over 84 but not over 91 days....	2.90	2.91	3.46	2.77	2.78
Over 91 but not over 119 days...	3.04	3.73	3.75	3.88	3.86
Over 119 but not over 147 days..	3.87	3.03	2.74	3.32	1.55
Over 147 but not over 182 days..	2.07	2.56	2.45	3.32	1.70
Over 182 but not over 365 days..	5.95	5.24	5.19	6.93	5.26
Over 365 days but not permanent	.83	3.50	2.31	3.32	3.09
Permanent	.69	.23	1.59	.55	.15
Totals	100.00	100.00	100.00	100.00	100.00

SAVINGS BANK LIFE INSURANCE IN MASSACHUSETTS

MR. WILLIAM T. MONTGOMERY, State Actuary in Massachusetts, has just issued a report on the financial condition of the Massachusetts Savings and Insurance Banks as of October 31, 1914. This report, when compared with the report for the year ending October 31, 1912, shows that although the selling of insurance over the counter may not yet be called an assured success, still a certain amount of progress has been made. Premium income of the four Massachusetts banks doing this form of business shows an increase of $38,120.88, or 37.5 per cent, in the past two years, while policies in force have increased by 2,774, or 41.6 per cent, during the same period. These figures are, of course, almost infinitessimal when compared to those for some of the huge life insurance companies doing business in all the States of the Union, but considering the very limited field of operation open to non-soliciting institutions such as savings banks, the showing by the four Massachusetts institutions is not at all discreditable. That savings banks should ever become serious factors in the life insurance business and competitors with the regularly organized life insurance companies, is more than unlikely. Any efforts, however, which promise to furnish at decreased cost a commodity, endowed as life insurance indeed is, "with a public interest," cannot be dismissed summarily from the attention of those who are concerned with all forms of constructive activity for the benefit of society.

There is given below Mr. Montgomery's report, as published:

* * *

The financial condition of the savings and insurance banks at the close of the fiscal year, October 31, 1914, is highly satisfactory, and so much so that, under the law, the two oldest banks must declare extra dividends to their policyholders.

Whitman Savings Bank.—In addition to the regular dividends this bank has declared extra dividends varying from 25 per cent for first-year policies to 300 per cent for sixth-year policies on the annual premium form (these percentages being per cents of the regular dividends), or, in other words, an extra dividend equal to one-quarter to three times the regular dividend in addition to the regular dividend.

An example shows that in the fifth year, the regular dividend, together with the extra dividend, makes a total return to the policyholder of from 35 per cent to 44 per cent of the yearly premium for age 35 at issue.

On monthly premium policies the extra dividend varies from 25 per cent for first-year policies to 250 per cent for seventh-year policies (these percentages being per cents of the regular dividend in each case), or, in other words, an extra dividend equal to one-quarter to two and one-half times the regular dividend in addition to the regular dividend. On the sixth-year policies the regular dividend is 22½ per cent of the year's premium, which, together with 200 per cent extra dividend, makes the total dividend for this year 67½ per cent of this year's premiums.

People's Savings Bank.—The extra dividend in this bank varies from 12½ per cent for the first-year policies to 150 per cent for sixth-year policies of the regular dividend in addition to the regular dividend for annual premium policies, or, in other words, an extra dividend equal to one-eighth to one and one-half times the regular dividend in addition to the regular dividend. For monthly premium policies, the extra dividend varies from 12½ per cent for first-year policies to 100 per cent for sixth-year policies (the percentages in all cases being per cents of the regular dividend), or, in other words, an extra dividend equal to one-eighth to one regular dividend in addition to the regular dividend.

The percentages of the total dividends to the policyholders are thus considerably increased and make very substantial returns to the policyholders, which still further decrease the cost of insurance to the citizens of Massachusetts.

An abstract of the combined financial reports of the insurance departments of the Whitman Savings Bank, the People's Savings Bank of Brockton, the Berkshire County Savings Bank, and the City Savings Bank of Pittsfield for the fiscal year ended October 31, 1914, follows. The Berkshire County and City Savings Banks of Pittsfield have not been established so long as the Whitman Savings Bank and the People's Savings Bank of Brockton. The two Pittsfield banks have declared their regular dividends under the operation of which the net cost to the policyholders in these banks as well as in the others is very low; all four banks' regular dividends are the same.

The total premium income was $139,753.05. The total interest income was $20,563.46. The total income was $160,320.81. The total disbursements of the year for all four banks were $64,464.34, of which $35,335.32 was to policyholders, which includes death

claims amounting to $9,636.10, dividends to policyholders amounting to $12,422.85, and surrender values paid in cash, $12,826.

The total expenses chargeable against the premiums received during the year amounted to $24,129.02, or 17.26 per cent. The contributions to the general insurance guaranty fund amounted to $5,563.11, which, although a charge against the premium, is not strictly speaking an expense. The total expenses less guaranty fund contributions leaves a balance amounting to $18,565.91. In this amount $4,857.95 interest paid to holders of the certificates of the special guaranty funds is included, although not a charge against the premium. Deducting this item leaves a balance of $13,677.96, of which $2,536.00 was on account of medical fees which occur only once during the history of a policy. The total expenses of $24,129.02 less medical fees leaves $21,741.97, which includes the contribution to the general insurance guaranty fund, irrespective of the duration of the policy, and $4,887.95 interest paid to holders of the certificates of the special guaranty funds. Subtracting the interest paid on account of the special guaranty funds leaves $16,854.02 as a measure of the expense after the first year of the policy. This ratio of expense gives about 12.06 per cent as a measure of the charge against the premiums after the first year. The first years of business of the Berkshire County Savings Bank and the City Savings Bank serve to offset the showing made by the two older banks.

The admitted assets of all four banks amount to $520,968.40, of which $95,000 is on account of guaranty funds in each of the four banks. The general insurance guaranty fund, made up of 4 per cent of the premiums collected by all banks, amounted on October 31, 1914, to $21,625.33 and is also a general asset.

The total liabilities, not including $95,000 in guaranty funds, amounted to $425,968.40, which includes $349,758 reserves set aside on all policies outstanding in all banks on October 31, 1914, dividends apportioned, surplus, etc. The dividends apportioned during the coming year amount to $27,459.61 and a surplus in excess of all liabilities amounting to $44,112.53 is shown.

There were issued by all four banks during the year ended October 31, 1914, 2,403 policies representing $781,962 of insurance. There were also 11 old policies revived and increased amounting to $11,000 of insurance. There were [illegible] 1,285 policies for $415,972 of insurance. There were in force in all four banks on October 31, 1914, 9,439 policies for $3,556,015 of insurance, with annuity additions of $17,278. There were also in force 96 deferred annuities representing annual payments of $12,209.

A POETICAL PARALLEL TO CERTAIN COMPUTATIONS OF WORKMEN'S COMPENSATION INSURANCE

Actuaries are called upon to [illegible] to terms of mathematical formulæ the effects of the deepest human emotions, and they can not be neglected in this field. The [illegible] of cost under [illegible] the [illegible] to calculate [illegible] the [illegible] of a widow and her nine children, and of the survival of each of the nine children until the age of eighteen has been reached. Cold-blooded as it may appear to calculate mathematically this problem of life and emotion, it is the actuary's task to undertake it.

At the inaugural meeting of the Casualty Actuarial and Statistical Society of America, reported in these pages three weeks ago, matters of the kind just described were broached in papers and in discussions of them. Formidable actuarial formulae were propounded, quite sufficient to have made the widow and her nine children aghast, if they could have seen what they were reduced to. Even some of the hardened casualty insurance men present were unwontedly moved by what they heard and saw (on the blackboard). One of these, Mr. Frank E. Law, vice-president of the Fidelity and Casualty Company, was so stirred that, at the ensuing dinner of the new society, his memory yielded a parallel to the discussion he had been listening to, in the shape of a mathematical poem on the subject of marriage, written years ago by a famous Scotch mathematician. The text of the poem, with some account of its author by Mr. Law, is as follows:

* * *

The Mathematician in Love.

I

A mathematician fell madly in love
With a lady, young, handsome, and charming;
By angles and ratios harmonic he strove
Her curves and proportions all faultless to prove,
As he scrawled hieroglyphics alarming.

II

He measured with care, from the ends of a base,
The arcs which her features subtended;
Then he framed transcendental equations to trace
The flowing outlines of her figure and face,
And thought the result very splendid.

III

He studied (since music has charms for the fair)
The theory of fiddles and whistles,—
Then composed, by acoustic equations an air
Which, when 'twas performed, made the lady's long hair
Stand on end, like a porcupine's bristles.

IV

The lady loved dancing;—he therefore applied
To the polka and waltz an equation;
But when to rotate on his axis he tried,
His center of gravity swayed to one side,
And he fell, by the earth's gravitation.

V

No doubts of the fate of his suit made him pause,
For he proved to his own satisfaction,
That the fair one returned his affections;—because
"As everyone knows, by mechanical laws,
"Reaction is equal to action."

VI

"Let x denote beauty—y manner well bred,—
"z fortune,—(this last is essential),—
"Let L stand for love"—our philosopher said,—
"Then L is a function of x, y, and z,
"If the kind which is known as potential."

VII

"Now integrate L with respect to dt
"(t standing for time and persuasion);
"Then, between proper limits, 'tis easy to see,
"The definite integrate Marriage must be:—
"(A very concise demonstration)."

VIII

Said he, "If the wandering course of the moon
"By algebra can be predicted,
"The female affections must yield to it soon"—
—But the lady ran off with a dashing dragoon,
And left him amazed and afflicted.

The writer of the foregoing effusion was William John Macquorn Rankine, a noted mathematician and engineer, who was born at Edinburgh, and lived 1820 to 1872. He long occupied the chair of civil engineering at Glasgow University. In addition to many treatises on subjects relating to his profession, he was one of the founders of the modern science of thermodynamics, and a writer, composer and singer of humorous and patriotic songs. Our quotation serves to illustrate one phase of Rankine's immense energy and many-sided character. Ali hail the "Land o' Cakes and brither Scots!"

Rankine adds a neat touch of humor by pointing out in the second of his equations, that a man of this kind—that is, having the qualities of a mathematician—would need infinite time, from plus infinity to minus infinity, for his successful wooing. We venture to remark that he seems to have studied well the "heart of womankind."

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Proposed Revision of the Philippine Insurance Laws.—Mr. J. F. Boomer, United States correspondent at Manila, sends the following account of the proposed changes in the Philippine insurance laws:

"The special committee of the Philippine Commission appointed to draft insurance legislation to be presented to the legislature at its coming session has made public the draft of a new bill that will, if enacted, materially modify the restrictions on foreign insurance companies doing business in the islands. The measure as drafted provides that hereafter every insurance corporation formed in the archipelago must have a subscribed capital stock of $125,000, of which one-half must be paid up, in cash, before any policy of insurance can be issued, and the remainder must be payable within one year from the filing of the articles of incorporation. If the company is organized as a mutual concern, it must have $125,000 available in cash assets above all liabilities.

"The bill names the insular treasurer as insurance commissioner. Foreign insurance companies will be obliged to obtain a certificate of authority from the insurance commissioner before doing business here, and they must designate by written power of attorney some one within the islands on whom legal notices may be served. No foreign company will be allowed to do business in the Philippines unless possessed of paid-up unimpaired capital stock or assets equal to that required of domestic insurance corporations.

"Before beginning to transact business in the islands every foreign company must deposit with the insurance commissioner, for the benefit and security of policyholders and creditors in the Philippines, securities consisting of bonds of the United States or of the city of Manila or of any other city in the Philippine Islands authorized to issue bonds or of the Government under which the foreign company shall have been organized or other good securities satisfactory to the insurance commissioner to the actual cash value of $50,000. It is specifically provided that if any insurance company organized outside the United States or its possessions shall have deposited in any State of the United States approved bonds and securities for the exclusive security and guaranty of the policyholders of the company in the United States or its possessions to the amount of $200,000, this deposit shall be taken in lieu of the $50,000 deposit just mentioned.

"It is further provided that it shall be sufficient compliance with the provisions of the law if the deposit be made with the Chief of the Bureau of Insular Affairs in Washington or with a safe deposit company to be designated by the Chief of the Bureau of Insular Affairs, which company shall agree to hold the securities subject to the control and order of the Chief of the Bureau of Insular Affairs as the representative of the insurance commissioner of the Philippine Islands. This measure will be discussed thoroughly by the insurance interests of the islands before it is presented to the legislature."

* * *

Investment Yield of Canadian Life Insurance Companies in 1913.—Statistics have recently been compiled by "The Chronicle," of Montreal, showing the average rate of interest or yield on the investments of the life insurance companies of Canada for the year 1913. The figures have been made up, not with the idea of obtaining the average rate of interest and dividends realized upon the companies' security holdings alone, nor upon those with specific investments like mortgages, but to arrive at the average return upon the sum total of the companies' mean assets for the year. The method followed in arriving at these mean assets has been as follows: The mean of the assets is determined by dividing by two the sum of ledger assets as at December 31, 1913, and at the same date a year earlier, and adding thereto the market values of bonds, stocks, etc., over book values, or deducting in cases where the market is less than the book value. The addition or deduction is not made in the case of the British and certain of the United States companies, where the Government Blue Book gives ledger values without information as to market divergence. The interest or yield is considered as made up by receipts from interest and rents during the twelve months ending December 31, 1913, adding thereto the interest and rents due and accrued at the end of the year, less the same items outstanding on December 31, 1912.

The most noteworthy feature of the statistics is the remarkably high average rate of yield on their assets achieved by the Canadian life companies in 1913, as compared both with previous years of their own experience and also with the yield obtained by life companies in other countries. In 1913, the yield for the Canadian companies average no less than 6.17 per cent, as compared with 5.87 per cent in 1912 and with 5.72 per cent in 1911. In 1900, the average yield had been only 4.56 per cent; so that it may be said that the Canadian life companies have succeeded in keeping quite abreast of the world-wide increase of the interest rate which has manifested itself since the beginning of the present century. The following table gives the figures of "The Chronicle" for the average investment yield of the companies for each of the years since 1900:

AVERAGE INVESTMENT YIELD OF CANADIAN LIFE INSURANCE COMPANIES.

Year.	Pct.	Year.	Pct.	Year.	Pct.	Year.	Pct.
1900	4.56	1904	4.80	1908	5.30	1912	5.87
1901	4.66	1905	4.93	1909	5.41	1913	6.17
1902	4.75	1906	4.93	1910	5.45		
1903	4.80	1907	5.24	1911	5.72		

Commenting upon the continuous rise in the average investment yield, "The Chronicle" is inclined to attribute it in no small part to the extent to which a part of the Canadian life companies have invested of late years in high interest bearing Western Canadian mortgages on real estate or farm property. It must be admitted that certain of the companies' balance-sheets show a very high proportion of these investments and that the companies whose average investment yield is the highest are in general those having the largest proportion of mortgages, while those investing

chiefly in securities earn a much lower rate of return. The rule is, however, by no means invariable, and some of the companies whose mortgage investments are of wholly moderate proportions manage to earn very close to the average yield for all companies. Moreover, taking the consolidated settlement of all the assets of all the Canadian life companies, it does not appear that the proportion of investments in mortgages is higher than it ought to be, if the uncomfortable results of exclusive investments in securities, at a time when the world interest rate is rapidly advancing, are to be avoided. Perhaps optimism with regard to the future of real estate and farm values in Canada may have led to over-extension of this kind of investment in a few cases; but there is no reason to think that any very serious losses are likely to be incurred by the companies on this account. The following table, compiled by "The Chronicle," shows the classes and amounts of the several forms of investment held by the Canadian life companies at the close of each of the past three years, but without the adjustment mentioned above in connection with the determination of the mean assets:

CLASSES AND AMOUNTS OF INVESTMENTS OF CANADIAN LIFE LIFE INSURANCE COMPANIES.

	1913.	1912.	1911.
Real estate owned	$9,967,470	$8,941,457	$7,958,157
Mortgages on real estate	87,085,966	75,131,638	63,443,648
Loans on collaterals	1,477,726	2,889,833	2,388,758
Loans on policies, etc	30,800,808	25,810,787	22,896,968
Bonds and debentures	77,144,914	69,388,972	68,099,271
Stocks	11,691,607	16,298,097	14,328,472
Totals (unadjusted)	$218,168,490	$198,460,784	$179,114,376

* * *

The Suicide Record of the United States in 1913.—The "Spectator," New York, publishes in its current issue an article by Mr. Frederick L. Hoffman on the suicide record of the United States in 1913. There are given below extensive excerpts:

"For insured males there is a distinct rise in the suicide rate with advancing age from 1.5 per 10,000 at ages 15 to 29, to 2.8 at ages 30 to 44, and to 4.8 at ages 45 and over. For insured females, however, the rate is practically the same for each period of life. Proportionate to the mortality from all causes, the suicide mortality was highest at ages 30 to 44 for males, or 4.1 per cent, and for females at ages 15 to 29, or 2.1 per cent.* The number of deaths for women, however, is hardly sufficient to warrant entirely safe conclusions. The much higher rate of frequency of suicide among men, as observed in general experience, is, therefore, confirmed by the experience of American life insurance companies for a comparatively recent period of time.

"An interesting comparison is possible with the general suicide rate for the United States registration area, according to sex, for the decade ending with 1912. The table below will show the results by divisional periods of life, but in a slightly different form than the age division adopted for the Medico-Actuarial Investigation.

MORTALITY FROM SUICIDE BY AGE AND SEX, UNITED STATES REGISTRATION AREA, 1903-1912.

Rates Per 10,000 Population.

Ages at Death.	Male.	Female.
Under 15	0.03	0.02
15 to 44	2.39	1.02
45 and over	5.60	1.13

"It is shown that for males at ages 15 to 44 the suicide rate for the registration area was 2.4 per 10,000 of population, which compares with the corresponding rate of 2.2 for the insured male population. At ages 45 and over the male suicide rate for the registration area was 5.6 against a rate of 4.8 for the insured male population. For women it is shown that at ages 15 to 44 the rate for the registration area was 1.02 against a rate of 1.0 for insured females; at ages 45 and over the female rate for the registration area was 1.13 against a rate of 1.0 for insured women. For both sexes, therefore, the suicide rate as disclosed by the American insurance experience was below the average for the general population of the United States registration area, for which the returns may be safely accepted as conclusive.

"It appears that the rate for 1913 for the 100 cities† was 18.7 per 100,000 of population, which compares with a rate of 19.7 for the previous decade. There was, therefore, an actual decline in the suicide rate of 1.0 per 1,000 of population. Out of the 100 cities 49 show an increase in the suicide rate and 51 show a decline. In a general way the relative position of the principal cities, with reference to suicidal frequency, is maintained during the year under consideration. Out of 20 cities, which during the decade ending with 1912 had a suicide rate of from 22.6 to 49.0, eleven show an increase in suicidal frequency against nine showing a decline. The rates for each city have in each case been calculated in conformity to the methods of the census office. It is self-evident, however, that errors in population estimates are unavoidable in the case of cities with unusual conditions, and this conclusion applies particularly to San Diego, Cal., for which the suicide rate is extremely high. It is quite possible that the actual population of San Diego is in excess of the estimate on account of the forthcoming exposition, but it would be hazardous for one not familiar with local conditions to adopt a local population estimate in the absence of an official census. It has therefore seemed best not to make such a correction, but to direct attention to the reasonable probability that the actual suicide rate for San Diego may possibly be below the rate given in the table. * * *

"The suicide statistics of American cities for the last twenty years are summarized in the usual form in the table below, and more conveniently by quinquennial periods:

TABLE III.—SUICIDES IN 100 AMERICAN CITIES, 1894-1913.

Years.	Population.	Suicides.	Rate Per 100,000 Population.
1894	14,009,143	2,123	15.2
1895	14,509,040	2,204	15.2
1896	14,996,618	2,349	15.7
1897	15,384,527	2,571	16.7
1898	15,859,608	2,621	16.5
1899	16,235,080	2,590	16.0
1900	16,756,990	2,726	16.3
1901	17,251,169	2,850	16.5
1902	17,745,361	3,143	17.7
1903	18,239,573	3,511	19.2
1904	18,733,793	3,762	20.1
1905	19,254,710	3,647	18.9
1906	19,837,889	3,536	17.8
1907	20,421,084	3,969	19.4
1908	21,004,288	4,582	21.8
1909	21,587,499	4,531	21.0
1910	22,170,708	4,377	19.7
1911	22,756,723	4,453	19.6
1912	23,334,475	4,397	18.8
1913	23,917,482	4,470	18.7
1894-1898	74,758,936	11,868	15.9
1899-1903	86,228,173	14,820	17.2
1904-1908	99,251,764	19,496	19.6
1909-1913	113,766,887	22,228	19.5

"As far as it is possible to judge, a maximum figure for American cities was attained in 1908, when the rate reached 21.8 per 100,000 of population. The rate of 18.7 for the year 1913 was the lowest on record since 1903, with the exception of 1906. A diminishing suicide rate may be safely assumed to reflect in a general way an improvement in the social and economic condition of the country, and in this respect the evidence available is quite conclusive that the year 1913 was one of widely diffused prosperity. * * *"

*Per cent of deaths from suicide to the mortality from all causes at each age period.

†Table for 100 American cities omitted.

Insurance in Canada in 1913.—"The Insurance Record," of London, in a recent issue gives the following survey of insurance in Canada during the year 1913:

The report of the Superintendent of Insurance of the Dominion of Canada for the year ended December 31, 1913, is, as usual, a careful and exhaustive compilation of statistics, prefaced by information of a highly interesting character. To students and others who may have but an imperfect knowledge of the Canadian offices and the magnitude of the business transacted in the Dominion this report will bring much enlightenment, while it is instructive also as showing the results obtained by British, American and other companies in the great colony which has been called "The country of the future." The report fills two volumes (or "Blue Books"), the first dealing with fire and casualty insurance, the second with life assurance. During the year 1913 fire insurance business was carried on by 84 companies in Canada, of which 29 were Canadian, 24 British, 29 United States and 2 French. There were five new competitors in the field, one of them British (viz., the Marine Insurance Company, which during the year received a license for fire insurance, in addition to its previous powers, but did not actually transact fire business), and five fell out of the ranks—four Canadian companies having discontinued business and another having had its license withdrawn. The total amount received for premiums was $25,745,947, of which $5,099,298 was taken by Canadian offices, $13,138,597 by British and $7,508,052 by United States and other offices. The most favorable experience was that of the British companies, whose loss ratio was 52.82 per cent, as against 52.26 per cent in 1912; but the United States and other offices were nearly as fortunate with a loss ratio of 53.86 per cent, as compared with 50.82 per cent in 1912, while the Canadians had to pay away 59.23 per cent of their premiums in losses, or 5.28 per cent more than in the previous year. The total amount paid by all companies was $14,003,759, or 54.39 per cent of the total premium income, as against 52.25 per cent in the previous year. It is a significant fact that this ratio for 1913 is 7.30 per cent less han the average ratio for the forty-five preceding years.

Casualty insurance business was carried on in Canada during 1913 by 68 companies, of which 26 were Canadian, 13 British and 29 United States companies. The business was of the usual miscellaneous character, including employers' liability, personal accident, guarantee, sickness, plate glass, burglary, steam boiler, automobile, weather insurance, title insurance, sprinkler league insurance, live stock and inland transportation. Of the more modern forms of indemnity we note that automobile insurance was carried on by 22 companies (four of them British), the premiums received being $563,204; but the competition in burglary insurance is apparently not so great, as it is carried on by only 7 companies—one of them British—with premium receipts of $75,580. The total amount received in premiums for casualty insurance was $9,272,076, of which British and Colonial offices took $3,165,600. Life assurance business was transacted by 45 active companies of which 27 were Canadian, 7 British, 1 Colonial and 10 American. The total amount of new assurance for 1913 was $231,608,546, showing an increase of $12,403,443, over the corresponding total of the previous year. The Canadian offices wrote $9,774,014 less than in 1912, and the British companies' figures also show a falling off to the extent of $369,257, though in the preceding year they indicated a substantial increase. For the time being it is the American offices that are going full steam ahead, and their new business in Canada in 1913 was $22,546,714 in advance of that of the previous year. Nevertheless, the offices of the Dominion still obtain the greatest amount of support in the land of their origin. Last year they issued policies for $131,493,582, as compared with assurance for $93,164,269 granted by United States companies and policies for $6,950,695 by British offices. A table showing the advance of life business in Canada since the year 1875 is very suggestive and encouraging. The total amount of insurance effected in one year has risen from $15,074,258 in 1875 to $231,608,546 in 1913, and the huge increases effected in recent years indicate that a period of irresistible growth is in progress.

* * *

Commissioner Ekern's Ruling on the War Revenue Tax.—Insurance Commissioner Ekern, of Wisconsin, has issued the following ruling in regard to the paying of the newly imposed Federal war revenue tax. The ruling, of course, applies only to policies issued in the State of Wisconsin:

Ruling.

Sections 1941-43, 19550.

Federal Taxes on Fire Insurance Policies.

The stock fire insurance companies are required to pay the stamp tax on policies imposed by the new United States Internal Revenue Tax Law. The insured cannot be required by the company to pay the tax or furnish the stamp. He can be required to pay only the premium which must be written in full in the Standard Fire Policy as required by Section 1941-43 of the Wisconsin statutes. If the company attempts to impose this tax upon the insured, the agent cannot pay it without violating the anti-rebate law, Section 19550.

(Signed) HERMAN L. EKERN,
Commissioner of Insurance.

Madison, Wis., Dec. 1, 1914.

Accompanying this ruling, Mr. Ekern has sent out the following memorandum, stating the reasons which have led him to come to his conclusion:

Memorandum.

The intent of the new internal revenue law is that the tax shall be paid by the companies. The company and the agent are punishable by fine for issuing an unstamped policy.

There is no penalty upon the insured for accepting such policy. He is not subject to fine. The validity of evidentary value of his policy is not affected. The prohibition in the old act of 1898 against the use of an unstamped contract in evidence is omitted from the new act.

The provision in the new act that the tax shall be paid by the person for whose use and benefit the instrument is made plainly applies to an instrument which must be stamped to be recorded. This does not apply to an insurance policy.

The fact that a tax on insurance over which the Federal government exercises no jurisdiction or control may be wrong in principle, does not justify the stock fire insurance companies in requiring its payment by the policyholders.

The Wisconsin Standard Fire Policy law requires that the premiums shall be stated in the face of the policy. (Section 1941-43.) This premium is the payment required by the company to be made by the insured. The policy cannot be changed, varied, or added to by any matter not authorized by statute, and no addition of the premium tax or separate contract referring to it is authorized by statute. (Section 1941-64.)

The company and the agent are forbidden to make any contract or agreement other than is plainly expressed in the policy. The giving of any rebate of the premium by the agent is prohibited. (Section 19550.)

While the legal question is decisive, the financial and economic question raised by the argument made by the National Board of Fire Underwriters and some of the companies that they are losing money demands comment.

The stock fire companies certainly are not losing money in Wisconsin. During the ten-year period they collected from Wisconsin policyholders over $37,500,000 net premiums in excess of paid losses and the increase in reserve. They paid in losses only $42.80 for each $100 in net premiums, against United States losses paid of $56.30 for each $100 of net premiums. Taking the five-year period, 1909-13, which eliminates the San Francisco conflagration, these companies returned to policyholders in the United States $52.30 against only $43.70 losses paid to Wisconsin policyholders for each $100 in net premiums, and against only $38.20 in 1912 and $34.40 in 1913 of net losses paid Wisconsin policyholders for each $100 of premiums.

Neither are the companies losing money on their business as a whole throughout the United States. Their statements of underwriting profits and losses omit the interest earned on the assets. Roughly, one-half the assets belong to the stockholders and one-half to the policyholders, and this interest income is the greatest source of profit. Without any profit from underwriting, the companies' rate of profits on all investments in capital and surplus will be double the rate of interest earned on the assets, as the stockholders take the earnings on their own money and on the policyholders' money. Thus, the National Board statements emphasize an underwriting loss of $16,775,237 for the ten years from 1904-13, while the fact is that during this period, including the San Francisco conflagration year, on an average capital stock of about $80,000,000, the stockholders received $65,000,000 more in dividends than they paid back into surplus.

The exact figures for practically the same stock fire insurance corporations reporting to Wisconsin for the ten years are:

Net premiums		$2,445,697,711
Net losses paid		1,377,452,748
Gain in surplus		65,882,591
Dividends paid	$176,368,258	
Contributions to surplus	115,476,824	
Net dividends paid		60,891,434
Average capital stock		72,548,926
Average surplus		141,638,663

The average annual dividend, including the San Francisco conflagration year, was thus 8.39 per cent on the capital stock, or 7.84 per cent on the combined capital and surplus. The average annual stockholders' gain (in dividends paid and increased surplus) was 17.5 per cent on the average capital stock, or 5.9 per cent on capital stock and surplus.

The more normal last five-year period, 1909-13, shows largely increased profits, notwithstanding the great shrinkages in values of securities in 1913.

Net premiums		$1,322,827,514
Net losses		681,893,514
Increase in surplus		51,851,596
Dividends paid	$100,470,369	
Contribution to surplus	20,747,466	
Net dividends paid		79,722,903
Average capital stock		79,003,543
Average annual surplus		167,400,492

During the five-year period the average net annual dividend was 20.11 per cent on the capital stock, or 6.48 per cent on the capital stock and surplus. The average annual stockholders' net gain (in dividends and increased surplus) was 33.3 per cent on the capital stock or 10.68 per cent on the combined capital stock and surplus.

During the ten-year period the average annual stockholders' gain (in net dividends and increased surplus) was 5.18 per cent of the net premiums or 9.2 per cent of the losses paid. During the five-year period the same gain to stockholders was 9.95 per cent of the net premiums paid by policyholders, or 19.3 per cent of the losses paid to the insured.

This is not all. During the five-year period the increase in unearned premiums was $49,217,147, which at the 30 per cent used by the New York Fire Investigation Committee contains an added profit of $14,765,144. This makes the total gain to stockholders (in net dividends, increase in surplus and the 30 per cent increase of unearned premiums) $146,339,743, which was an average 11.07 per cent of the net premiums, or 21.5 per cent of the net losses paid.

This is what it has cost the policyholders for the use of the stockholders' capital and surplus. Taking the stock fire insurance business in the United States as a whole, even through a period involving insurance losses of $150,000,000 in the largest conflagration known, the companies and stockholders have made a large profit. With the San Francisco losses now recouped, the gains should be reduced rather than increased. There is no excuse for adding the one-half per cent Federal tax to the policyholders' premiums.

* * *

Annual Meeting of Association of Life Insurance Presidents.—The preliminary announcement of topics and speakers at the eighth annual meeting of the Association of Life Insurance Presidents, to be held in New York City on December 10-11, 1914, is as follows:

Mr. Jesse R. Clark, chairman, president Union Central Life Insurance Co., Cincinnati, O.

The Common Interests of Life Insurance, Education and Business.

"Relation of Life Insurance to the Credit Fabric of Business," by Hon. A. Barton Hepburn, chairman of board of directors, Chase National Bank, New York.

"Response of Our Educational Institutions to Present-Day Business Needs," by John H. Finley, LL.D., State Commissioner of Education, Albany, N. Y.

"The Increasing Need for Insurance of Women," by Mr. Herbert C. Cox, president Canada Life Assurance Co., Toronto, Ont.

"In re Prevention of Verdict Before Trial in Life Insurance Cases," by Mr. W. H. Davis, general counsel Pacific Mutual Life Insurance Co., Los Angeles, Cal.

"Safety First in Life Insurance," by Mr. John B. Lunger, vice-president Equitable Life Assurance Society, New York.

"The Insurance Department as an Educating Force," by Hon. J. S. Darst, president National Convention of Insurance Commissioners, Charleston, W. Va.

"Some Observations on Supervision," by Hon. Frank Hasbrouck, Superintendent of Insurance, Albany, N. Y.

"The Relation of Sanitary Engineering Works to Public Health," by Mr. Rudolph Hering, sanitary and water supply engineer, New York.

"Live a Little Longer—The Rochester Plan," by Miss M. E. Bingeman, Rochester, N. Y.

"Can Insurance Experience be Applied to Lengthen Life?" by Mr. Arthur Hunter, actuary New York Life Insurance Co., New York.

Fireside Campaigning.

Opening Address: By Mr. R. W. Stevens, vice-president Illinois Life Insurance Co., Chicago, Ill.

Following Mr. Stevens' address there will be a general discussion on the subject of "Fireside Campaigning." Every member and guest is urged to come prepared to say something on this vital subject, if only to speak for two or three minutes. There will be a limit of six minutes for each participant, so that time may be provided for every one who brings a message.

("Insurance News in the West" and "Items of Insurance News" will be found on pages 735 and 736.)

FINANCE AND COMMERCE

Financial and Commercial Review.

Banking Situation at Home and Abroad.

Statistics of Cotton and Coffee.

Market Prices of Securities and Commodities.

WALL STREET has been the place of marked progress in the past week or, speaking with a more strict regard for Wall Street functions, the place where progress in banking and business recovery has been most strikingly reflected. It looks now as though it would only be a little while before the country's primary securities market would be restored to some semblance of normal working order and when this occurs the rehabilitation of the economic machinery will be completed. The indications are that irregular processes of improvement in values and volumes, financial and commercial, will then get under way. Unless we mistake the temper both of the American people and of the leaders of affairs a determined effort is going to be made to take every economic advantage which the position of the United States offers in the circumstances of the war abroad, and no matter what the ultimate result of the war may be the American advantages are great.

Wall Street events of the last few days suggest that the stimulus to a forward business movement is even now being prepared in the securities and money markets. The mere resumption of open dealings in the organized securities market has tended to provoke an optimistic sentiment which is bound to be promoted as it is found possible to resume open trading in stocks. Probably until the Interstate Commerce Commission makes its decision in the Eastern rate case it will be found necessary to maintain restrictions on transactions on the New York Stock Exchange, and all the other minor markets will take their cue from it. Even though the Commission's ruling be favorable to the contentions of the railroads and the hopes of the investors, the stock market will probably have to remain under an unusual degree of authoritative control at least until there is a definite turn in the war which is prophetic of the outcome.

It might be noted though that in the financial district there is a growing feeling that apprehension about the quantitative urgency of foreign liquidation of American investments has been exaggerated and the belief is gaining ground that the securities market will be able almost to take care of itself in the continuing adjustments of values which the contingencies of the war will require. It is thought, moreover, that the banking position and the money market is nothing like as subject to violent derangement as was feared only a month or so ago. The whole world has become more or less accustomed to the fact of the war. It has seen with what impressive ability the financial situation has been righted. It has seen huge war loans floated with remarkable celerity and it has before its eyes the spectacle of a vast plethora of bank credit which can take up and absorb a great deal of financial strain sudden or otherwise.

For the time being the bond market derives support from the increasing ease of money. The most important aspect of business in bonds is not their price level just now, but the evident lack of selling pressure which may also be owing to the level of bank rates. In the long run, unless the economic doctors are all wrong, the quoted values of bonds will decline from their present range in order to bring their yields up to parity with the price which capital will command for new uses. A significant token in this regard is furnished by the terms on which foreign borrowing is being done here. France, Sweden and Norway have negotiated loans of moderate amounts which have cost the borrowing countries upwards of 6 per cent. In all likelihood, however, the readjustment of bond prices to the long distance outlook will be gradually effected without severe disturbance of financial positions. The fact that foreign countries are coming here for money is one of the striking developments of late and is auspicious for our future. There will be more of this business as time goes on and the beginnings of it show that the American banking community is getting into world finance. In the war and its aftermath New York may come very close to attaining the eminence as a world money market which patriotism has occasionally been inclined to predict for it.

In the aspects of stocks observers find reasons for taking a hopeful view of general business chances of comparatively early recovery. In the first list of prices officially sanctioned by the Stock Exchange authorities since the Exchange closed its doors last July, seventy stocks were quoted and almost all of them exhibited substantial gains over the closing quotations on July 30 last. Responding more to the visible cheapening of borrowable funds than to anything else, shares in every market in which they are being dealt in have been displaying rallying or rising tendencies and, if the discounting operations of the stock market are to be accepted, both speculators and investors are now anticipating material betterment in the field of trade and industrial activities where the values which underlie quoted values are created.

Even at this stage the combined influences of the money and securities markets have started at least a sentimental change for the better in basic lines of business, as in the iron and steel trade. From the point of view of employment and profits we have a hard Winter ahead, but if the funds with which bankers have on their hands in uncomortable sufficiency begin to seek employment the end of Winter will not be reached before business men report everywhere that trade is picking up. Every concern that gets some of the foreign orders for supplies which are being placed here is a centre of potential general business improvement in its locality and foreign trade recovery, which gave November an export balance of more than $70,000,000, compared with $57,000,000 in October, must have beneficial domestic reactions all around. It takes time to get business going after the machinery of finance and commerce has all been knocked to pieces, but machinery has been practically set up again and general business activity seems to be now only a question of time.

When the New York Clearing House Association announced this week that all the clearing house certificates issued by way of emergency measures had been retired a traditional sign was given that the period of critical strain had passed and that financial equilibrium had been restored. More of these certificates were taken out and were outstanding at one time than ever before, but their retirement was much more quickly effected. Retirement of not far from half of the total emergency currency issued by the National banks of the country and the fact that in no city are there any clearing house certificates which have not been redeemed or called for redemption testify to the completeness with which the banking conditions have recovered from derangement.

Corroborative evidence is furnished by the rates for bank accommodation which cannot be called prevailing rates because of their persistent downward trend. Call loans have been negotiated in Wall Street on Stock Exchange collateral at 3½ per cent and

time money and commercial paper may be quoted as ranging around 4½ per cent. It is just as necessary as it ever was for a borrower to have excellent credit in order to get the lowest terms for accommodation and bankers are anxious to be conservative, but the most interesting question of the moment is how long banking conservatism will be able to refrain from forcing credit on borrowers. The artificial measures resorted to in British war finance have made money almost unlendable at London. In this country the money market is in a state of absolute glut as a result of the establishment of the Federal Reserve Banking System and the coincident reduction of statutory reserve requirements.

Perhaps because the banks are going to have infinite trouble in finding employment for their funds and because the open market rates for money are tending lower all the time, there is no danger that the Federal Reserve Board can or will do anything now which will store up trouble to be dealt with later on. It looks very much as though the Board would have to let the Federal Reserve machinery stand more or less idle for a protracted period. Certainly if the Board takes counsel of banking judgment it will see no way to put the reserve banks in line to earn expenses by rediscounting or by open market operations. Whatever the reserve banks do under the present circumstances of an unprecedented excess of reserve holdings by the banks of the country as a whole will only have the effect of cheapening the rates for credit and increasing the market supply of money.

What the Reserve Board may attempt as a result of other than banking considerations is a different question. A session of Congress is about to open which promises to be full of discontent and because of its business basis discontent may converge on the Treasury. The administration of the Treasury has been such as to cause expectations that on the least possible excuse, or on no excuse at all, some financial novelty will be espoused by Mr. McAdoo, and the strength of Treasury influence in the Federal Reserve Board was one of the dangers foreseen at the very beginning of currency legislation last year. This danger has been emphasized recently. Although it is outside of its duties, the Board has been involved in the McAdoo Cotton Loan Fund to the extent of undertaking its general supervision. This is quite in keeping with the conceptions of the Federal Reserve System which President Wilson and Mr. McAdoo have formed. Mr. McAdoo regards the Federal Reserve Banks as a branch of the Treasury and Mr Wilson has told his Secretary of the Treasury that in the reserve bank system "You have a new instrument at hand."

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

Average Status.

Week Ending	Nov. 7	Nov. 28	Week Ending	Nov. 21	Nov. 28
Loans	[illegible]	[illegible]	Net demand dep.		
Reserve in own vaults	[illegible]	[illegible]		$1,936.0	$1,951.0
Reserve in Federal Reserve Bank	[illegible]	[illegible]	Net time deposits	91.9	94.1
Reserve other dep.	[illegible]	[illegible]		90.6	92.6
Reserve Bank notes	90.0	90.0	Circulation	42.0	42.0
Reserve other dep.	[illegible]	[illegible]		135.9	132.1
Excess reserve	[illegible]	[illegible]			

Separate totals for Cash and Reserve Deposits in Trust Companies not members of the Federal Reserve System.

Clearing House certificates outstanding, Treasury notes outstanding, deposits of the United States Government.

Actual Status Non-Member Institutions

Week Ending.	Nov. 7	Nov. 14	Nov. 21	Nov. 28
Loans	[illegible]	[illegible]	[illegible]	[illegible]
Deposits (net)	[illegible]	[illegible]	[illegible]	[illegible]
Cash reserves	[illegible]	[illegible]	[illegible]	[illegible]
Other reserves	[illegible]	[illegible]	[illegible]	[illegible]
Reserve ratio (%)	[illegible]	[illegible]	[illegible]	[illegible]

PHILADELPHIA BANKS STATEMENT

	July 25	Aug. 1	[illegible]	Nov. 21
	1914			
Loans	[illegible]	[illegible]	[illegible]	[illegible]
Deposits	418.4	[illegible]	[illegible]	[illegible]
Cash reserves	99.7	95.9	[illegible]	[illegible]

BOSTON BANKS STATEMENT.

	July 11.	July 18.	July 25.	Aug. 1.
	1914			
Loans	242.5	240.7	242.4	243.5
Deposits (net)	222.2	221.8	226.1	228.4
Cash reserves	30.4	30.8	32.6	31.4

CHICAGO BANKS (Periodical).

(Five Times a Year; No Weekly Returns.)

	1913.	1914		
	Oct. 21-22.	Jan. 13-14.	June 30.	Sept. 12.
Loans	760.4	667.2	701.2	704.7
Deposits	1,003.2	997.4	1,024.3	964.4
Cash, other reserves	449.5	470.2	335.2	311.9
Reserve ratio (%)	44.3	47.2	32.7	32.3

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914			
	Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,175.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week Ending	New York.	Outside.	Total.	New York.	Outside.	Total.
November 28	1,631	1,258	2,890	1,149	1,164	2,314
November 21	1,516	1,905	3,421	1,156	1,714	2,870
November 14	1,559	1,868	3,428	1,166	1,634	2,800

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week Ending.	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
December 4	8	5½	5¾	4	4½	5
November 27	10	5	5¼	4½	4½	5
November 20	3½	4¾	5½	5	5½	5½

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Nov. 12.	Nov. 19.	Nov. 27.	Dec. 3.
Deposits	156,535	163,621	170,344	180,547
Circulation	35,518	35,313	35,314	35,926
Gold	69,280	72,570	72,222	71,409
Securities	122,094	125,704	137,601	144,410
Reserve ratio (%)	33.55	34.04	31.60	29.90
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 16.	July 23.	July 30.	Oct. 1.
Deposits	1,218.9	1,343.5	1,331.0	2,117.0
Circulation	6,067.0	5,911.9	6,683.1	9,299.0
Gold	4,092.6	4,104.3	4,141.3	4,092.0
Silver	639.7	664.6	625.3	319.0
Discounts, etc.	1,606.8	1,611.8	2,444.2	4,476.0
Coin to notes (%)	77.9	80.6	71.0	58.1
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	Oct. 31.	Nov. 7.	Nov. 14.	Nov. 21.
Gold and silver	1,890.3	1,921.5	1,956.6	1,837.4
Loans and discounts	2,809.1	2,676.0	2,800.6	2,922.6
Circulation	4,170.7	4,484.8	4,060.0	4,009.1
Discount rate (%)	6	6	6	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	July.	August.	September.	October.
Loans on call	193.9	166.7	159.5	151.4
Loans, current	927.0	883.8	867.8	858.6
Deposits, demand	346.8	338.9	348.2	348.7
Deposits, other	766.9	755.1	759.3	750.6
Circulation	94.8	114.5	120.3	123.7
Cash reserves	113.3	159.7	176.2	183.2

THE COUNTRY'S COMMERCE

	September		October	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$171,084,843	$139,204,267	$132,949,302	$137,978,778
Exports	218,240,001	156,188,790	271,861,464	195,283,852
Specie.				
Gold—Imports	4,626,748	2,761,590	5,391,085	5,934,866
Exports	496,037	21,887,202	483,780	50,341,972
Silver—Imports	2,098,348	1,864,213	2,538,446	2,549,117
Exports	5,856,197	5,389,981	4,873,349	3,972,446

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	49⅛	49⅛	49⅜	49⅜	49⅜	49⅝
London	22¾	22⅞	22 13-16	23 1-16	23 1-16	23

COTTON

December 5, 1914.

ALL the conditions of the time combine to make the volume of trading in cotton far smaller than normal, and consequently the impression given by the markets is one of extreme inactivity. During the past week this was particularly the case, because little is now left unliquidated of the business held over perforce from the last weeks before the outbreak of the war, while the initiation of new business, in the midst of all the inevitable uncertainties to be faced by dealers, is necessarily slow. The truth of course is that the lack of precipitancy about entering into new commitments is one of the most wholesome features of the trade at present; but the want of energy and animation in the markets must also be admitted to have its trying side. None the less, the past week has really shown the most decided enlargement of new business which has been seen since the re-opening of the cotton exchanges. It has become manifest that the world is really coming back to the cotton exchanges and is actually buying and selling cotton for commercial purposes, even though on a very moderate scale as yet. In the New York Cotton Exchange orders of spinners have begun to appear, on the one side, and the orders of cotton merchants hedging their purchases of cotton, on the other. Liverpool firms are resuming their arbitrage buying and selling, and are showing both willingness and ability to acquire stocks of cotton, protected by sales of future contracts either in their own market or in the American markets. Some fresh business is appearing from the Continental countries not involved in the war; and, curiously enough, there has been some buying of contracts in New York for both German and Austrian account. Actual cash to protect these last commitments is understood to have been forwarded to New York banks. This German and Austrian buying is all the more noteworthy because as yet all the efforts to get cotton started for German ports direct have proved unavailing. No less than three ships fully laden with cotton are understood to be lying still in American ports, despite the assurances conveyed by the British Government to our State Department that cotton in neutral bottoms will not be interfered with by war vessels of the Allies, even though cleared direct for Germany or Austria. The hitch now is reported to be not so much the impossibility of obtaining marine insurance as the unwillingness of crews to face the dangers of mine fields in the North Sea and in the Adriatic. Yet, as stated above, there is little doubt that Germany and Austria are both beginning to contract for cotton for future delivery, especially for the late Summer and early Fall of 1915. Some in the cotton trade surmise that this fact may be of significance in respect of the probable duration of the great war. It has been noted in New York that there appear to be in the market numerous orders to purchase October (1915) contracts on a scale down from 8 cents per pound. This would appear to indicate that as the season progresses larger and larger quantities of contracts will be entered into for the delivery of cotton a year or more hence. It is unnecessary to remark that such buying will take care of the surplus of the present season's production just as effectually as would a present demand for the actual cotton in the South; for merchants will buy the actual cotton, as the producers get ready to sell it, and will sell these distant deliveries, on a proper parity, as a hedge. As it more and more perceives the initiation of this economic process, the cotton trade grows to fear less and less a further disastrous decline in the price of cotton. Provided the Southern farmers continue to show the courage they are now displaying in selling no cotton except under the stress of actual necessity, and provided these farmers intelligently accommodate their cotton acreage next Spring to the obvious requirements of the situation, there is little reason to anticipate that their average price for this year and next together will fall far below the cost of production, if indeed it does not equal or exceed it. Meantime, the cotton trade is interested to ascertain at the earliest possible moment the probable size of the present crop, with its corollary of the probable amount of surplus cotton that must be reckoned with. It has been deduced from the record-breaking ginning figures issued by the Census Bureau on November 21 that the crop must exceed the 16,100,000 bales of the season of 1911-1912. The trade, however, is well aware of the variation from year to year in the rapidity of ginning, and it is accordingly awaiting the annual crop estimate of the Department of Agriculture, to be issued next week. The only indication from official sources as to what this estimate is likely to be is to be found in "Farmers' Bulletin 641", just published by the Department of Agriculture. There it is stated: "With the exception of 1911, the cotton crop of 1914 is the largest on record. The 1914 crop, from conditions on September 25, is expected to be about 15,360,000 bales of 500-pounds, gross weight. This estimate does not include linters, the production of which has averaged about 600,000 bales for the past three years." Independent crop students, on the other hand, incline to somewhat higher figures, as a rule. Miss Kate M. Giles puts the crop at 15,780,000 bales, exclusive of linters, or about 16,400,000 bales with linters. The New Orleans "Times-Picayune" has issued an estimate of 15,750,000 bales, exclusive of linters. The average estimate of members of the Memphis Cotton Exchange is 15,529,000 bales, exclusive of linters. The Memphis "Commercial-Appeal," however, has arrived at the lower figure of 14,988,000 bales excluding linters. Even after all the estimates of production are made, on the other hand, there will still remain some question as to how closely the last of the crop will be picked.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	7.36	7.37	7.28	7.18	7.12	7.01
Low	7.30	7.20	7.15	7.14	7.00	6.98
Close	7.30	7.24	7.14	7.15	6.99	6.99
January (Old Contract)—						
High	....	7.22	7.17	7.20	7.04	....
Low	....	7.22	7.11	7.20	7.03	....
Close	7.32	7.25	7.16	7.16	7.02	7.03
January (New Contract)—						
High	7.50	7.46	7.35	7.31	7.27	7.18
Low	7.41	7.33	7.30	7.30	7.15	7.11
Close	7.40	7.37	7.31	7.31	7.15	7.17
March (New Contract)—						
High	7.60	7.58	7.54	7.50	7.47	7.41
Low	7.52	7.48	7.45	7.47	7.37	7.34
Close	7.52	7.51	7.49	7.48	7.37	7.37
March (Old Contract)—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	7.36	....	....	7.19	7.05	7.05
April—						
High	.....	.....	.....	....	7.50	....
Low	.....	.....	.....	....	7.50	....
Close	.....	.....	.....	....	....	....
May (New Contract)—						
High	7.72	7.63	7.67	7.62	7.58	7.55
Low	7.66	7.61	7.57	7.58	7.49	7.48
Close	7.66	7.64	7.61	7.60	7.49	7.52
May (Old Contract)—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	7.50	....	....	7.43	7.32	7.34
July—						
High	7.87	7.85	7.83	7.79	7.74	7.70
Low	7.81	7.77	7.75	7.75	7.65	7.64
Close	7.81	7.77	7.77	7.75	7.65	7.66
August—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....
September—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....
October—						
High	8.11	8.09	8.04	8.04	7.97	7.95
Low	8.05	8.00	7.98	7.98	7.90	7.90
Close	8.04	8.01	8.00	7.99	7.90	7.92
November—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	7.12	7.10	7.08	7.14	6.99	6.94
January (New Contract)—						
High	7.32	7.31	7.26	7.30	7.20	7.15
Low	7.27	7.20	7.23	7.26	7.10	7.11
Close	7.25	7.24	7.24	7.25	7.10	7.11
February—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....
March—						
High	7.53	7.49	7.41	7.42	7.34	7.27
Low	7.43	7.36	7.35	7.35	7.21	7.18
Close	7.43	7.39	7.37	7.36	7.21	7.22
May—						
High	7.70	7.57	7.58	7.59	7.52	7.46
Low	1.60	7.53	7.52	7.53	7.40	7.39
Close	7.60	7.56	7.54	7.53	7.40	7.41
June—						
High	....	.....	.....	....	...	...
Low	....	.....	.....	....	....	....
Close	....	.....	.....	....	....	....
July—						
High	....	7.82	7.72	7.76	7.67	7.63
Low	....	7.69	7.71	7.71	7.58	7.58
Close	7.78	7.72	7.70	7.70	7.58	7.59
August—						
High	....	.....	.....	....	....	...
Low	....	.....	.....	....	....	....
Close	....	.....	.....	....	....	....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
September—						
High						
Low						
Close						
October—						
High						
Low						
Close						
November—						
High						
Low						
Close						

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery each day of the past week, in pence and hundredths of a penny per pound net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May-June—						
Opening						
12:30 p. m.						
Close						
June-July—						
Opening						
12:30 p. m.						
Close						
July-Aug.—						
Opening						
12:30 p. m.						
Close						
Aug.-Sept.—						
Opening						
12:30 p. m.						
Close						
Sept.-Oct.—						
Opening						
12:30 p. m.						
Close						
Oct.-Nov.—						
Opening						
12:30 p. m.						
Close						
Nov.-Dec.—						
Opening						
12:30 p. m.						
Close						
Dec.-Jan.—						
Opening						
12:30 p. m.						
Close						
Jan.-Feb.—						
Opening						
12:30 p. m.						
Close						
Feb.-Mar.—						
Opening						
12:30 p. m.						
Close						
Mar.-Apr.—						
Opening						
12:30 p. m.						
Close						
Apr.-May—						
Opening						
12:30 p. m.						
Close						

HAVRE BOURSE.

The following were the called prices for the most active deliveries on Tuesday, in francs and fractions of a franc per 50 kilos (110¼ pounds) net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July						
August						
September						
October						
November						
December						
January						

LIVERPOOL SPOT AND FUTURES FOR AMERICAN COTTON.

The following were the official quotations for middling cotton in the Liverpool market each day of the past week in pence and hundredths of a penny per pound:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot						
Futures						

The following were the official called prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	5.48	5.38	5.38	5.37	5.37	5.27
Good middling	4.80	4.70	4.70	4.69	4.69	4.61
Middling	4.47	4.41	4.41	4.40	4.40	4.35
Low middling	3.92	3.87	3.95	3.94	3.94	3.89
Good ordinary	3.25	3.18	3.25	3.24	3.24	3.24
Estimated spot sales	8,000	6,000	8,000	8,000	6,000	4,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	....	....	....	.....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 21, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Receipts at ports	444,905	452,993	376,640	341,151
Overland to mills and Canada				
Interior stocks in excess	18,492	61,431	60,785	43,781
Southern consumption				
Total receipts	140,000	100,000	105,000	90,000
Total to mills and exports				
Net overland to Jan. 1	36,661	38,887	54,163	38,064
Southern consumption to Jan. 1	170,000	653,311	596,588	512,996
Total Movement—				
Total to Jan. 1	6,173,917	6,141,768	5,980,712	3,099,589
Overland to mills and Canada				
Charged	313,955	387,459	447,915	302,321
Southern consumption	313,955	1,159,873	1,159,796	757,887
Total overland to Jan. 1				
Interior stocks in excess	717,917	581,330	638,998	965,260
Total crop to Jan. 1				
Total crop movement	8,225,241	8,216,430	8,227,421	5,125,057

The total crop movement is respectively for 130 days, 128 days, 127 days and 128 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
[illegible]	1,144	2,654,666	330,291	100,797	1,387,172	407,282
[illegible]	7,098	707,282	203,756	80,466	426,161	239,474
[illegible]	1,271	220,243	47,424	6,779	62,887	41,230
[illegible]	12,043	1,222,394	189,040	67,353	515,328	217,345
[illegible]	10,017	374,792	77,025	17,578	145,914	94,242
[illegible]	14,024	288,848	41,658	7,359	68,355	46,664
[illegible]	5,830	282,902	52,281	16,167	140,331	54,649
[illegible]	6,118	58,231	12,445	3,111	19,713	4,700
[illegible]	371	1,227	51,376	1,356	2,100	80,998
[illegible]	836	6,688	4,276	907	5,121	5,802
[illegible]	.....	191	2,035	244	792	4,506
[illegible]	1,218	33,319	.....	9,479	45,984	.....
[illegible]	1,500	12,729	10,827	8,600	33,067	16,049
[illegible]	347	91,729	.....	.....	3,925	.....
[illegible]	347	12,191	.....	.....	400	.....
[illegible]	19,792	125,566	.....	12,660	89,510	.....
[illegible]	20,473	270,662	38,136	8,335	133,177	38,315
[illegible]	1,274	19,287	2,052	640	19,643	1,660
[illegible]	.....	.....	.....	.....	.....	.....
Total	276,611	5,980,714	1,466,114	341,142	1,252,816	1,252,816

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
[illegible]	50	51,893	92	1,864	293	10,531	733	3,695
[illegible]	3,114	51,475	1,475	11,580	2,372	58,223	2,470	5,585
[illegible]	10,000	10,000	10,000	33,294	1,116	95,078	3,257	74,774
[illegible]	10,221	1,211,[illegible]	7,856	49,862	19,193	8[illegible],478	5,963	47,178
[illegible]	2,[illegible]41	2,[illegible]41	2,[illegible]41	19,863	2,946	38,889	2,748	22,237
[illegible]	1,000	10,125	1,114	9,280	2,563	20,109	588	15,068
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	25,728	2,211	8,475	2,[illegible]15	16,184	1,453	10,504
[illegible]	1,[illegible]41	1,[illegible]81	1,[illegible]31	1,951	1,287	14,067	788	10,886
[illegible]	[illegible]	[illegible],[illegible]09	4[illegible],[illegible]04	220,477	[illegible],[illegible]50	482,399	33,014	246,108
[illegible]	[illegible]	[illegible],[illegible]85	[illegible]	962	65	1,112	75	1,270
[illegible]	[illegible]	1[illegible],[illegible]29	1,[illegible]78	19,[illegible]15	5,[illegible]82	82,505	4,052	49,599
[illegible]	[illegible]	[illegible],[illegible]46	[illegible]	[illegible]	7,[illegible]41	124,284	3,831	82,626
[illegible]	[illegible]	[illegible]41	[illegible]21	1,[illegible]21	[illegible]95	15,925	560	10,542
[illegible]	[illegible]	1,[illegible]00	[illegible]	[illegible]	5,[illegible]62	50,043	1,350	44,548
[illegible]	[illegible]	2,[illegible]98	[illegible]47	[illegible]	1,[illegible]01	29,590	739	23,347
[illegible]	[illegible]	[illegible]65	[illegible]65	[illegible]	[illegible]71	25,738	1,108	18,894
[illegible]	[illegible]	[illegible]16	[illegible]16	15,[illegible]63	10,[illegible]20	76,555	11,290	15,133
[illegible]	[illegible]	[illegible]75	[illegible]75	[illegible]78	[illegible]39	29,[illegible]18	3,458	10,318
[illegible]	[illegible]	[illegible]28	[illegible]	[illegible]01	17,[illegible]11	254,[illegible]67	8,481	158,573
[illegible]	[illegible]	[illegible]00	[illegible]	[illegible]	[illegible]71	54,525	8,071	.....
[illegible]	[illegible]	[illegible]00	[illegible]	[illegible]	[illegible]10	7,756	840	.....
[illegible]	[illegible]	[illegible]00	[illegible]	[illegible]	[illegible]00	4,789	993	.....
[illegible]	[illegible]	[illegible]00	[illegible]	[illegible]	[illegible]07	2,886	275	246
[illegible]	[illegible]	[illegible]00	[illegible]01	[illegible]98	[illegible]08	19,[illegible]47	24,089	35,796
[illegible]	[illegible]	[illegible]00	[illegible]00	[illegible],[illegible]41	[illegible],[illegible]56	1[illegible],[illegible]37	82,892	153,693
[illegible]	[illegible]	[illegible]00	[illegible]00	[illegible]00	[illegible]70	13,551	529	12,463
[illegible]	[illegible]	[illegible]00	[illegible]00	[illegible]00	[illegible]18	62,[illegible]03	10,381	3,278
[illegible]	[illegible]	[illegible]00	[illegible]00	[illegible]28	[illegible]45	27,816	2,304	21,505
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	3,177,085	221,810	1,077,867

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	111,432	105,015	114,492
France	86,966	40,218	11,700
Continent	103,284	130,306	59,485
Mexico	200	2,350	1,575
Japan	12,766	13,231	27,122
Totals	314,648	291,120	214,374
Great Britain	1,930,577	1,568,747	695,053
France	688,595	679,093	76,347
Continent	1,634,372	1,910,968	487,575
Mexico	953	20,331	24,629
Japan	79,556	147,105	176,794
Totals	4,324,053	4,326,244	1,460,398

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	430,000	350,000	.....
Since September 1	4,306,640	4,557,918	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	17,250	93,300	6,250	87,945	.....	.....
To Manchester	9,250	88,551	8,500	83,218	.....	.....
To Continent	17,750	99,911	13,750	128,356	.....	.....
To America	6,250	31,868	2,000	9,664	.....	.....
Total exports	50,500	313,630	30,500	309,183	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	92,000	517,000	.....	.....
Exports to Great Britain	2,000	3,000	.....	.....
Exports to Continent	26,000	229,000	.....	.....
Exports to Japan and China	19,000	136,000	.....	.....
Afloat in harbor	7,000	.....	.....	.....

Exchange, 1s. 4⅜.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	770,000	586,000	.....	.....
London	5,000	.....	.....	.....
Manchester, in wareh'ses.	97,000	64,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	13,000	2,000	.....	.....
Bremen	327,000	322,000	.....	.....
Havre	334,000	329,000	.....	.....
Other ports—Continent	64,000	43,000	.....	.....
Alexandria	353,000	.....	.....	.....
Bombay	316,000	.....	.....	.....
U. S. interior towns	780,821	780,821	.....	.....
U. S. ports	1,051,513	1,051,513	.....	.....
Afloat for—				
Liverpool	428,000	354,000	.....	.....
London	3,000	1,000	.....	.....
Continent	861,000	735,000	.....	.....
Afloat in Bombay harbor	7,000	.....	.....	.....
Coastwise to New York	20,000	20,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	5,430,334	4,288,334	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 195,426. Increase in American visible supply for the week, ———, against 147,426 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	8,227,421	.....
Total supply	9,559,561	.....
Less visible supply, American, to-day	4,312,967	.....
World's takings, American, to date	5,246,594	.....
American Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign countries	.....	849
Receipts at United States ports to date	5,980,712	3,099,589
Total supply at ports	6,142,001	3,353,639
Deduct.		
Stocks at ports to-day	1,066,114	1,252,816
*Exports to date	4,347,244	1,475,433
Southern mill takings from ports	30,129	45,595
Burnt at ports	4	292
Totals	5,443,491	2,774,141
To Northern mills from ports	698,510	579,498
Overland to Northern mills	447,915	302,321
Total Northern mill takings	1,146,425	881,819
Southern mill takings	1,189,925	803,483
Total American mill takings, including Canada	2,336,350	1,685,301

*Includes 15,000 in transit between Southern ports and New York against 21,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
American	216,014	2,336,350	.....	.....
Great Britain	77,015	1,109,747	.....	.....
Continent	122,524	1,633,061	.....	.....
Mexico	2,350	20,331	.....	.....
Japan and China	13,231	147,105	.....	.....
Totals	431,134	5,246,594	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	58,000	66,000	28,000	40,000
Sales, American	50,000	53,000	28,000	31,000
Sales, speculation	4,000	5,000	2,000	1,000
Sales, exports	2,000	3,000	2,000	1,000
Forwarded	112,000	128,000	77,000	91,000
Imports, all kinds	241,000	170,000	69,000	139,000
Imports, American	216,000	147,000	52,000	109,000
Actual exports, all kinds	14,000	4,000	9,000	6,000
Stocks, all kinds	1,035,000	770,000	694,000	737,000
Stock, American	911,000	586,000	427,000	459,000
Afloat for Great Britain, all kinds	519,000	430,000	332,000	.....
Afloat for Great Britain, American	422,000	361,000	264,000	.....

The Cotton Trade in India and the War Crisis.—A special meeting of representatives of the various associations in Bombay interested in raw and manufactured cotton was held at the Bombay Chamber of Commerce on October 8, writes United States Consul Baker, of Bombay, for the purpose of discussing the present crisis in the cotton trade in India and formulating some plan for relieving the situation. At the request of several of the interests concerned, this office prepared a memorandum in regard to the efforts being made in the United States to store and finance the cotton surplus. The data were obtained from the latest American newspapers received at this office. This memorandum was read at the meeting and excited much interest. It led to the sentiment being strongly expressed that India, like the United States, will find it necessary to give very serious attention to any reasonable plans for helping cotton producers through the present crisis.

The chairman, in his opening remarks, explained that the stocks of imported piece goods now in Bombay amount to nearly 150,000 packages, which, at an average cost of $133, would have a value of $19,950,000. The stocks of country-made cloths in Bombay are estimated at 250,000 to 300,000 bales, and of yarns, at 100,000 bales. Turning to the raw material, he said that old-crop stocks amounted to something like half a million bales, while from all accounts the new Indian crop promises to be very large and the American crop a record one. On the other hand, the demand for raw cotton would be greatly reduced as a consequence of the war, and it follows that the price of cotton must rule low for some time to come.

He mentioned that the cotton crop of the next season, on account of the reduced acreage resulting from the persent situation, would be greatly reduced, and that in his opinion there ought to

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be some way of averaging the prices of the two seasons, so as to avoid needless dislocation of trade and loss to the country. He said that the value of the Indian cotton crop of last season may be estimated at about $200,000,000, and though the yield of the present season is likely to be fully as large, the return to growers will be far less. The Indian cotton grower must now sell a good deal of his cotton as soon as it is ready in order to pay his taxes and provide the necessaries of life. If he has to sell it at a loss, it will be difficult for him to meet his liabilities; moreover, if he becomes panic-stricken over the fate of his cotton crop this year, he may hesitate to run the risk of free planting when normal times return.

The chairman stated that although it is no easy matter to formulate a plan that would be effective and easy to work under the conditions prevailing in India, yet the most promising would be to have the Government accept custody of cotton and issue warrants against it. It would be an easy matter for warrant holders to obtain loans and advances on such convenient and undoubted securities, and an additional advantage would be that the lenders themselves could raise money on them if they so desired. This should make them a very attractive investment, not only to banks, but to private individuals who want a temporary investment; and investors would have the satisfaction of knowing that while doing themselves a good turn they would also be helping the country.

A resolution was passed as follows: "That this meeting is of opinion that immediate steps should be taken with a view to preventing any unnecessary decline in the price of cotton, and requests the co-operation of the Government in such measures as may be found practicable for the storing and financing of the surplus crop of the season."

A committee was then appointed to negotiate with the Government with a view to giving effect to the resolution.

THE MARKET WORLD AND CHRONICLE in the course of a year gives its readers authoritative signed contributions upon every large question in the insurance world, and is a thorough commentary on finance, commodity markets and international trade

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	3	3
Gray goods, 38 in., standard	4	4
Brown sheetings, Southern standard	6¾-7	6¼-6½
Denims, 9-ounce	12½-17	12½-16
Tickings, 8-ounce	13	12½
Standard prints	5¼	5¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	18-18½	18-18½
Southern 2-ply skeins, 60s	12	12
Southern single skeins, 20s	16	16
Southern single chain warps, 20s	15½-16	15½
Southern 2-ply chain warps, 20s	16	16
Southern frame cones, 20s	16½-16¾	16½-16¾
Southern frame cones, 30s	18½-18¾	18-18½
Eastern carded cops, 20s	18	18
Eastern carded cops, 30s	23½	23½
Eastern carded peeler warps, 30s	24½	24½
Eastern carded peeler warps, 56s	40	41

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 28..	1.13⅛	1.11⅜	1.13	1.18¾	1.17⅛	1.18¾	.....	.....	.....
Nov. 30..	1.14	1.12⅛	1.13⅞	1.20⅛	1.17⅞	1.19⅞	.....	.....	.....
Dec. 1...	1.15¼	1.13⅝	1.14⅝	1.21	1.19½	1.20⅜	.....	.....	.....
Dec. 2...	1.15¼	1.14	1.14⅝	1.21⅜	1.20½	1.21⅛	.....	.....	.....
Dec. 3...	1.15½	1.14¼	1.14¼	1.21⅝	1.20¼	1.20⅜	.....	.....	.....
Dec. 4...	1.16½	1.14½	1.16½	1.21⅜	1.20⅜	1.21⅜	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 28..	63¼	62⅞	63¼	68⅞	68¼	68⅞	....	....	....
Nov. 30..	63⅝	62⅜	63	69⅛	68¼	69	....	....	....
Dec. 1...	64	62⅞	63⅜	69⅜	68½	69	....	....	....
Dec. 2...	64¼	63½	63⅝	69⅝	69⅛	69¼	....	....	....
Dec. 3...	64	63	63⅛	69⅝	68⅜	68⅞	....	....	....
Dec. 4...	63⅝	62⅞	63⅝	69⅛	68⅝	69	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 28..	48⅛	47½	48	52	51½	52	....	....	....
Nov. 30..	48⅛	47⅜	48	52⅜	51⅛	52¼	....	....	....
Dec. 1...	48⅜	47¾	48⅛	52⅝	52	52⅜	....	....	....
Dec. 2...	48⅜	47¼	47⅜	52¾	52⅜	52⅜	....	....	....
Dec. 3...	47⅞	47	47	52⅝	51¾	51¾	....	....	....
Dec. 4...	47⅞	46⅞	47⅞	52¼	51⅝	52¼	....	....	....

LARD.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 28..	10.05	10.05	10.05	9.82	9.75	9.77	10.02	9.97	10.00
Nov. 30..	....	....	10.05	9.70	9.60	9.67	9.97	9.82	9.87
Dec. 1...	....	....	....	9.55	9.50	9.50	9.80	9.75	9.77
Dec. 2...	....	....	....	9.62	9.50	9.60	9.87	9.85	9.87
Dec. 3...	....	....	....	9.72	9.62	9.65	9.97	9.87	9.90
Dec. 4...	....	....	....	9.75	9.65	9.75	10.00	9.92	10.00

RIBS.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 28..	....	....	....	9.85	9.80	9.80	10.15	10.10	10.12
Nov. 30..	....	....	....	9.77	9.65	9.70	10.07	9.95	10.00
Dec. 1...	....	....	....	9.65	9.55	9.55	9.95	9.85	9.85
Dec. 2...	....	....	....	9.67	9.62	9.62	10.00	9.82	9.92
Dec. 3...	....	....	....	9.77	9.65	9.70	10.10	9.97	10.02
Dec. 4...	....	....	....	9.80	9.72	9.80	10.12	10.05	10.12

PORK.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Nov. 28..	....	....	....	18.47	18.35	18.40	18.77	18.65	18.70
Nov. 30..	....	....	....	18.37	18.15	18.25	18.70	18.40	18.50
Dec. 1...	....	....	....	18.10	18.05	18.05	18.40	18.20	18.22
Dec. 2...	....	....	....	18.25	17.95	18.02	18.47	18.25	18.35
Dec. 3...	....	....	....	18.10	18.00	18.05	18.57	18.35	18.45
Dec. 4...	....	....	....	18.15	18.05	18.15	18.60	18.42	18.60

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.80	5.85	5.70	5.65	5.66	5.85
December	5.91	5.86	5.71	5.63	5.68	5.86
January	6.06	6.08	5.90	5.80	5.87	6.01
February	6.17	6.17	6.03	5.87	5.98	6.11
March	6.31	6.29	6.12	5.99	6.07	6.21
April	6.39	6.38	6.20	6.08	6.16	6.29
May	6.49	6.49	6.33	6.22	6.28	6.46
June	6.57	6.59	6.40	6.33	6.38	6.50
July	6.70	6.69	6.48	6.37	6.47	6.61

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
July	....	....	....	....	....	....
August	6.56	....	....	....	....	....
September	6.70	....	....	....	....	....
October	6.80	....	....	....	....	....
November	6.90	....	....	....	....	....
December	7.00	....	....	....	....	....
January	7.06	....	....	....	....	....
February	7.12	....	....	....	....	....
March	7.19	....	....	....	....	....
April	7.25	....	....	....	....	....
May	7.30	....	....	....	....	....
Spot	6¼	6¼	6¼	6⅜	6⅝	6½

THE COTTON TRADE AND THE EUROPEAN WAR CRISIS OF 1914

(Continued from Page 714.)

for years past by leaps and bounds and may be put now at well over 15,000,000 bales, provided trade and industry are following their normal course. For the average of seasons we are not able to do better than keep up with the increase of the world's consumptive demand; and a happy result of this is that the production of cotton has been kept profitable by a highly remunerative price. The rapid economic advance of the entire South during the past decade bears witness to this fact. More than this, the production and distribution of cotton have been "stabilized",—to use a word now coming into favor,—in the sense that all those having to do with it, whether producers, merchants, manufacturers or bankers, have seen its value maintained year after year in such wise that operations involving cotton have a high degree of calculability. The vicissitudes of Nature, giving us an over-abundant production in one year, following upon a somewhat deficient production in a previous year, have ceased to be disturbing, and the mere existence of a very large supply at a given moment is no longer thought of as a necessary cause for a severe depreciation in price. Hence, had it not been for the rapidly developing effects of the war, there would have been nothing alarming about the prospect of a record-breaking production of cotton in the United States this year. Some decline in price would naturally have been expected, but certainly no ruinous decline. In other words, cotton to-day has in the minds of those dealing in it a permanent intrinsic value, independent of the daily or seasonable fluctuations of its market price; and this intrinsic value is the ascertained cost of production, in an economic sense, which is somewhat above 10 cents per pound on Southern farms or somewhat under 11 cents per pound for the cotton delivered at American ports. The cotton trade now calculates upon the steady maintenance, over a period of years, of market prices in consonance with this economic cost of production; and the consuming world has shown itself to be content with these prices. It is this opinion of the cotton trade and this acquiescence of the consuming world that have become the basis of all the usual expectations of the producers of cotton as to the return from their crops, and of the country as a whole, and particularly of the regulators of the country's domestic and foreign credit, the bankers, as to the part which cotton may be counted upon to play in the annual liquidation of all manner of indebtedness at home and abroad.

The catastrophe of the European War seemed to upset in a moment all these accepted opinions. The very fact that these were as a rule simply accepted, and not thought out to the point of conscious conviction, made the shock all the worse. The first visible result of the war was that cotton could not be exported as usual, and its proceeds could not be used for the settlement of indebtedness due at fast approaching dates. Then alarm was occasioned by the swift perception that, for the period of the war at least, there must be a severe reduction in the world's consumption of cotton. Millions of bales were assumed to be destined to remain not only unconsumed but also unsold and unsalable. Figures were made up and circulated, showing the immense loss of value which the country must face on this account, and the immense burden which must be carried by some one until the restoration of peace in Europe. And then the period of expedients, political and other, began. It is unnecessary to rehearse here the succession of projects for raising huge sums of money by public loans and otherwise for the relief of the situation. The newspapers have been filled with accounts of these projects, as one after another they have had their day. Not one of them has as yet proved itself to be valuable; and it must be confessed that nothing in the experience of the cotton trade leads it to think that any one of them will hereafter prove valuable. It has no confidence whatever in any plan for withholding cotton from the market, gathering it together and segregating it and borrowing money on it. The cotton trade believes that any surplus of cotton may be permanently and satisfactorily disposed of only by distributing that surplus over future years, and the machinery of the cotton exchanges has been devised by the cotton trade for that very purpose.

And at last the problem has come back into the hands of the cotton trade, at first despised and rejected. Through the instrumentalities of the cotton trade, and particularly through the facilities afforded by the cotton exchanges for distributing a present surplus of cotton over the fuutre, instead of keeping it a heavy present burden alleviated only by the gradual withdrawals of restricted users, the heavy surplus of this year's cotton crop of the United States is now in process of distribution, with no more ruinous decline in its value than has attended other super-abundant crops within the past decade and a half. The individual cotton producers, and the country as a whole in its capacity of the greatest producer of cotton in the world, must expect to pay a part of the price for the destructive instead of constructive activities of the nations of Europe; but there is now no reason to expect that the result for us will be a long-continued grievous depreciation of the value of our greatest international commodity. Within the little more than two weeks since the cotton exchanges were re-opened, no inconsiderable portion of this year's cotton crop has already been sold for delivery from one to two years hence. This process will continue with continuous acceleration. It is thus that the cotton trade will accomplish in good time what all the hastily devised and commercially inexpert expedients have been ineffective in bringing about.

INDUSTRY, COMMERCE AND FINANCE

Federal Reserve System Consolidated Statement.—The Federal Reserve Board, at Washington, has issued a consolidated statement of the condition of the twelve Regional Reserve Banks at the end of each of the first two weeks of the operation of the system. It is as follows:

CONSOLIDATED STATEMENT OF CONDITION OF THE TWELVE REGIONAL RESERVE BANKS.

ASSETS.

	November 20.	November 27.
Gold coin and certificates	$203,415,000	$227,840,000
Legal tender notes, silver certificates and subsidiary coin	37,308,000	34,630,000
Total cash	$240,723,000	$262,470,000
Rediscounts and loans	5,607,000	7,383,000
All other resources	95,000	165,000
Total resources	$246,425,000	$270,018,000

LIABILITIES.

Capital paid in	$18,072,000	$18,050,000
Reserve deposits	227,138,000	249,268,000
Federal Reserve notes in circulation	1,215,000	2,700,000
Total liabilities	$246,425,000	$270,018,000
Gold reserve against all liabilities	89%	90%
Cash reserve against all liabilities	105%	104%
Cash reserve against all liabilities after setting aside 40% gold reserve against Federal Reserve notes in circulation	105%	103.70%

The resort to the Reserve Banks by the member banks for rediscounts shows but a trifling increase,—$1,676,000,—in the second week of operation over the first. The total amount of rediscounts at the end of the second week ($7,383,000) remains trivial in comparison with the immense resources of the banks in the aggregate.

The following table shows the several amounts of rediscounts,—or, as the statement calls them, "rediscounts and loans,"—for the twelve Banks, on November 27:

REDISCOUNTS FOR THE SEVERAL RESERVE BANKS.

	Nov. 27.		Nov. 27.
Boston	$216,577	Minneapolis	$175,000
New York	2,715,476	Kansas City	392,765
Philadelphia	880,000	Dallas	172,799
Cleveland	None	St. Louis	1,073,000
Richmond	113,352	San Francisco	129,458
Atlanta	4,963		
Chicago	1,509,610	Total	$7,383,000

A point of interest in connection with the table just given is that the Southern member banks are apparently making no use of the rediscount facilities of their Reserve Banks for the financing of cotton, despite the supposed pressure for accommodation for this purpose. The total rediscounts at Atlanta do not represent the value of 200 bales of cotton; and those at Dallas do not represent the value of 5,000 bales. Evidently, the readjustment of the cotton business to the new banking methods has not yet been even begun.

* * *

Commerce of Salvador for 1913.—The total foreign commerce of the Republic of Salvador for the year 1913, according to the report of the Director of the Bureau of Fiscal Accounts, Senor Don Bernardo Arce, amounted to $6,173,544.84 gold, imports; and 23,527,781.54 colones silver, exports.

Estimating the colon silver at 42.2 cents United States gold, the exports would amount to $9,928,723.81, and the total trade to $16,102,268.65.

The statistics of foreign trade for the year 1912 were: Imports, $6,774,859.43; exports, $9,942,184.32 (22,341,987.23 colones silver, converted on the basis of 44.5 cents); total trade, $16,717,043.75.

There was, therefore, a decrease for the year 1913 as compared with the preceding year of $601,314.59 in imports, and on the basis of the conversion as above made of $13,460.51 in exports, or a total decrease in the foreign trade of $614,775.10.

* * *

The Production of Metals in the United States in 1913.—Comparative statistics of metals produced in the United States in 1912 and 1913 are now available. The following tables give the value and the production (in short tons) of the principal metals, as compiled by the United States Geological Survey:

UNITED STATES PRODUCTION OF METALS, 1912 AND 1913.

1912.

Metals.	Production from Domestic Ores. Short Tons.	Value.	Production from Foreign Ores, Matte and Unrefined Bullion Smelted or Refined in the United States. Short Tons.	Value.	Total Production. Short Tons.	Value.
Iron (pig*)	32,458,938	$402,378,453	1,343,747	$18,184,935	33,802,685	$420,563,388
Manganese (spiegeleisen and ferromanganese†	114,868	1,962,955	140,423	6,319,051	255,291	8,282,006
Other ferro-alloys†	109,202	1,901,707	3,633	2,040,063	112,835	3,941,770
Nickel‡	.....	.....	22,421	17,936,800	22,421	17,936,800
Aluminum§	32,803	15,089,380	.....	.....	32,803	15,089,380
Gold	154.996	93,451,500	33.112	19,964,010	188.108	113,415,510
Silver	2,186.291	39,197,500	2,285.147	40,989,817	4,471.438	80,187,317
Patinum	.032	23,003	1.318	1,709,218	1.350	1,732,221
Quicksilver	939.906	1,057,180	.....	.....	939.900	1,057,180
Tin	.....	.....	8.400	8,850	8.400	8,850
Copper, stated as refined	601,838	198,606,540	132,214	43,630,620	734,052	242,237,160
Lead, stated as refined	392,517	35,326,530	88,377	7,953,930	480,894	43,280,460
Antimonial lead	8,549	826,788	5,003	484,560	13,552	1,311,348
Zinc, stated as spelter	323,907	44,699,166	14,899	2,056,062	338,806	45,755,228
Totals	.....	$834,520,702	.....	$161,277,916	.....	$995,798,618

1913.

Iron (pig*)	32,642,438	$439,633,756	1,393,169	$18,708,589	34,035,607	$458,342,345
Manganese (spiegeleisen and ferromanganese)	119,818	2,468,713	133,834	6,803,556	253,652	9,272,269
Other ferro-alloys†	75,835	2,184,965	2,265	1,558,128	78,100	3,743,093
Nickel‡	.....	.....	23,562	18,849,600	23,562	18,849,600
Aluminum§	36,190	13,845,000	.....	.....	36,190	13,845,000
Gold	146.278	88,884,400	32.025	18,619,535	178.303	107,503,935
Silver	2,290.337	40,348,100	1,738.583	30,628,049	4,028.920	70,976,149
Platinum and allied metals	.035	46,530	1.342	1,761,930	1.377	1,808,460
Quicksilver	758	813,171	.....	.....	758	813,171
Tin	2.5	2,250	.....	.....	2.5	2,250
Copper, stated as refined	618,412	191,707,720	189,122	58,627,820	807,534	250,335,540
Lead, stated as refined	411,878	35,245,264	50,582	4,451,216	462,460	40,696,480
Antimonial lead	14,667	1,398,971	1,998	192,883	16,665	1,591,854
Zinc, stated as spelter	337,252	37,772,224	9,424	1,055,488	346,676	38,827,712
Totals	.....	$855,351,064	.....	$161,256,794	.....	$1,016,607,858

*Marketed production.
†Includes marketed production of ferrosilicon, ferrophosphorus, ferrovanadium, ferrotungsten, ferromolybdenum, ferrotitanium.
‡Nickel content of imported matte and ore.
§Includes foreign. Figures are consumption, not production.

Quoted Prices of Active Bonds on the New York Stock Exchange

Range, 1914 High.	Range, 1914 Low.	July 30. Close.	Bonds.	Ma- turity.	Interest Payable.	Saturday. Nov. 28. High.	Saturday. Nov. 28. Low.	Monday. Nov. 30. High.	Monday. Nov. 30. Low.	Tuesday. Dec. 1. High.	Tuesday. Dec. 1. Low.	Wednesday. Dec. 2. High.	Wednesday. Dec. 2. Low.	Thursday. Dec. 3. High.	Thursday. Dec. 3. Low.	Friday. Dec. 4. High.	Friday. Dec. 4. Low.
80¾	73½	79	Adams Express 4s	1948	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87	84½	85	Albany & Susque 3½s	1946	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	81¾	81¾	.....	.....
.....	.....	.....	Allis-Chalmers 5s	1936	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102	97¾	99	Am Ag Chemical cvt 5s	1928	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅛	97½	98⅞	Am Cotton Oil 4½s	No 1 1915	Q Feb	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Am Hide & Leather 6s	1919	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Am Ice deb 6s	1925	*A-O	.....	.....	.....	.....	.....	.....	82	82	82½	82	.....	.....
100	93½	95½	Am Tel & Tel conv 4s	1936	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Am Tobacco Co 4s	1951	F-A*	.....	.....	.....	.....	.....	.....	.....	...	.....	.....	.....	.....
123	117½	122	Am Tobacco 6s	1944	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
74	62½	64	Ann Arbor 4s	July 1995	Q Jan	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93⅛	89¾	90	Armour & Co R E 4½s	1939	*J-D	.....	.....	90½	90	90	90	90	90	90	90	90	90
96¼	91½	91½	A T & S F gen 4s	1995	A-O*	.....	.....	90½	90¼	91	91	91	91	91¼	90⅝	91⅜	91¼
88½	84⅜	85½	A T & S F adj 4s stamp	July 1995	Nov	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102½	100	100¾	A T & S F conv 5s	1917	*J-D	.....	.....	.....	.....	.....	.....	100¼	100¼	99⅝	99⅝	.....	.....
100	90½	90½	A T & S F conv 4s	1955	*J-D	.....	.....	.....	.....	89⅛	89⅛	.....	.....	.....	.....	90⅛	89⅜
95	91	93¾	Atlantic Coast Line 4s	July 1952	M-S	88	88	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95	87	87¼	Atl C L L & N col 4s	Oct 1952	M-N	.....	.....	.....	.....	.....	.....	85	85	85¼	85	85¼	85¼
93	89½	89½	Balt & Ohio prior 3½s	1925	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Balt & Ohio gold 4s	July 1 1948	A-O	.....	.....	.....	.....	88	88	88	87⅝	87⅝	87⅝	87⅝	87⅝
.....	.....	.....	B & O P L E & W V 4s	1941	M-N*	.....	.....	80½	80½	80¼	80¼	.....	.....	80	80	80⅜	80⅜
91½	87¼	87⅞	B & O S W Div 3½s	1925	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	87	87
100¼	93¼	98	Bethlehem Steel 1st 5s	1926	*J-J	97	97	.....	.....	.....	.....	98	97⅝	97⅝	97⅝	98¼	97¾
104	100	100¼	Brooklyn Rap Tran cvt 4s	2002	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
100	96⅜	97	Brooklyn Rap Tran 5s	1945	A-O*	.....	.....	.....	.....	.....	.....	101	101	.....	.....	101	101
103¼	99½	99¾	Brooklyn Union El 1st 5s	1950	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Brooklyn Union Gas 5s	1945	*M-N	.....	.....	.....	.....	.....	.....	103	103	.....	.....	.....	.....
.....	.....	.....	Buff Roch & Pitts gen 5s	1937	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108	107¼	107¼	Central of Ga con 5s	1945	M-N*	.....	.....	99½	99½	.....	.....	.....	.....	100	100	.....	.....
99⅞	96½	96	Central Leather 5s	1925	*A-O	.....	.....	96¼	96	96½	96¼	97	96⅝	97⅜	97⅛	97⅜	97¼
118	114	116⅜	Central of N J gen 5s	1987	J-J*	.....	.....	112	112	.....	.....	.....	.....	112	112	.....	.....
.....	.....	.....	Central New England 4s	1961	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94½	89½	89½	Central Pacific 1st 4s	1949	F-A*	.....	.....	86	85½	85⅝	85¼	86	85⅞	86	85½	86½	85⅞
.....	.....	.....	Ches & Ohio con 5s	1939	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98½	90½	90½	Ches & Ohio gen 4½s	1992	*M-S	.....	.....	.....	.....	85	85	.....	.....	85	85	.....	.....
86½	70	70	Ches & Ohio conv 4½s	1930	*F-A	.....	.....	68½	67¾	.....	.....	68¼	67½	68	68	68	68
.....	.....	.....	Chicago & Alton 3s	1949	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
55½	35	37⅛	Chicago & Alton 3½s	1950	J-J*	32¾	32½	.....	.....	.....	.....	.....	.....	.....	.....	35	35
94½	91½	91½	Chi Bur & Quincy gen 4s	1958	*M-S	.....	.....	.....	.....	89½	89⅜	89½	89⅜	89⅜	89⅜	89½	89⅜
98	94¾	94¾	Chi Bur & Quincy joint 4s	1921	*J-J	94¾	94⅜	94¾	94⅜	94½	94⅜	94⅜	94¼	94¼	94⅛	94⅜	94⅜
85⅞	82	83	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	.....	.....	.....	.....	80	80	80	80	.....	.....	.....	.....
96	93	95	Chi Bur & Quincy Ill Div 4s	1922	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Chi Bur & Quincy Neb ext 4s	1927	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108	105⅝	107	Chicago & Erie 1st 5s	1982	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
75⅛	67	68	Chicago Great Western 4s	1959	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96¾	92	94¾	C M & St P gen 4s Series A	May 1989	J-J*	.....	.....	.....	.....	90	90	.....	.....	.....	.....	92	92
93	88	90	C M & St P deb 4s	1934	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104½	102½	103¾	C M & St P C P & W 5s	1921	*J-J	.....	.....	101¾	101¾	101½	101½	.....	.....	101¾	101¾	.....	.....
84	80	81	Chicago & N W gen 3½s	1987	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97¾	93⅞	95½	Chicago & N W gen 4s	1926	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
90	81¾	81¾	C R I & P gen 4s	1988	J-J*	80½	80½	.....	.....	.....	.....	.....	.....	.....	.....	81¼	80⅞
53	18¾	18⅞	C R I & P col trust 4s	2002	M-N*	20	20	20½	20¼	20¾	20½	21¼	20½	22	20½	22½	21⅜
81	65	65	C R I & P ref 4s	1934	*A-O	64½	64½	65	64¾	.....	.....	66¾	65½	68	66¾	.....	.....
120¾	118	119⅝	C St P M & O 6s	1930	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	C C C & St L gen 4s	1993	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	C C C & St L S L Div 4s	1990	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	83	83	.....	.....
82	71	71	Col Industrial 5s	1934	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Col Midland 1st 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93	89	89½	Col Southern 1st 4s	1929	*F-A	.....	.....	.....	.....	86	86	87	87	.....	.....	.....	.....
93½	81	81	Col South ref & ext 4½s	1935	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	72	72
.....	.....	.....	Con Tobacco 4s	1951	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99¼	97½	98	Del & Hudson conv 4s	1916	*J-D	.....	.....	.....	.....	.....	.....	98½	98½	.....	.....	.....	.....
97½	93½	95	Del & Hudson ref 4s	1943	*M-N	.....	.....	.....	.....	91¼	91¼	91	91	91½	91¼	91	91
85	75	75½	Den & Rio Grande con 4s	1936	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
74	43⅝	45¾	Den & Rio G 1st ref 5s	1955	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68	52½	52½	Distillers' Securities 5s	1927	*A-O	55½	55	55	55	55⅞	55⅞	55⅞	55⅞	56	56	.....	.....
108½	105¼	107½	E T V & G con 5s	1956	M-N*	103	103	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	E T V & G Div 5s	1930	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87¼	82	82	Erie prior lien 4s	1996	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
76¼	66⅞	67½	Erie general lien 4s	1996	*J-J	.....	.....	.....	.....	65	65	64½	64½	64⅝	64½	64⅞	64⅞
77⅜	64	64	Erie conv 4s A	1953	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
76	63½	63½	Erie conv 4s B	1953	*A-O	59	59	.....	.....	.....	.....	.....	.....	60	60	60¼	60
92	88½	88¾	Erie (Pa) col 4s	1951	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	E & T H 1st gen 5s	1942	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Ft W & D C 1st 6s	1921	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	100	100
.....	.....	.....	Ft W & R G 1st 4s	1928	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106½	103	105¼	Gen Electric deb 5s	1917	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	102	102	.....	.....
.....	.....	.....	G B & West deb B		Ann.-Feb.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Hocking Valley 4½s	1999	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	95	95	.....	.....
.....	.....	.....	H & T Central gen 4s	1921	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Illinois Central 4s	1952	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95¼	88¼	88¼	Illinois Central 4s	1953	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94	89⅞	90½	Illinois Central ref 4s	1955	M-N*	.....	.....	.....	.....	86½	86½	.....	.....	86¾	86¾	86⅞	86⅞
61	43	43	Inter Mer Marine 4½s	1922	A-O*	.....	.....	.....	.....	32	31¾	.....	.....	30	30	30¼	30
79⅛	72	72	Inter-Met 4½s	1956	*A-O	74¼	72⅜	74½	74¼	74½	74¼	74¾	74¼	74¾	74¼	74½	73¾
99⅛	97½	97¾	Interborough R T 5s	1952	M-N*	96¾	96	96¼	96⅛	96½	96¼	97	96⅝	96¾	96⅝	.....	.....
104	100	100½	International Paper 1st 6s	1918	*F-A	100	100	.....	.....	.....	.....	.....	.....	.....	.....	100	100
.....	.....	.....	International Pap conv 5s	1935	*J-J	78	78	78	78	80	80	80	80	.....	.....	.....	.....
67½	42	44½	Inter Steam Pump 5s	1929	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Iowa Cent 1st 5s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Iowa Central ref 4s	1951	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
77½	71	71	Kan City Ft S & M 4s	1936	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	68⅜	68⅜	.....	.....
70	68½	69¾	Kan City South 3s	1950	*A-O	66½	66½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94¼	94⅜	94⅞	Kan City South ref 5s	Apr 1950	J-J	.....	.....	.....	.....	89	89	.....	.....	.....	.....	89	89
.....	.....	.....	Lackawanna Steel 5s	1923	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102⅛	100	102	Laclede Gas of St L 1st 5s	May 1919	Q-F	.....	.....	99¼	99¼	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Lake Erie & W 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Lake Erie & W 2d 5s	1941	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Lake Shore gen 3½s	1997	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94⅞	89⅞	90	Lake Shore deb g 4s	1928	M-S*	.....	.....	.....	.....	.....	.....	90	90	90¼	90¼	.....	.....

Range. 1914— High.	Low.	July 30. Close.	Bonds.	Maturity.	Interest Payable.	Saturday. Nov. 28. High.	Low.	Monday. Nov. 30. High.	Low.	Tuesday. Dec. 1. High.	Low.	Wednesday. Dec. 2. High.	Low.	Thursday. Dec. 3. High.	Low.	Friday. Dec. 4. High.	Low.
93⅞	88¾	90¾	Lake Shore deb g 4s	1931	*M-N	.....	.....	.....	.....	89	89	89	89	89	89	89	89
.....	.....	.....	Long Island unified 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Long Island gen 4s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Long Island ref 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96⅜	92¼	92⅞	Louis & Nash unified 4s	1940	J-J*	.....	.....	90⅜	90⅜	.....	.....	.....	.....	.....	.....	91	91
.....	.....	.....	Manhattan con 4s	1990	*A-O	.....	.....	.....	.....	90	90	.....	.....	.....	.....	.....	.....
93	89½	91	Man Ry 4s stpd tax exempt	....	....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
91⅞	81½	82½	M K & T 1st 4s	1990	*J-D	.....	.....	.....	.....	76	75	.....	.....	76	76	76	76
77	57	57	M K & T 2d 4s	June 1990	F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	52	52
.....	.....	.....	M K & T ext g 5s	1944	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
71	51	51	M K & T ref 4s	2004	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	48⅛	48⅛	.....	.....
.....	.....	.....	M K & T gen 4½s	1936	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	M K & T of Tex 5s	1942	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98⅛	89	89	Mo Pac col tr 5s	Jan 1917	M-S	.....	.....	.....	.....	.....	.....	88	88	.....	.....	.....	.....
95½	85½	85½	Mo Pac col tr 5s	1920	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
63⅜	39½	39½	Mo Pac 4s	1945	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Mobile & Ohio gen 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nassau Electric 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nat Rys of M per lien 4½s	1957	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nat Rys of M con 4s	1977	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108⅛	105½	107½	Nash Chatt & St L con 5s	1928	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99½	97	97	N Y Air Brake con 6s	1928	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81	79½	79¾	N Y Central ref 3½s	1997	J-J*	.....	.....	78¼	78¼	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	N Y Central deb 4s	1934	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	86	86	87	87
.....	.....	.....	N Y Central L S 3½s	1997	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	80	80
.....	.....	.....	N Y Central M C col 3½s	1998	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97	93½	93½	N Y C & St L 1st 4s	1937	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87¾	83	86¼	N Y G E L H & P 4s	1949	*F-A	.....	.....	.....	.....	.....	.....	82½	82½	82¾	82½	.....	.....
105⅛	102¼	104	N Y G E L H & P col tr 5s	1948	J-D*	.....	.....	.....	.....	.....	.....	101⅜	101⅜	.....	.....	.....	.....
117¼	98¾	98¾	N Y N H & H con deb 6s	1948	*J-J	.....	.....	96	96	96	96	.....	.....	97½	97½	.....	.....
75	61	61½	N Y N H & H deb 3½s	1956	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88	79⅞	81	N Y Ont & W 1st ref 4s	June 1992	M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79⅛	72	72	N Y Rys ref 4s	1942	J-D	.....	.....	70¼	70	70	70	70	70	70¼	70¼	71	70½
63⅜	45	45	N Y Rys adj 5s	1942	J-D	.....	.....	47⅝	47½	49	47⅜	50⅛	49	51½	50	51⅞	50⅛
96	94¼	94½	N & W con 4s	1996	A-O*	.....	.....	.....	.....	92	92	92	92	92	92	.....	.....
91¾	88½	90	N & W div 1st lien 4s	1944	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105¼	101	101	N & W conv 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	N & W P C & C joint 4s	1941	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	86¼	86¼
96	92	92	North Pac prior 4s	Jan 1997	Q-J	.....	.....	89	89	88⅞	88⅝	88⅝	88½	88¾	88⅜	89½	88½
68⅝	64¼	67¼	North Pac gen 3s	Jan 2047	Q-F	.....	.....	65	64¼	64	64	64	63½	63½	63	63	63
.....	.....	.....	Oregon Ry & Nav 4s	1946	*J-D	.....	.....	89	89	.....	.....	.....	.....	.....	.....	.....	.....
110¾	109⅛	110	Oregon Short Line 1st 6s	1922	*F-A	.....	.....	107	107	.....	.....	.....	.....	.....	.....	.....	.....
108	105¾	107	Oregon Short Line cons 5s	1946	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	102¾	102¾
94½	89½	89½	Oregon Short Line ref 4s	1929	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	86¼	86¼
.....	.....	.....	Pacific Coast 1st 5s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99¾	95	95½	Pacific Tel & Tel 5s	1937	*J-J	.....	.....	.....	.....	94¼	94¼	.....	.....	.....	.....	94	94
102⅛	99	99	Penn con 4s	1948	M-N*	.....	.....	98½	98½	.....	.....	.....	.....	.....	.....	.....	.....
99¼	97⅜	97⅞	Penn con 3½s	Oct 1 1915	J-D	.....	.....	98⅞	98¾	99	98⅞	99	99	99	99	99	99
.....	.....	.....	Peoria & E 1st 4s	1940	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28	20	21	Peoria & E income 4s	Apr 1990	Ann.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95⅝	92¾	93	Reading gen 4s	1997	*J-J	.....	.....	92⅜	92⅛	92¼	92¼	92¼	92¼	92¼	92⅛	92⅛	92⅛
.....	.....	.....	Reading Jersey Cent col 4s	1951	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94⅝	91	91¼	Rep Iron & Steel col 5s	1934	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	90¾	90¾	90¾	90¾
.....	.....	.....	Rio Grande W 1st 4s	1939	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Rio Grande W col tr 4s	1949	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St J & G I 1st 4s	1947	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103	100⅝	101	St L & I M gen 5s	1931	*A-O	.....	.....	.....	.....	98	98	.....	.....	.....	.....	.....	.....
.....	.....	.....	St L & I M ref 4s	1929	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81⅜	65	65	St L & I M Riv & G Div 4s	1933	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78¼	62⅝	63	St L & S F R R ref 4s	1951	J-J*	.....	.....	.....	.....	.....	.....	59⅛	59⅛	59½	59½	.....	.....
54	35	35	St L & S F R R gen 5s	1927	*M-N	.....	.....	27½	27½	27¾	27½	28	27½	.....	.....	.....	.....
88	81⅛	81⅛	St L S W 1st 4s	1989	M-N*	.....	.....	.....	.....	.....	.....	74	74	74¼	74¼	74¼	74¼
.....	.....	.....	St L S W 2d income 4s	Nov 1989	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78½	68	68	St L S W consol 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St P M & M con 4½s	1933	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95⅞	93	95¼	St P M & M Mont ext 4s	1937	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	San Antonio & A P 4s	1943	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
67¼	66	66	Seaboard A L ref 4s	1950	A-O*	.....	.....	73½	73½	.....	.....	.....	.....	.....	.....	.....	.....
82	81½	81½	Seaboard A L stamped 4s	1950	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
80¼	71	71	Seaboard A L adj 5s	1949	F-A*	.....	.....	.....	.....	65	65	61	63½	64	64	64	64
89⅝	88¾	89	So Pac ref 4s	1955	*J-J	.....	.....	86	86	85	85	85	85	85	85	84⅞	84½
87	87	87	So Pac col 4s	Aug 1949	J-D	.....	.....	83	83	83	83	.....	.....	.....	.....	.....	.....
92	80	80	So Pac conv 4s	June 1929	M-S	.....	.....	80¾	80⅝	80½	80	80¼	80⅛	80¼	80⅛	80¼	80⅛
100	102	102	So Ry 5s	1944	J-J*	.....	.....	98¾	98¼	98	98	98	97⅞	98	97⅞	98⅛	98
76¼	66¾	68	So Ry col tr 4s	1956	*A-O	.....	.....	61	61	65	64	65½	65	66	66	67	66⅛
83½	77	77	So Ry M & O Div 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
86⅞	82⅝	84½	So Ry St L Div 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103⅛	98⅛	102¾	Tenn Coal & Iron gen 5s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Term Assn St L ref 4s	1953	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104	99⅛	99⅞	Texas Pac 1st 5s	2000	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85	78⅝	93¾	Third Ave ref 4s	2000	*J-J	.....	.....	79½	79½	79½	79½	79½	79½	79¼	79¼	79½	79½
.....	.....	.....	Tol St L & W 3½s	1925	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
60	34⅜	41⅛	Tol St L & W 1st 4s	1950	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Tol Peoria & Western 4s	1917	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98⅜	95½	96¾	Union Pacific 1st 4s	1908	*J-J	.....	.....	94¼	94	94⅜	94¼	94⅞	94⅜	94¾	94¾	95	94¾
93½	86	86	Union Pacific conv 4s	1927	J-J*	.....	.....	86	85½	86	85½	.....	.....	85½	85½	85¼	85¼
95	91¼	92¼	Union Pac (Ore R & N Co) ref 4s	June 2008	M-S	.....	.....	.....	.....	.....	.....	.....	.....	88⅝	88⅝	.....	.....
61⅜	19	49½	United Rys San Fran 4s	1927	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	U S Realty & Imp 5s	1924	J-J*	.....	.....	.....	.....	.....	.....	75	75	74¼	74	74	74
.....	.....	.....	U S Steel & Imp 5s	1921	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104	101¼	102	U S Steel 5s	1963	*M-N	.....	.....	100⅜	100⅜	100⅜	100⅜	101⅛	101	101⅛	101	101⅛	101⅛
103⅛	100	101	U S Steel 5s	1939	*F-A	.....	.....	100	99¾	100	99⅞	100	99⅜	99⅞	99⅞	100	93⅞
98	91¼	96½	Va Car Chem 1st 5s	1923	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Wabash 1st 5s	Aug 1939	M-N	.....	.....	97	97	96½	96½	97	97	96⅞	96⅞	97	97
.....	.....	.....	Wabash 2d 5s	1939	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	87	87
37½	30	31	Wabash R R & Ext 4s	1956	J-J*	.....	.....	.....	.....	.....	.....	30	30	.....	.....	35	34½
8⅜	6¾	6¾	Wabash R R Con 4s	1954	J-D	.....	.....	7	7	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Wabash Ref & Gen 5s	1939	J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
60	56	56	Wabash Ry Co 4s	1956	A-O*	.....	.....	.....	.....	.....	.....	54	53⅝	.....	.....	.....	.....
.....	.....	.....	Wabash Ry Co 4s	1956	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅜	97	97	Wabash Ry Co 4s	1956	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	98	98
94	86½	91	Wabash Ry Co 4s	1956	M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95	90	90	Wabash Ry Co 4s	1956	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	89	89
90⅝	87½	87	Wabash Ry Co 4s	1956	J-J	.....	.....	90	90	90	90	89½	89⅜	89¼	89	89⅜	89¼
.....	.....	.....	Wabash Ry & L H 5s	1931	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85½	83⅝	86	Washington Central 4s	1948	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	83¼	83¼	.....	.....

INSURANCE NEWS IN THE WEST

The Attitude of the West on the War Revenue Tax.—The question of who shall pay for the revenue stamps on fire insurance policies is stil the most live one in the West. On Tuesday the Chicago Board of Underwriters passed resolutions setting forth the reasons why its members believe the companies should pay the tax. Among these it is stated that attempts to make the assured or the agents pay it will increase the friction between these classes and the companies, which already is too marked. Copies of these resolutions will be sent to Chicago men in Congress with the request that in drafting any more measures of this sort pains be taken to make it clear who is to pay the tax.

Agents continue to protest and assured certainly do not like the National Board rule. Insurance Commissioner Ekern, of Wisconsin, has made a ruling that will make it difficult to collect the tax from the assured in that State. The joint conference committee of the Western Union and the Western Insurance Bureau has held several sessions on this question and early in the week it was reported that a member of the National Board's committee on laws and legislation would be in Chicago shortly to take the question up.

It is known that many Western managers were opposed to making the assured pay the tax from the start. It is in a sense a repetition of what happened when the Eastern offices ordered the 25 per cent flat advance in fire rates after the Baltimore fire of 1904. The Western managers were opposed to that, but had to bend before superior authority. The opinion is held in some quarters that since there has been such opposition to the National Board's plan in the West, that body would recede from its position were it not that it thinks it would be bad policy to appear to bend to the protests of the agents.

One peculiar feature in the situation is the fact that while the fire companies are demanding that the assured pay for the stamps the casualty companies, which several of these same fire companies control, are affixing the stamps to their policies before they leave their offices and are paying for them themselves.

Several interesting questions already have been referred to home offices of casualty companies by their Chicago representatives, with the request that they get rulings on them. For example, when a pay roll audit shows that excess premium is due, the company bills the assured for the amount of premium due. When the bill is paid it is simply receipted, no formal document, like a renewal receipt, being given. Are the stamps to be affixed to the receipt? When a liability or workmen's compensation policy is issued on a small deposit premium, with monthly or quarterly payments to be made after audits of pay rolls, on what is the tax to be paid and to what document are the stamps to be affixed?

The situation is materially complicated in Chicago by the inability of the collector of internal revenue to furnish stamps enough. On Tuesday the police had to be called to handle the crowd that besieged his office clamoring for stamps. It is stated that it will be three weeks before all wants can be supplied.

* * *

Resignation of Mr. George H. Moore.—Assistant Western Manager George H. Moore, of the Liverpool and London and Globe, has resigned as of January 1 because of ill health. He has been in the company's service for more than thirty years. Hugh R. Loudon, deputy assistant manager, has been promoted to assistant manager, and R. H. Purcell, who has been a field man of the company in the mountain district, has been given Mr. Louden's old position. Until a few years ago, when he was called to Chicago to take the position from which he has just been promoted, Mr. Loudon was State agent of the company in the Northwest. He made good there and he has done so as deputy assistant manager. He is modest and has not thrust himself forward, but has proved his ability to perform every duty which has been assigned to him. Mr. Purcell recently has been helping in the Western department office at Chicago.

* * *

New Compensation Mutual in Nebraska.—Even before the workmen's compensation law of Nebraska had been made effective on December 1 by the Governor's proclamation, plans had largely been carried out for the organization of a mutual. These plans were held up a year ago by the referendum on the law. The Employer's Mutual Casualty Company of Nebraska is the name of the new concern and it will start with the advantage of a president who knows the casualty business thoroughly. A. J. Love, of Omaha, one of the best known fire insurance men of the West and head of a big agency which for years has represented the Travelers, is the president. J. W. Grace, the secretary, is also a man of experience in casualty insurance. Among the directors are traction and public utilities magnates, as well as manufacturers and other prominent employers of labor.

* * *

Reorganization of the Kansas City Casualty.—The Kansas City Casualty Company's stockholders will vote on December 29 on a proposition to reduce the capital from $250,000 to $200,000. This will probably be the final step towards putting the company on a substantial basis. When it was organized it undertook to write all casualty and surety lines. After a time it reinsured its boiler and fly-wheel business. When Dennis Hudson became its secretary and general manager he immediately went to work to improve the company's condition. A study of the situation convinced him that it would better discontinue writing employers' liability, workmen's compensation and contract bonds, and these lines were given up in August, 1913. Since then, however, a number of heavy losses have occurred on contracts issued before that time. It was found that to do bonding business the company must issue more powers of attorney than it desired to do and that the expense of handling fiduciary business was so great that it had little likelihood of making money on this class, so it will be discontinued at the end of this year. Notwithstanding that the "heavy" lines were discontinued last year, the company this year has had a premium income of about $110,000, as compared with $129,000 in 1913, the accident and health, plate glass, burglary and automobile business having been largely increased. With a capital of $200,000 the company can be licensed to write these lines in nearly every State. It already has a substantial surplus and with $50,000 added to it from capital, the company can make a statement that will be very satisfactory. It expects to do about $130,000 in premiums next year, and as its expense ratio is low and it is careful in its underwriting it looks for a fair profit on its transactions.

* * *

New Rôle for Moving Pictures in Chicago.—The use of the "movies" to create public sentiment against the liability companies and further the State insurance propaganda has now been adopted in the West. In Chicago, in Iowa and in Minnesota, and probably elsewhere, "For the People" is being shown in the motion picture houses. This is a story of a quarryman who is killed by a blast and his family, being unable to secure damages, goes to the poor farm. Later a boy, a friend of the quarryman's children, now grown to manhood, becomes a State Senator and promises to introduce a workmen's compensation bill that will not require the victims of accidents and their dependents to look to "lawyers and the insurance people." The bill is passed in the Ohio Legislature, notwithstanding intimidation, forgery and attempted bribery to prevent its introduction, and is signed by Governor Cox. It is stated

FOREIGN EXCHANGE QUOTATIONS

Sterling—	Saturday	Monday.	Tuesday	Wednesday	Thursday.*	Friday
Cables	4.90⅛	4.89⅞	4.90⅝	4.89¾	4.88¾	4.88⅞
Demand	4.89⅛	4.89	4.89⅝	4.89	4.88⅜	4.88⅜
Sixty days sight	4.86¾	4.86¾	4.86½	4.86	4.86	4.86
Ninety days sight	4.85½	4.85½	4.85	4.84½	4.84½	4.84½
Francs—						
Cables	5.09	5.09½	5.08½	5.10¾	5.12¼	5.12
Demand	5.09½	5.10½	5.09½	5.11¼	5.13½	5.13
Reichsmarks—						
Cables	85⅞	85⅞	86	87¼	87¼	87¼
Demand	85¾	85¾	85¾	87⅛	87⅛	87⅛

*Holiday.

on the screen that the scenes in and around the Ohio Capitol are used by official permission. The play has been advertised in Chicago as "Governor Cox in 'For the People.'"

* * *

Detroit to Test Constitutionality of Michigan Act.—Cities in States having compensation laws seem quite inclined to contest the constitutionality of these acts. Recently Cincinnati was defeated in an attempt to knock out the Ohio law on the ground of discrimination in charging cities a flat 1 per cent on their payroll, while private employers' rates are graded according to the hazard. Now Detroit has started suit to prove that the Michigan law is invalid because it requires municipal corporations to come under it, while private employers are given the option of coming under or staying out and losing their main defenses. The action is said to have been decided upon because of pique on the part of the City Water Board at being ordered by the State Industrial Board to pay compensation to an injured employe.

Chicago, December 4, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

The New York State Insurance Department has, with admirable wisdom, decided to forbid the declaration of premature dividends by mutual companies writing workmen's compensation in the State and has issued the following letter to all of these companies:

Dear Sirs:—It has come to the attention of this department that some of the mutual compensation companies desire to pay a dividend to their members at the expiration of six months experience. It is our opinion that a mutual company should not declare or pay any dividends to its policyholders until a sufficient period of time has elapsed to give a fairly completed experience.

In accordance therewith you are instructed to withhold declaring or paying any dividend to policyholders until the approval of this department has been obtained, which approval will not be given in any case until one year after the company started writing business and after a departmental examination has been made of the company to ascertain if a dividend is warranted. Respectfully yours,

FRANK HASBROUCK, Superintendent.

The annual meeting of the Association of Life Insurance Counsel will be held in the Library of the Metropolitan Life Insurance Company, No. 1 Madison Avenue, in the City of New York, on Wednesday, December 9, at twelve o'clock noon. Papers will be read as follows: "Misrepresentations as a Defense to Policy Contracts," by James H. McIntosh, Esq., general counsel, New York Life Insurance Company; "Question Arising Under the Non-Forfeiture Statute of Missouri," by Lucius F. Robinson, general counsel, Connecticut Mutual Life Insurance Company and Connecticut General Life Insurance Company; "Must the Policyholder Pay Taxes on the Cash Surrender Value of His Life Insurance?" by Alfred Hurrell, Esq., attorney, Association of Life Insurance Presidents; "A Policyholder's Relation to the Resources of a Mutual Life Insurance Company," by the Hon. William Marshall Bullitt, of Kentucky, former Solicitor-General of the United States.

The Prudential Insurance Company has recently announced a new industrial policy, the benefits of which are payable in weekly instalments instead of in one sum. It is the belief of the company that there is a widespread field of usefulness for an industrial policy providing for the payment of a certain amount each week in order to tide a household over a reasonable period until the members have had a chance to readjust themselves to the change conditions after the breadwinner is gone. By the terms of this new policy the beneficiary receives th insurance in regular weekly instalment for thirteen or twenty-six weeks, as the insured elects at the time of his application. It is not intended that the new offering shall replace the regular industrial policy, payable in one sum, but that it shall be supplementary to it, thus making the protection of the family more complete than has hitherto been possible for industrial policyholders.

Many and divergent opinions are being expressed as to who shall pay the new War Revenue Tax on fire insurance policies which goes into effect this week. As announced in these columns, the National Board of Fire Underwriters has taken the stand that the tax should be passed on by the companies to the policyholders. The Chicago Board of Underwriters has, however, taken the opposite position and on Tuesday, last, adopted the following resolutions:

"Whereas, The act 'to increase the internal revenue, and for other purposes,' was approved on October 22, 1914; and

"Whereas, The language of such act is identical with that of a similar act of June 13, 1898, as regards the affixing of internal revenue stamps to fire insurance policies; and

"Whereas, Under the act of June 13, 1898, the expense of such stamps was borne by fire insurance companies that were engaged in business for profit; and

"Whereas, We believe that said companies are still engaged in the fire insurance business for profit; and

"Whereas, A policy of fire insurance of such companies is not a valid instrument unless the tax thereon is attached thereto; and

"Whereas, To follow the instruction of most of our companies and insist that the assured pay for the stamps necessary to validate the company's policy of fire insurance is fatally uneconomic if not illegal, produces ill feeling between the assured and the insurer, also bad practices in part of the agent and leads to discrimination in rates; and

"Whereas, To put the expense of said stamps on the local agent issuing the policy is equivalent to a still further reduction in the agent's compensation, and at the same time very largely increases the present friction and agitation between the fire insurance company and its local agent; therefore, be it

"Resolved, By the members of the Chicago Board of Underwriters, Incorporated under the laws of the State of Illinois in special meeting assembled, that the cost of such internal revenue stamps as are required under the said law should be borne by the company to whose policies they are attached and which they validate."

It is interesting to find that Minnesota, at least, has provided against "The Case of the Painter Who Fell from a Ladder" (see THE MARKET WORLD AND CHRONICLE, July 25, 1914). In a decision rendered November 13, the Ramsey County District Court, at St. Paul, holds that under the Minnesota Workmen's Compensation Act persons whose employment is only casual cannot seek relief from employers. The case was that of Isadore Fuksman, a house painter, who brought suit against Maurice Rosenbloom for $90. Fuksman was engaged by Rosenbloom, a grocer, to paint his house. While thus engaged he fell from a ladder and was injured.

Judge Kelly declared that the Compensation Act was intended to make the employer an insurer of employes working for him in the conduct of his business.

The Committee on Field Practice of the National Fire Protection Association has completed its two years' work in the compilation of an inspection manual. This publication is called "Field Practice" to distinguish it from the ordinary fire protection handbook, from which it differs radically in function. It is not a mere compilation of fire protection standards, but a handbook designed to educate and serve the man who is undertaking inspection work, and who, possibly, has had very little previous experience. The increasing inspection of premises by uniformed members of the fire departments and by newly constituted municipal inspection bureaus has made such a handbook imperative, covering not only standard equipments, but covering what may be called points of relaxation from the standard which the inexperienced inspector does not know how to look for. This book is designed to point out the common faults in equipments and those points of deterioration difficult for inexperienced persons to discover, with methods and suggestions for their remedy. It is, in its potential usefulness, the most important publication which the National Fire Protection Association has ever compiled.

The Association has published a list of its pamphlets, standards, bulletins, fire reports, etc., which will be sent on application to the Secretary, 87 Milk Street, Boston, Mass.

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A. R. MARSH, Editor

GUY EMERSON, Associate Editor

W. B. MARSH, Business Manager

NEW YORK, SATURDAY, DECEMBER 12, 1914.

Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

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The Accomplishment of the United States Commission on Industrial Relations

ALMOST exactly a quarter of a century ago (in 1889), that arch-hater of cant in the discussion of economic and social matters, the late Professor William G. Sumner, of Yale University, published in "The Forum," a thoroughly characteristic essay, under the title: "Do We Want Industrial Peace?" The first paragraph of this essay has particular pertinency at the present moment, in view of the matters contained in the first report, submitted to Congress on Monday of this week, of the ambitiously conceived National Commission on Industrial Relations. It is well then to quote Professor Sumner's very words. He wrote:

"It cannot be said that the discussion of the so-called labor question has been productive of any positive results in the way of making us understand the facts and relations of the industrial system any better. The discussion has fallen into certain grooves and has revolved around certain assumptions and pet notions. It has become almost hidden under conventionalities and has bred a series of commonplaces. An actual orthodoxy has arisen in connection with it, dissent from which is regarded with horror. A code of discussion has been elaborated for it and a certain conventional tone of mind has come to be recognized as proper to be assumed before taking part in it. Consequently the future historian will read our labor-bureau literature as a revelation of the mental fashion of our time. There never has been any literature just like it, inasmuch as its chief aim is, while maintaining some of the forms of a scientific investigation, to reach results which shall not brush rudely against the pet notions of any important school of social opinion, or against any one of the strong interests which are in conflict."

The first report to Congress of the Commission on Industrial Relations, mentioned above, covers the year beginning October 22, 1913,—that having been the date upon which the funds appropriated by Congress became available. Another and final report, containing the conclusions and recommendations of the Commission, will be submitted to Congress before August next, in accordance with the terms of the Act creating the Commission. Hence the present report is in the main rather a survey of the work which the Commission has done and of the information it has gathered than a considered interpretation of that information. None the less, the present report reveals clearly enough the method which the Commission has elected to pursue and gives more than a hint of the general character of the recommendations which the final report will contain. In respect of the method pursued, the Commission may be allowed to speak for itself; and the following passage from the report sets out in what manner the Commission has conceived that a sound basis for its final conclusions might be arrived at:

"Our decision to hold public hearings was based on the belief that laws are valueless except where they rest upon a strong opinion, and there seemed no way that would be more effective for ascertaining the general sentiment as to industrial unrest and its causes than the face-to-face method of open hearings to which are summoned interested parties from all walks of life.

"The hearings have served two other great purposes. They

have carried to the general public for the first time, it is believed, an idea of the issues involved in the industrial struggle, and an understanding of the causes which make for industrial unrest. They have compelled both employers and labor to consider deeply their own weakness and shortcomings, and to search for means to correct evils which have been brought to their attention in this public manner."

In pursuance of this programme the Commission has held during the past year a very large number of hearings throughout the country. According to the report no less than 514 witnesses, summoned after careful investigation by agents and members of the Commission, have appeared before it to give their diagnosis of the industrial unrest whose asserted prevalence in the country was the pleaded reason for the creation of the Commission. Of these 514 witnesses, 181 directly represented the point of view of employers of labor; 183 were spokesmen of labor itself; and 150 are described as immediately connected with neither the employing nor the wage-earning class, and were presumably the proponents of all things sociological and humanitarian. Among the witnesses were 29 representatives of organizations of employers, 53 representatives of labor organizations, 30 representatives of private (i. e. so-called civic and similar) organizations, 19 representatives of public institutions and 79 representatives of firms and corporations.

The programme is certainly an impressive one, and the obvious laboriousness of carrying it out, involving great sacrifices on the part of the members of the Commission, makes it appear reactionary and almost cynical to ask whether it is open to the biting criticism of Professor Sumner that "its chief aim is, while maintaining some of the forms of a scientific investigation, to reach results which shall not brush rudely against the pet notions of any important school of social opinion or against any one of the strong interests which are in conflict." At first sight there would seem to be a broad basis for induction in the testimony of 514 persons,—all vitally concerned with the problem of the relationship between capital and labor,—with regard to the causes of the antagonisms and strifes that are continually in evidence between the two interests. If industrial peace and concord are desiderata and if these can be attained through the results of any scientific inquiry, what more trustworthy course of inquiry could be followed than to gather at first hand and collate the contentions of all the parties and then to strike a just mean of these contentions? In this way, too, if in any, it may very plausibly be alleged, it should be possible, in the words of the Commission, "to carry to the general public * * * an idea of the issues involved in the industrial struggle, and an understanding of the causes which make for industrial unrest."

At any rate the Commission has conceived that its function can best be fulfilled through the employment of this method; and in the present report, though it reserves its ultimate conclusions for its final report, it presents as solidly established "the causes which make for industrial unrest" in the United States. These it enumerates, not, to be sure, with its own direct assertion of their exclusive validity, but as being so generally accepted that their validity may be taken for granted henceforth in any discussion of the matter. The list of causes, with their proponents, is as follows:

"A world-wide movement arising from a desire for better living conditions.—Advanced by representatives of labor, Socialists and employers, and generally endorsed.

"A protest against low wages, long hours, and improper working conditions in many industries.—Advanced by practically all labor representatives, and assented to by many employers.

"A desire on the part of the workers for a voice in the determination of conditions under which they labor, and a revolt against arbitrary treatment of individual workers and a suppression of organization.—Almost uniformly approved by labor witnesses.

"Unemployment and the insecurity of employment.—Generally advanced.

"Unjust distribution of the products of industry.—Advanced by most labor representatives and agreed to by most employers.

"Misunderstanding and prejudice.—Agreed to by employers and employes.

"Agitation and agitators.—Advanced by employers; defended by labor representatives and others as a necessary means of education.

"The rapid rise in prices, as compared with wages.

"The rapidly growing feeling that redress for injuries and oppression cannot be secured through existing institutions."

These are the nine generally agreed-upon prime causes of our industrial unrest, which it is assumed to be the province of legislation and of governmental activity to mitigate, if not to do away with altogether. The report suggests also a subsidiary cause. "In addition," it says, "it has been stated by many witnesses that the tremendous immigration of the last quarter century, while not itself a direct cause of unrest, has served to accentuate the conditions arising from other causes, by creating an over-supply of labor unfamiliar with American customs, language and conditions."

Having thus, with all the appearance of a wide collection of the available material, established the causes of the evils which it was created to elucidate and propose remedies for, the Commission announces that in its final report, a few months hence, its constructive programme will appear. Hints of what this programme will contain may be found in the present report; but it is scarcely worth while to dwell upon them in their tentative form. The main point now is that the Commission promises to submit to Congress, as the true fruit of its labors, positive proposals for constructive legislation in this important field. And the list of the matters to be covered by these proposals for legislation is given,—a very formidable list. In it we find: labor exchanges; industrial education, vocational guidance and apprenticeship; sanitation, health of employes and administration of laws relating thereto; smuggling of Asiatics; mediation, conciliation and arbitration; woman and child labor, minimum wage, hours of labor; agriculture and farm labor; social insurance, especially workmen's sickness and invalidity insurance; and, finally, labor and the law.

All the familiar words and phrases,—we were almost tempted to say, all the familiar panaceas,—are in this list. If all the matters mentioned in it were to be covered by National legislation, it may easily be imagined what a bewildering mass of statutes we should have, relating to the conduct of industry in the United States. The perplexities of the Sherman Act, combined with those of the new anti-trust statutes which provide "the road at last both clear and firm to business," would be trivial in comparison with the

maze of restrictions and uncertainties through which business,—and by business we mean both employers and employed,—would have to proceed, if so-called "constructive legislation" were to be enacted by Congress with respect to all these multitudinous aspects of the problem of making the conditions of our industrial life conform out-of-hand to the ideals of a perfected and care-free human society. It is, of course, highly improbable that Congress will attempt any such task; it has to give some heed to the Constitutional limitations upon its activities, as well as to the possibility of economic disturbances whose effects will be visited upon the heads of its members, however well-intentioned their action may have been. It is, however, to be expected that, following upon the suggestions of the Commission on Industrial Relations,—supposing these to be what are portended,—we shall have all manner of projects of legislation introduced in the National Legislature, and no little eager and perhaps acrimonious discussion about them. Hence it is no bad time for the sober-thinking to be quietly pondering fundamental principles and preparing themselves for the coming agitation.

It is apparent at a glance that the nine agreed-upon causes of our industrial unrest enumerated by the Commission belong preponderantly to the realm of feeling and emotion rather than to that of economic necessity. In fact, the Commission's entire first report contains hardly a hint that there is any such thing as economic necessity or that any consideration needs to be given to it. From reading the report one would hardly suspect at all that the one profound cause of industrial and social unrest in this and all civilized countries is the impatience of the majority of mankind with the stern fact that, with insignificant exceptions, all of us must accommodate the manner of our living to what we are able to produce. We get what we give,—no more and no less, in the long run. And in the long run, too, we must submit to the full play of the great economic forces, whether they are comfortable for us or not. There exist no human means, for instance, of staying a general migration from agricultural to industrial occupations, if the remuneration and conditions of the latter are more appealing than those of the former. The industrial unrest produced in those previously engaged in the industrial occupations, whether through more intense competition of workers or through an enhanced cost of food, cannot be prevented by any form of legislation. No more can legislation prevent the unrest of workers, and of employers also, in those industries which for any reason are waning, or whose production has grown to exceed the requirements of the rest of the population. Again, the legislature is impotent in the face of a world-wide imperative need for capital. This condition brings with it inevitably that higher return to capital which is the only means of inducing its more rapid and abundant accumulation. All the considerations of so-called social justice must yield to this over-riding need; and all discussion about the "unjust distribution of the products of industry" becomes irrelevant. Legislation to procure a "just" distribution is, under such circumstances, the most grievous of social harms.

It were foolish to deny that there is large opportunity for the study of unnecessary abuses, from which workers unjustly suffer, in modern industry. A wholesome state of the body politic requires that these should be studied and that they should be treated as proper subjects for police regulation, pure and simple. But to hope and believe that such police regulation will do away with industrial unrest is the height of unwisdom. For the fact is that no forward-looking American should desire to have an end put to industrial unrest. It is a condition precedent to our social life and health. No one has said this better than Professor Sumner, in the essay to which reference has been made. A paragraph from that essay may well conclude this discussion. It is as follows:

"The same is true with regard to industrial war. It is worth all that it costs to maintain industrial liberty. So far as individual interests are concerned, those who find themselves weak under liberty may be sure that they would find themselves very much weaker under any system of legal regulation. That, however, is a comparatively unimportant consideration. The most important consideration is that the industrial war is solving questions which can never be solved in any other way."

Arthur Richmond Marsh

THE UNDERLYING CAUSE OF BRITISH COMMERCIAL SUCCESS IN SOUTH AMERICA

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IN a previous article allusion was made to the fact that South America buys five times more from Europe than from the United States, and that before the present European War England and Germany were the nations contributing most of these European purchases. During the last three months a flood of well-meant, but erroneous advice has spread over this country, to the effect that England's commercial supremacy in South America is ours for the asking—that it is lying ready to be picked like a ripe apple, to use M. Jules Huret's phrase when warning his countrymen against too ready success in South American trade. England's commercial supremacy in South America, more particularly in the temperate countries of settlement of that continent, is on a very sure and sound foundation—the surest and soundest of all foundations, namely, her large investments there. These investments have contributed more than anything else to her trade supremacy. She controls 73 per cent of the 25,000 miles of Argentine railways; no wonder that in some years not a single American locomotive is exported to Argentina, and very little other American rolling stock. John Bull understands co-operative foreign marketing. For instance, he is a director in a locomotive factory in his home city of Nottingham. He is a director in a shipping company that carries the locomotive from Liverpool to Buenos Aires. In London he has a bank account with the London and River Plate Bank. The Bank has had an agency in Buenos Aires since 1863. There is a Spanish proverb which says that money works more than it talks. There are $1,605,383,573 of John Bull's money invested in Argentina—and it has yielded from thirty-fold to ninety-fold on the investment. The banks investing declare dividends of from 12 to 20 per cent; the railway directors sit in Leadenhall Street, London, and cut off many and many a coupon which is not thought of by the average student of trade conditions as being a part of the fundamental basis upon which British trade rests.

*This is the second of a series of articles on South American trade conditions which Mr. Chandler is contributing to this paper. The first article, "The Personal Element in Our Trade with South America," appeared in our issue of November 7.—Editor.

But the British money is not all in railways in Argentina. $384,297,606 is in government bonds, and through them in waterworks and public utilities. Why is so much iron pipe brought to Argentina from Sheffield? Because London bankers have floated the bonds of the flourishing new city of Villa Magnificencia; and if the English bankers have shown enough faith, hope and charity to take up the bonds, why shouldn't they deliver the articles for which those bonds will pay? Can the citizens of our sister republic float those bonds in the United States? How many Argentine securities are listed on the New York Stock Exchange? How many members of the Stock Exchange know that Buenos Aires has a white population of 1,548,664, or practically as great as that of Philadelphia?

A pastoral country needs money to buy blooded stock. The best horses in Argentina are bought in England; $193,000 was paid for a Derby winner recently. Money is needed to finance the large ranches, and the new packing and freezing plants; that is where much of that $239,374,880 of British money that is invested in "miscellaneous investments" in Argentina goes.

How much United States money is invested in Argentina? What have we actually contributed to the development of our sister republic? Is United States capital financing any railways there now? We have about $20,000,000 invested there as a maximum estimate, as compared with over $1,600,000,000 of English capital. Obviously a new country of settlement must have money for its development. It is no secret that we ourselves needed it badly enough when we were nationally growing and internally developing. Therefore we should not be surprised that Argentina buys twice as much from England as from the United States, when England has invested in her development over one hundred times more than has the United States. In fact, we should rather wonder that our proportion is as great as it is. There are barely five thousand citizens of the United States in Argentina, while there are fifty-four thousand British subjects. There is more British money invested in the development of the city of Bahia Blanca, the population of which is seventy thousand—all white—than in any other city in the world not under the British flag. Incidentally, there are two direct steamship lines under the American flag between Bahia Blanca and New York, but our Government maintains there no consular representation of any kind.

There is not a single South American country where British investments do not exceed those of the United States, with the possible exception of Ecuador, where our enterprise and capital have opened a railroad which has been the greatest single permanent factor in that rich republic's recent development. Even in Peru, where there is more United States money invested than we have at the present moment in Japan and China put together, England has investments twice as large as those of the United States—$125,449,527, as compared with our $60,000,000. Growing countries such as these, built up by foreign capital, "financial protectorates," as they may be called, are wholly characteristic of modern imperialism. Chile has not quite 4,500,000 people. England has $302,382,224 invested in Chile about $60 per inhabitant. No wonder that our ablest diplomats could not get Chile to buy her warships in the United States, in spite of the fact that her first foreign officers and ships were from Baltimore and Connecticut, long before Cochrane came to Chile in 1817. We cannot help remarking in passing that British investments in Mexico amounted to $763,693,832 just before the Diaz regime closed.

We have spoken of individual countries, and have given a few general figures. That investments of English capital in South America were increasing before the war would seem to be indicated by the London Stock Exchange estimate of $3,964,833,229 on December 31, 1911, and $4,560,594,979 on December 31, 1912—a gain of $596,121,750. This gain in a single year is at least five times greater than the entire investment of United States money in South America.

At times we may guage a government's interest in foreign countries by what it has invested in its consular services therein. Germany has doubled her consular expenditures in South America since 1907; England has increased hers by over one-half, and we have added barely $30,000 to our own, as was brought out by Congressman Cyrus Cline in his instructive speech of May 14 last, in the House of Representatives.

What is the conclusion? It obviously must be that trade follows the loan; and that it even more surely follows the investment.

We can by native skill and industry partially overcome this tremendous handicap; but it is always there and must be reckoned with, and never more forcibly than at this present moment.

The South American countries are not bankrupt to-day. They are no more bankrupt than a man whose house has burnt down but whose farm is intact and laden with crops. Argentina will profit by the European war almost as much as will the United States, as far as the sales of raw products are concerned; she has already shipped live stock and grain to the armies; and she is better situated than most of her fellow republics. But to develop trade with Europe or with the United States, the primary need of all South American countries, as Consul Manning, of Barranquilla, has so well stated, is not catalogues but credit; not samples but securites. To try to sell them goods and give them nothing to replace their destroyed credit arrangements with Europe is like putting tempting dishes before an armless man. They have just as much to offer as security as have many of the temporarily embarrassed communities in our own country. In fact, they have the most valuable vegetable products in the world to pledge; they have tin, if we would only lend them the money to smelt it; gold and copper, if we would only lend them the money to mine it. We can ascertain just as much about the desirability of such investments as if they were in the United States. Our leading credit agencies have correspondents in all important South American cities, and the National City Bank's new service supplements this. England derives $70,000,000 a year from her investments in Argentine railways alone. The continent is only beginning to be developed. Can we not employ our surplus capital in this development? Until we do, we shall never have our share of South American trade.

NEW YORK CLEARING HOUSE LOAN CERTIFICATES IN 1914

THE cancellation, on Saturday, November 28, of the last outstanding clearing house loan certificates of the banks of the New York Clearing House, in effect marks, it is hoped and expected, the end of an interesting and important chapter in American banking. Not quite all the clearing house loan certificates issued in other cities in the country during the past four months have been retired as yet; but the importance of New York as the chief centre of American banking makes the action of the New York banks decisive for the banks of all other cities. In no long time, no remnant will remain of the 1914 issues of these certificates. And in the future, if the Federal Reserve System performs the function for which it has been created, there will not again be had recourse by the banks to this expedient for meeting the more or less frequent excessive strains and the occasional panics which have characterized our banking and credit mechanism. Bankers will be the last to regret that they must say goodbye to this peculiarly American device, though they must, of course,

concede that in default of something better it has more than once served us well.

The present year's issues of clearing house loan certficiates naturally were due to the sudden cramp of domestic and foreign exchanges, and the tie-up of money, brought on by the European War. It is scarcely a secret that the clearing house banks of New York, even under the trying conditions of early August, resorted to them with reluctance, and in no small measure at first at the solicitation of the Treasury Department of the United States, although it is virtually certain that the defense of our stock of gold would have made the use of them unavoidable in any case. In the same way, Aldrich-Vreeland emergency currency notes were taken out by the banks in larger volume than perhaps a majority of the New York and other Northern and Eastern bankers really thought necessary or advantageous, because the authorities at Washington were exceedingly solicitous to increase the available currency with all speed, while they were not ready to put the Federal Reserve System into operation at once. Hereafter, on the other hand, it is expected that resort to the Federal Reserve Banks will produce such ready relief for any monetary crisis that there can be no possible interruption of regular clearings, anywhere in the country, by reason of a scarcity of the circulating medium, however produced. At the end of this article is reprinted an interesting table compiled by the "Journal of Commerce" giving a detailed record of the use of loan certificates of the New York Clearing House from the first issue in 1860 up to and including the issue of 1914.

In view of the finality of the present cancellation of clearing house loan certificates in New York, there is much interest in a statement given out this week by Mr. Albert H. Wiggin, Chairman of the Clearing House Committee, which covers summarily the use made of the certificates from the date of the first issue of them,—August 3, 1914,—to the date of the cancellation of the last of them,—November 28, 1914. According to Mr. Wiggin's statement, the total number of days during which there were certificates outstanding was 118; but the last issue of them was made on October 15, only 73 days after the first issue. The aggregate amount of the certificates issued altogether was $124,695,000; but the largest amount outstanding at any one time was $109,185,000, while the largest amount in circulation at any one time was $57,625,000. The character of the collateral deposited from first to last as security for the certificates is shown by the following table:

COLLATERAL DEPOSITED FOR LOAN CERTIFICATES.

Commercial paper	$234,465,000	50.7%
Bonds and securities	163,873,000	35.5%
Collateral loans	63,836,000	13.8%
Total	$462,174,000	100.0%

The maximum amount of collateral in the hands of the Clearing House Committee at any one time, as security for clearing house loan certificates issued, was $158,327,000.

LOAN CERTIFICATES OF THE NEW YORK CLEARING HOUSE.

Loan Comm. of	Date of First Issue.	Date of Last Issue.	Date of First Cancellation.	Date of Final Cancellation.	Aggregate Issue.	Max. Am't Outstanding.	Date of Max. Outstanding.	Rate of Interest.	Nature of Collateral.
1860	Nov. 23, 1860	Feb. 27, 1861	Dec. 12, 1860	Mar. 9, 1861	$7,375,000	$6,860,000	Dec. 22, 1860	7 p. c.	U. S. stocks; Treasury notes; stocks of State of New York.
1861	Sept. 19, 1861	Feb. 17, 1862	Oct. 7, 1861	April 18, 1862	22,585,000	21,960,000	Feb. 7, 1862	6 p. c.	Temporary receipts of United States for purchase of Government bonds.
1863	Nov. 6, 1863	Jan. 9, 1864	....	Feb. 1, 1864	11,471,000	9,608,000	Nov. 27 to Dec. 1, 1863	6 p. c.	U. S. or N. Y. State stocks, bonds, etc., or temporary receipts as in 1861.
1864	March 7, 1864	April 25, 1864	April 20, 1864	June 13, 1864	17,728,000	16,418,000	Apr. 20, 1864	6 p. c.	Same as in 1863; comm. of that year continued.
1873	Sept. 22, 1873	Nov. 20, 1873	Oct. 3, 1873	Jan. 14, 1874	26,565,000	22,410,000	Oct. 3, 1873	7 p. c.	Bills receivable; stocks, bonds and other securities.
1884*	May 15, 1884	June 6, 1884	May 19, 1884	Sept. 23, 1886	24,915,000	21,885,000	May 24, 1884	6 p. c.	Ditto.
1890	Nov. 12, 1890	Dec. 22, 1890	Nov. 28, 1890	Feb. 7, 1891	16,645,000	15,205,000	Dec. 12, 1890	6 p. c.	Ditto.
1893	June 21, 1893	Sept. 6, 1893	July 6, 1893	Nov. 1, 1893	41,490,000	38,280,000	Aug. 20 to Sept. 6, 1893	6 p. c.	Ditto.
1907	Oct. 26, 1907	Jan. 30, 1908	Nov. 14, 1907	Mar. 28, 1908	101,060,000	88,420,000	Dec. 16, 1907	6 p. c.	Ditto.
1914	Aug. 3, 1914	Oct. 15, 1914	Aug. 26, 1914	Nov. 28, 1914	124,695,000	109,185,000	....	6 p. c.	Ditto.

*The certificates of all the banks, except part of those issued to the Metropolitan National Bank, were cancelled by September 1, 1884, and these were gradually retired as the bills receivable became due and were paid.

BRITISH AND AMERICAN TRADE AFTER THREE MONTHS OF WAR

THE proverbial visitor from Mars could hardly fail to be considerably surprised if he were to examine the comparative figures covering the foreign commerce of Great Britain and the United States during October, 1914. The simple facts of the matter appear to be these: On the one hand a nation of less than 50 million people, living on two islands about 120 thousand square miles in area, and engaged, during the period covered by the trade figures referred to, in the third month of a critical and tremendously expensive war; on the other hand, a nation of 100 million people, inhabiting a continental area of 3½ million square miles, or nearly 30 times as great as that of the smaller country, and, almost alone of the great nations, entirely at peace.

Despite these unequal conditions, the United Kingdom imported during the month of October, 1914, merchandise valued at $258,000,000, as against imports into the United States of $138,000,000. This was a falling off from the figure for the corresponding month in 1913 of 28 per cent in the cast of British imports; but it was an actual increase of 5 per cent in United States imports as compared with the returns for October, 1913. In a sense, however, the British advantage in the matter of imports is to be expected. Even in normal times a country of high civilization, with a population of 376 to the square mile, would be expected to import a large per capita average of merchandise, while a nation of the same grade of advancement with a population distributed over a vast and rich territory on an average of only 27 per square mile would normally require a much smaller ratio of imports. And such is the fact. The per capita imports of Great Britain in 1913 amounted to $79, and those of the United States to $18. Obviously in time of war, when the output of native industries is to a considerable extent reduced, the import requirements of a country are increased.

It is more surprising, however, to find that British exports

declined only 36 per cent in value, as against the 28 per cent decline in value of imports. The exports from the United States declined 28 per cent in value for the month, amounting to $195,000,000, as against a total value of $179,000,000 exported from the United Kingdom. This result can hardly be considered as other than a distinct achievement. There is perhaps a pardonable note of pride in an article on British trade for October in a recent issue of the London "Economist." The passage is as follows:

"Under the abnormal conditions now prevalent, when a belligerent country lives, so to speak, from hand to mouth from month to month, it is quite permissible to be content with the actual increase in October. Moreover, when all the obstacles to progress are taken into account—the complete disappearance of commerce with Germany and Austria-Hungary, the dislocation of the world's exchanges, the destruction on the Continent, the closing of the Baltic and Black Sea routes to Russia, the dangers of the North Sea (the most important shipping area in the world), and the diversion of men into the army—it is a matter for no small congratulation that we maintain 72 per cent of our import, 64 per cent of our export, and 75 per cent of our re-export trade. That we have achieved such success is due to three great assets that we possess—our insular position, our naval supremacy, and the predominance of our mercantile marine."

One of the most positive conclusions which may be drawn from the strength Great Britain has shown in maintaining her trade position under severe handicaps must be that the early prophecies of the shifting of commercial predominance to the United States as a result of the European war are at least premature. It has been pointed out in these pages several times since the present war broke out that the United States had not entered the modern arena of foreign trade on the same basis as that upon which England and Germany had done so. To them, foreign trade was a necessary element of existence, both from an import and an export point of view. As has been stated in an earlier article, the total annual output of manufactured goods in the United States is valued at approximately 25 billion dollars, a value in excess of the total manufactured products of England, Germany, France, Belgium and Holland combined. Yet the United States uses within its own boundaries 96.5 per cent of its product, while the five nations mentioned consume less than 40 per cent of their own manufactures. It must be clear from this that the export trade, or at any rate this important branch thereof, is a far less vital matter to the United States than it is to the other commercial nations. It is not improbable that, as an accompaniment of the fuller internal growth and development of this country, a greater export surplus will be accumulated from year to year. If this result is achieved it is also probable that the necessary financial assistance will be rendered to our foreign customers in the newer countries which will bind them to us on a basis of sound co-operation. When this is done it will be possible to make a juster comparison of the trade achievement of the United States and that of Great Britain. In the meantime, without detracting from the truly great success of the United Kingdom, it is well to bear constantly in mind that as between the two countries, the United States is a borrowing nation and Great Britain a lending nation. The vast financial requirements of this country for the development of its industrial and natural resources put it on a wholly different plane, with regard to the ultimate ranking of its trade position, than that occupied by a small, highly developed country such as Great Britain with capital invested abroad to the amount of over 15 billion dollars, as estimated by Sir George Paish, and with the consequent substantial annual income to offset such excess of imports over exports of merchandise as may be convenient to meet the country's annual needs.

At the same time, while it is of first importance to a clear understanding of the relative trade positions of the two countries to appreciate the economic differences which underlie their status, it is none the less true that each is the chief customer of the other; and the fluctuations in the purchasing or producing capacity of either country is of immediate interest in the other. It is of value, therefore, to examine the main features of the foreign trade of Great Britain and of the United States for October, 1914, as compared with the results in October, 1913.

The total figures for the month have already been set out. British imports naturally consist chiefly of foodstuffs, although the lagest single import item in the course of a year is raw cotton. During October, 1914, roughly £28,000,000 in value of imports represented foodstuffs, £14,000,000 raw materials, and £10,000,000 manufactured articles. The value of food-stuffs was slightly in excess of the value for October, 1913; the value of raw materials was only 50 per cent of the 1913 value, owing chiefly to a decline in cotton imports for the month of over £7,000,000, in oils and gums of nearly £2,000,000, and in wood and timber of £1,000,000. There was, also, a greater or less decline in every important item on the raw material list, including ore, wool, and hides. Under manufactured articles, the largest decline appeared under the head of iron and steel, which showed a falling off of over £1,000,000, or 75 per cent. This, of course, is due to the total elimination of the German trade. Under the head of manufactured articles, as in the case of raw materials other than food-stuffs, a loss is registered in every item of importance.

With regard to exports, a loss is reported under every item in the usual monthly summary issued as a supplement to the London "Economist." Manufactured goods form the chief item of British export trade, and under this classification the chief actual loss is naturally to be found. Under exports of manufactured goods there was a decline for the month to the value of £13,000,000, or 37 per cent. Exports of foodstuffs declined £1,000,000, or 32 per cent, and exports of raw materials £2,700,000, or 42 per cent, £2,200,000 of this last amount being under the head of coal and coke. Of the decrease in the value of British exports for the month of £18,000,000, over £13,000,000 was represented by losses in various forms of manufactured goods exported. This feature of the returns is therefore of sufficient importance to be recorded in detail. The following table is taken from the "Economist":

EXPORTS OF BRITISH MANUFACTURES.

	Oct. 1913.	Oct. 1914.	Inc. or Dec. in Oct. 1914.
Iron and steel, manufactures thereof..	£4,672,588	£2,810,817	—£1,861,771
Other metals, manufactures thereof....	1,155,573	807,717	— 347,856
Machinery	3,271,296	2,032,738	— 1,238,558
Cotton manufactures	11,374,113	6,109,580	— 5,264,533
Wool manufactures	2,739,879	1,455,233	— 1,284,656
Apparel	1,389,714	984,790	— 404,924
Chemicals, drugs, dyes and colors.....	1,828,969	1,570,270	— 258,762
Railway carriages, etc	1,032,514	828,121	— 254,393
Miscellaneous	3,183,613	2,297,804	— 885,809

As to future possibilities, the "Economist" has little to say. A note of discouragement, however, is found in the fact that the percentages of monthly trade decline, as compared with the corresponding months of 1913, are less favorable for the month under consideration than for the first two months of war. In other words, the decrease in British imports in August, 1914, as compared with August, 1913, was 24 per cent; the decrease in September, 1914, as compared with the corresponding month in 1913, was 26 per cent, and the decrease in October, 1914, as compared with October, 1913, was 28 per cent. With regard to exports, the August decrease was relatively the greatest, but the October decline was greater than that in September. August, 1914, exports fell off 45 per cent from the 1913 figures; September exports

fell off 37 per cent, and October exports 38 per cent. For the ten months ending October 31, 1914, all the classes of British imports and exports referred to above show a substantial decline as compared with 1913 figures.

As has been pointed out, the total value of imports into the United States in October, 1914, was 5 per cent greater than the value for October, 1913. Imports for the ten months ending October 31, 1914, exceeded in value the imports for any similar period in the history of the country. In fact, the import value for the first ten months of this year, namely, $1,548,531,394, is greater than the import value for the total fiscal year 1911, which amounted to $1,527,226,105. Imports of food-stuffs in October, 1914, increased approximately $4,000,000, imports of crude material increased $4,000,000, while manufactured goods imported declined about $3,000,000, making a net increase for these items of $5,000,000.

The net decline in the value of our exports for October, 1914, was $76,000,000. There was a decrease in the value of crude material exports of $90,000,000, and a decrease in manufactured goods exported of $19,000,000, making a total decrease of $109,000,000 under both heads. There was an export increase for the month of $33,000,000 in value of food-stuffs, making the net total decrease of $76,000,000 in exports for the month.

With regard to specific countries, it is interesting to note that no new fields for our exports have been developed as a result of the war. The only increases which appear in the returns for the month are under exports to Great Britain, Russia, Italy, and Cuba, totaling less than $5,000,000 in all. Decreases have been shown in our much heralded Oriental trade amounting to $3,000,000 in the case of Japan and $1,000,000 in the case of China. The even more fully advertised possibilities in South America have yet to be taken advantage of. Our Argentine exports for the month, as compared with October, 1913, declined from $5,168,000 to $1,684,000, while exports to Brazil for the same month fell from $3,866,000 to $1,362,000. The total loss for the month in the case of these two countries alone was more than $1,000,000 in excess of the amount gained in exports to all other countries combined. It is hardly necessary to add to the evidence of these figures in bringing out forcibly the truth of the suggestion made in an earlier paragraph, namely, that trade cannot be built up in a moment, but must be founded on a painstaking study of conditions, combined with substantial financial aid to the countries with which commercial intercourse is desired.

GERMANY'S FOOD SUPPLY AND ITS SUFFICIENCY FOR WAR TIME

A CORRESPONDENT of the United Press, Mr. Karl H. von Wiegand, has recently interviewed the German Minister of Agriculture, Baron von Schoriemer, upon the subject of the present and prospective sufficiency of Germany's food supply, while the war is going on and assuming that Germany will continue to be in the main cut off from any considerable imports of foodstuffs from foreign countries. Mr. von Wiegand's account of the interview, in the form of a letter from Berlin under date of November 10, has been published in the New York "Evening Sun," of December 5. The most striking feature of the interview is that its theme is one that has never before in the memory of living persons required consideration. This theme is whether one of the great nations of the world will or will not be able to make both ends meet in the matter of food for its population. From this point of view the interview is exceedingly interesting; and the statistical information contained in it cannot help stirring reflection upon the basic economic situation of any and all modern countries in which industrial development and its accompanying "urbanism" have brought about a disproportion in numbers between the food producers and the industrial wage-earners.

As was to be expected, Baron von Schoriemer stoutly denied the possibility that Germany might be reduced to submission by the Allies, through lack of food. At the same time, his figures show at the best the closest kind of margin and clearly indicate that the striking of a balance between supply and demand can be accomplished only by the most strenuous economy, nearly approaching actual deprivation. Moreover, he appears not to have taken into his calculation the diminution in the agricultural production of Germany for the coming years, due to the withdrawal for military service of certainly 3,000,000 and quite possibly 4,000,000 farmers and farm laborers, whose normal production can scarcely be expected to be made good by the labor of women, children and the aged, because these classes of farm workers have hitherto contributed to agriculture virtually all of which they are capable. Something, of course, may be accomplished by the diversion of labor from the cities and idle industrial centres to the farms; but this labor must be comparatively ineffective, at least during its first season at the new work.

It is well, however, to state the substance of what Baron von Schoriemer said to his interviewer. "In the first place," explained the Minister, "we have 3,000,000 less mouths to feed now than in times of peace. These figures represent foreigners who have left Germany and our soldiers who are subsisting off the enemy's territory. They represent a saving of approximately 1,000,000 tons of grain and 2,000,000 tons of potatoes. Add to this the great saving and elimination of waste by the people because of the war." A reduction of 3,000,000 in the number of mouths to be fed, leaves the German population for which food must be provided at approximately 66,000,000 persons. The annual food requirements, other than meat and other animal products, for this population the Minister estimated to be 15,760,000 tons of grains for bread and 43,296,000 tons of potatoes.

As against this demand, Baron von Schoriemer spoke as follows of the potential supply of grains and potatoes, resulting from the German agricultural production of 1914: "Our crop last year," he said, "exclusive of the seed, was: Grains, 14,651,000 tons; potatoes, 48,662,000 tons. This left 1,109,000 tons of grains to be imported and a surplus of 5,366,000 tons of potatoes. We exported 581,921 tons of rye, but imported 2,007,610 tons of wheat. Exportation of foodstuffs is prohibited and, therefore, the surplus rye and potato production will go a long way toward filling up the lack between production and consumption of wheat usually covered by imports. The use of grain for feeding animals or for industrial purposes has been forbidden. There is to be a small percentage of rye flour used in making wheat bread and not less than 5 per cent of potato flour in rye bread. Many use 10 per cent. Two hundred factories are being established for the manufacture of potato flour. There were 300,000 tons of grain left from last year's crops. One million tons of grains will be saved through prohibition of feeding it to animals. The mixture of rye with wheat and of potato flour with rye to make bread means a vast addition to the bread supply."

This is certainly very close calculation; and, as suggested above, it makes no allowance for the diminished production which must result from the withdrawal of farm workers to serve in the army. On the side of meat and other animal products, however, the showing made out by Baron von Schoriemer would appear to be even less satisfactory. To be sure, he lays stress upon the gratifying number of farm animals in Germany, saying of it: "Our 'animal cen-

sus' shows gratifying figures. Less than a year ago there were 20,994,844 head of cattle, 5,520,837 head of sheep, 25,669,140 hogs and 3,548,384 goats. There were 3,226,640 horses in Prussia alone at that time. Before this supply is gone we will get no slight amount more through importation, despite present unsatisfactory conditions along this line." Here again, however, no allowance is made for the necessary reduction in the production of milk, butter, veal and pork, by reason of the curtailment of the amount of grain available for feeding purposes. It has to be remembered, too, that Germany's meat and dairy production has of late years been very greatly stimulated by means of large importations of cattle foods and fodders from foreign countries. Hence, not only the domestic grains but also the imported fodders and foods will be withdrawn from animal production, certainly with severe effects upon the amount of the products.

But even with this normal supply of meat and dairy animals, Germany has not hitherto been sufficient unto herself in this class of foodstuffs. According to Baron von Schoriemer, Germany produces only 108 pounds of the 116 pounds of meat consumed per capita. The deficiency of the domestic production is especially marked in respect of poultry. Fowls, and geese in particular, may be expected to become very scarce, as most of the supply has been coming from Russia. "Over 7,000,000 tons of geese of the 8,568,872 tons Germany imported last year, came from Russia; one-third of the 12,683 tons of chickens we imported came from Russia."

Eggs, too, are likely to be in greatly diminished supply: "We shall have to go without approximately 166,286 tons of eggs which we imported last year, and we shall have to replace coffee, tea and cocoa with something else. We produce more sugar than we use. Wool and rubber supplies may run low and become scarce, even. Private individuals cannot now purchase automobiles or tires."

It seems apparent from the figures and prognostications of the German Minister of Agriculture himself that the food problem which Germany will have to face, after the supplies derived from the period before the war are consumed, will be scarcely less serious than her military problem. Indeed, the figures contain all the internal indications of the severest privations for the German people.

ECONOMIC NOTES

Traffic Through the Panama Canal.—The "Canal Record" gives the following account of the traffic through the Panama Canal during the first two months of its being open for passage:

"During the period of two months, from August 15 to October 15, that the Panama Canal has been open to traffic, the commercial vessels which have been using it have carried through 583,949 tons of cargo. The traffic has followed fairly well defined trade routes, and the course of the great majority of vessels may be roughly classed in four great groups.

"The heaviest traffic has been between the Atlantic and Pacific coasts of the United States. Manufactured goods of great variety and general merchandise are carried from the Atlantic seaboard, principally from New York, and secondarily from Boston, Philadelphia and New Orleans, to the principal California and Puget Sound ports; also to Honolulu. On the Eastbound voyage, these vessels carry chiefly canned fruits, vegetables and salmon, lumber, grain, sugar, pineapples and wine. This trade is restricted to vessels of American registry, and nearly all the American vessels which have used the canal have been engaged in it. During the period of canal operation, 24 vessels have passed through Eastbound on this route with 151,290 tons, and 25 Westbound with 135,214 tons. These passages, 49 in all, have constituted approximately 44 per cent of all the 113 passages through the canal. The total cargo carried on this route, 286,504 tons, has been almost exactly 50 per cent of all cargo.

"A route between the Eastern coast of the United States and the west coast of South America has been second in cargo through the canal. Northbound vessels carry principally nitrates from the fields of Chile, with secondary cargo of raw material products of the Western countries of South America, and Southbound vessels carry manufactured goods from the United States and Europe. The Northbound traffic, passing 13 vessels with 93,139 tons through the canal during the two month period, has considerably exceeded the Southbound, consisting of three vessels with 18,800 tons, and one in ballast, though the Southbound traffic seems to be getting under way.

"There has been a marked, though probably seasonal, traffic from the Pacific ports of the United States and Southwest Canada to Europe with grain. Ten vessels, each heavily laden, have gone through Eastbound, with 71,560 tons, and eight vessels, all of foreign registry, have gone from the Atlantic to the Pacific in ballast, to return on this route with grain. In addition, one vessel, which went through the canal with 6,000 tons of manufactured goods, from Antwerp to Tacoma, is to return with grain.

"The fourth great route has been from the Atlantic seaboard of the United States to China and Japan, with refined petroleum in bulk and in cases, and other petroleum products. Four vessels have gone through in this trade from the Gulf of Mexico, with 24,931 tons, and four from Philadelphia and New York, with 26,570 tons, an aggregate of 51,501 tons. No vessels have gone in the other direction on this route.

"Next to the four principal routes just described, the most notable development has been the coal traffic from the middle Atlantic seaboard of the United States to the Pacific coast of North and South America. Five vessels, four from Norfolk, with 22,535 tons, and one from Baltimore, with 6,000 tons, have carried coal to the upper Pacific, and one vessel from Baltimore has carried 6,010 tons to Valparaiso. The total coal carried has been 34,545 tons. None of these vessels have returned through the canal to this time, but it is understood that they will load with Pacific coast products for the Eastern United States and for Europe.

"The development of a line from Liverpool around South America, with vessels sailing both ways, via the canal, has been arrested by the European war. The only vessels to have used the canal in this route was the steamship Potosi, which passed through the canal on September 25, on its way South, along the West coast of South America. It was held in the bay at Balboa, awaiting orders, but sailed on October 14.

"The steamship Desabla, which passed through the canal on October 12, in ballast, was on its way from Rio de Janeiro to San Pedro for a cargo of fuel oil.

"The military service of the United States has used the canal for the passage of one army transport and one navy collier, both from Pacific to Atlantic.

"In the week from noon, October 20, to noon October 27, following the resumption of traffic through the canal after the opening of the channel opposite the new Culebra slide, 17 vessels were put through the canal from the Pacific to the Atlantic, and 21 from the Atlantic to the Pacific, a total of 38 vessels in seven days. Up to the end of the week, 71 commercial vessels and three launches had passed through the canal in the 27 days of October.

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INSURANCE

Articles on the Theory, Practice and Experience of Insurance

Notes on Insurance, American and Foreign

Items of Insurance News

ARE we about to have in the business of fire insurance a state of things similar to that which already exists in that great department of our economic life, the railroads? Is every movement of the free initiative of the managers of fire insurance in the United States to be checked, hampered and often completely thwarted in the same manner as the plans of our railroad managers for dealing with the unavoidable conditions they have to meet, are visibly checked, hampered and largely thwarted by the regulatory interference of the Interstate Commerce Commission? When new problems must be solved, new adaptations of means to ends arrived at, new difficulties overcome, in the business of fire insurance, are we to have the same intolerable delays, the same intrusion of inconsequent issues, the same putting aside of what is actual in favor of what is collateral and specious, which have characterized the course of the Interstate Commerce Commission in dealing with the question of railroad rates during the past decade?

A reaching of the series of model laws for the control of fire insurance rate making, which have been formulated by the Committee on Fire Insurance Rates and Rate Making of the National Convention of Insurance Commissioners and adopted by the Convention at its meeting in New York this week, cannot but raise these questions in the minds of all those who are more concerned with the future vigor and efficiency of fire insurance than with the minor defects and abuses that must be expected to develop in any branch of business, but which for the most part need only to be let alone to work their own cure. Of the bills referred to there are six, attacking the subject of fire insurance rates, rate making and rate discrimination from as many angles. Through them all, however, runs a single conception, derived substantially from the politically popular theory of rate making for railroads and other public service corporations, viz. that the presumption always must be that those who supply any form of service "affected with a public use or interest" will, if left to their own method of arriving at the proper rates for such service, abuse their power, work hardship and injustice upon those dependent upon the service, and in general pursue ends which are alien from the good of the community as a whole. Hence the assumed desirability of subjecting those potentially anti-social persons, the providers and administrators of the various forms of public, or asserted public service, not to general laws (which might not catch and cover all their devices), but to public officials, under whatsoever name, with the widest discretionary authority to interpose at a moment's notice and in respect of every detail.

The six model laws, about fire insurance rate making, approved by the National Convention of Insurance Commissioners for adoption by the legislatures of the States, undertake to formulate step by step a virtually compulsory system for making the rates of fire insurance throughout the country, and finally to bring the rounded whole of the system completely under the control of the Insurance Commissioners themselves. Bill Number 1 provides for the supervision of all fire insurance rate-making bureaus by the Insurance Commissioners of the respective States in which they are located. Bill Number 2 prohibits the fixing or charging of a rate by a fire insurance company or rating bureau "which discriminates unfairly between risks in the application of like charges or credits or which discriminates unfairly between risks of essentially the same hazards or having substantially the same degree of protection against fire." Bill Number 3 compels every fire insurance company or insurer to "maintain or be a member of a rating bureau," and requires every bureau,—apparently even one maintained by a single company or insurer,—to "admit to membership any authorized insurer applying therefor." Bill Number 4 requires a physical inspection and a written survey to be made of each risk specifically rated,—only dwelling houses and other risks for which a flat rate is quoted being excluded from this provision. This bill further compels the classification of every risk rated, in accordance with the Uniform Classification of Occupancy Hazards adopted by the National Convention of Insurance Commissioners. Bill Number 5 regulates the making of agreements between fire insurance companies and other insurers or between such companies or insurers and rate making bureaus with respect to the fixing and collecting of fire insurance rates. And, finally, we come to Bill Number 6, which is the keystone of the arch of regulation and which, for that reason, it is well to give in full, in its alternative forms (i. e. as suited to States allowing rate agreements and to States prohibiting the same):

"A bill authorizing hearing upon and review of the rates fixed by any bureau for fire insurance upon property within this State.

"Section 1. The Commissioner of Insurance shall have power, on written complaint or upon his own motion, to review any rate fixed by any bureau for fire insurance upon property within this State for the purpose of determining whether the same is discriminatory or unjust. He shall have power to order the discrimination removed or to fix and order substituted a bureau rate which is not discriminatory or unjust. A review of such rates before the Commissioner of Insurance shall be had only after due notice and hearing, and his findings or order shall in all cases be subject to summary court review by a court of competent jurisdiction of this State. In the event of final determination against any insurer, any overcharge during the pendency of such proceedings shall be refunded to the persons entitled thereto.

"Where the law prohibits all agreements as to the collection of the rates, including the prohibition against agreements that membership in a bureau shall be maintained for a specified period, or that a member shall refrain from maintaining its own bureau, the foregoing Bill Number 6 should be changed by striking out the words 'or unjust' following the word 'discriminatory' and by striking out the words 'or to fix and order substituted a bureau rate which is not discriminatory or unjust,' and inserting in lieu of the latter the following: 'No discrimination shall be removed by increasing the rate or rates on any risk or class of risks effected by such order, unless it shall be made to appear to the Commissioner of Insurance that such increase is justifiable, and an order of approval has been filed in his office.'"

Obviously, under the provisions of this last of the series of model bills, the powers of State Insurance Commissioners over fire insurance rates would equal, if they would not exceed, those of the Interstate Commerce Commission over railroad rates. It is, of course, impossible to foretell how much favor this proposed legislation will find with State legislators, or how many of these will adopt it in whole or in part. It is safe to predict, however, that if it is generally adopted throughout the country, no long period will elapse before there is the same paralysis in respect of the useful activities of fire insurance that is now plaguing us in respect of the railroads.

CAN INSURANCE EXPERIENCE BE APPLIED TO LENGTHEN LIFE?

By Arthur Hunter*

Chairman, Central Bureau, Medico-Actuarial Mortality Investigation

I HAVE stated my subject as a question, "Can insurance experience be applied to lengthen life?" and the answer is simple: It can. I have no doubt that the knowledge which the life insurance companies have acquired from their investigations regarding the mortality among their policyholders may be applied by individuals towards lengthening their own lives; but the difficulty arises of getting such information before the public in a form which can be readily understood. The investigations undertaken by the companies were primarily intended to assist them in determining which types of persons could safely be accepted for insurance at the regular rates of premium, which types should be charged an extra premium, and which should be declined. The purpose of the preparation of these statistics was not to excite public interest or curiosity, but for actual use in a great business. No haphazard methods have been used, but the most approved and scientific known to actuaries and medical directors; their knowledge of mortality is based upon the actual experience of companies with all sorts and conditions of men and women, and naturally appears in the form of statistics. Lest the word "statistics" should frighten you, let me point out that true progress in any science is made through recording the result of actual experience or of experiments, and that my statistics will be of this nature. They will constitute, in fact, a brief record of what has happened to mankind under certain conditions, and will not be difficult for the layman to follow.

Forty-three of the leading life insurance companies in the United States and Canada agreed in 1909 to prepare their collective experience on many different classes of insured. They decided to put the investigation into the hands of the Actuarial Society of America and the Association of Life Insurance Medical Directors. The companies supplied their records on about 2,000,000 lives, covering a period of twenty-five years. It is the largest and most comprehensive investigation ever undertaken by insurance companies anywhere. The object of the investigation was to determine from past experience the types of lives among which the companies had a higher mortality than the average. The results of the investigation have appeared in four volumes, and the fifth is in press. It has taken the Central Bureau about three and a half years of continuous labor to produce the results, using the most up-to-date machinery in the way of electric sorters and tabulators. A card was supplied for each of the policies issued from the years 1885 to 1909 among certain types, the history of the person being given on such card.

The insured were divided into many classes, of which the following are the chief groups:

1. Those who were in occupations involving hazard;
2. Those who had a family history of consumption;
3. Those who had a defect in their personal history, such as an attack of appendicitis, renal colic, rheumatism, syphilis, etc.;
4. Those whose physical condition was not normal, as shown by indications such as a high pulse, irregular pulse, albumen in urine, etc.;
5. Those whose habits with regard to alcoholic beverages were not satisfactory in the past, or who used liquor steadily at the time of application for insurance;
6. Those who were distinctly overweight or underweight.

It would be impossible to cover in a brief paper any but a very few of the important classes. Before describing these classes I should like to emphasize the fact that all the lives involved in the investigation had been carefully examined by competent physicians, and that, in general, the more hazardous the occupation, or the greater the defect in physical condition, in family history, or in personal history, the more care was taken in selecting the lives. For example, in the case of applicants who were 20 per cent overweight insurance would be granted in the majority of cases, but among those of extreme overweight very few would be accepted, and these would be the best of their kind. In order to determine the relative mortality, a standard or "measuring rod" was prepared, representing average mortality among insured lives, based upon the experience of the forty-three companies among all their insured. It is not necessary to describe this standard—merely to point out by an example the method of using it. When a class is said to have 10 per cent extra mortality, it means that where the experience of the companies would have resulted in 100 deaths among their insured as a whole, there were 110 deaths in the specified class. Another way of making the needed comparison is by showing the number of years by which the average lifetime will be reduced, and this manner of exhibiting the degree of hazard will be used in some cases. In this connection it may be well to point out that a reduction in the average lifetime of, say, five years among a large group of men is a serious matter. It does not mean that five years is taken off the lifetime of only those who have reached age sixty-five or seventy, but that the average lifetime of all men is reduced by five years. If in an occupation employing many men, such as mining, there were such a reduction, it would mean an economic waste in the United States equivalent to about five years of the lifetime of one million men, or a reduction of their productive lifetime by about one-sixth.

There were ninety-seven different occupations in which the relative mortality was determined. I shall here deal only with three groups of these occupations.

Railroads. One of the significant results of the investigation was the high mortality experienced among railroad men. Among locomotive engineers, for example, the mortality was 60 per cent in excess of that experienced among the insured as a whole, which is equivalent to five years' reduction in the average lifetime. If these locomotive engineers had been in a non-hazardous occupation, there would have been about 337 deaths, and there were actually 541 among them. Such a death rate can be reduced, as is proved by the results of the splendid efforts being made by a number of the leading railroads to educate their employes to assist in keeping down the accident and death rates. Some of the leading railroads issue monthly pamphlets, showing the best manner of coupling cars, shutting off air brakes, etc. They publish lists of men who have done good work in reporting deficient couplings, defective rails, etc., which might lead to accident. These railroads impress upon the men in every way the necessity of safety for themselves, and the effect which care on their part is likely to have on the future of their families. As a result of this campaign there has been a great decrease in the number of deaths. During the first six months of 1914 there was a decrease of one-third in the number of deaths among employes of one of the leading railroads over the corresponding period of 1913; and there was a decrease of one-quarter in the number of employes injured in the same period of 1914, as compared with the first six months of 1913. As in both of these years the company had in effect its plans for the safety of its

*An address delivered before the Eighth Annual Meeting of the Association of Life Insurance Presidents, December 10, 1914.

employes, the above figures show that there is a continued improvement as the result of this campaign, and that the employes are learning to realize the advantages which accrue therefrom.

Mining Industry. One is also greatly impressed with the needless waste of life in connection with the mining industry. The mortality among working miners in all underground metal mines was more than double that among other insured lives. This is equivalent to an average reduction of fully nine years in their lifetime. If these men had been employed in non-hazardous occupations, there would have been about 280 deaths, while there were actually 642 deaths. More than 150 of these deaths were due to mining accidents. That a great reduction in the death rate from accident is possible may be inferred from the experience in corresponding occupations in Belgium, Germany and Great Britain.

Pneumonia and tuberculosis both cause a very high death rate among miners, and this can largely be prevented through systematic education and through co-operation between the employers and the miners' unions. Much can also be done in reducing the number of accidents in the mines by such co-operation.

Space prevents my taking up other classes of the mining industry, and I shall therefore only state that the mortality was high among all classes of miners, including foremen, both in underground and surface mines.

Liquor Business. There is a general impression that saloon keepers do not live as long as persons in non-hazardous occupations, but it is not generally known that most classes which are connected with either the manufacture or sale of liquor have a high mortality. Among saloon proprietors, whether they attended the bar or not, there was an extra mortality of 70 per cent; and the causes of death indicated that a free use of alcoholic beverages had caused many of the deaths. The hotel proprietors who attended the bar either occasionally or regularly had as high a mortality as the saloon keepers, i. e., the lifetime was reduced about six years on the average on account of their occupation. The mortality among those connected with breweries was about one-third above the normal. The large class of proprietors of wholesale liquor houses had an extra mortality of about one-fifth. In the fourteen subdivisions of the trades connected with the manufacture or sale of alcohol, there was only one class which had a normal mortality, and that was the distillery proprietors. The facts regarding the adverse effect on longevity of engaging in the liquor trade are such that, if they were generally known, young men who are easily tempted would be deterred from entering this business.

The high mortality in some of the occupations to which reference has been made must not be ascribed to the men having other defects, such as a tubercular family history. Where there was any defect in the physical condition, in the family record, in the habits of life, etc., the insured was not included in the investigation of the mortality of men in the occupation. In the same way, in investigating the mortality of insured with a defect in family record or personal condition, no men in hazardous occupations were included in the groups investigated.

There were forty-nine classes investigated in which the insured had a defect in his physical condition, personal history, or family history. I shall refer only to a few of these in which the public are likely to be most interested.

Syphilis. It has generally been assumed that syphilis increases the death rate, but no facts relating to this country have hertofore been published showing the serious effect of that disease on mortality. The forty-three companies accepted only the better type of cases with a history of syphilis. Taking all the cases in which the insured admitted having syphilis prior to the date of application for insurance, the companies had 274 deaths, while the normal mortality would have been about 153; that is to say, there was an extra mortality of about 80 per cent due to that disease. The same results have been found in other countries. For example, among the men insured with the principal German company there were 487 deaths among those who had undergone treatment for syphilis, while there would have been only 290 deaths according to the experience of that company among all their insured lives; the excess mortality was therefore nearly 70 per cent. The only other published investigation of which I am aware was that made by the Scandinavian companies, which showed a mortality as high as in the German company to which I have just referred. This is sufficient evidence of the bad effect of syphilis on the individual. It is hardly necessary to mention that, in addition to shortening men's lives, it shortens their period of activity while they are alive. Locomotor ataxia and softening of the brain are believed by medical men to be due to syphilis in the majority of cases.

It must not be assumed that the high mortality is due to the companies accepting cases which had not been properly treated for syphilis. One of the classes consisted of men who had had two years' continuous treatment, and one year's freedom from symptoms prior to acceptance by the insurance companies, yet the excess mortality was 80 per cent—a decreased lifetime of about six years. A disease which shortens the life and limits the activity of the individual, and which causes untold misery and suffering to the progeny, should be and can be banished by an intelligent public opinion.

Habits as to Alcoholic Beverages. Nothing has been more conclusively proved than that a steady free use of alcoholic beverages, or occasional excesses, are detrimental to the individual. In my judgment, it has also been proved beyond peradventure of doubt that total abstinence from alcohol is of value to humanity; it is certain that abstainers live longer than persons who use alcoholic beverages. The low mortality among abstainers may not be due solely to abstinence from alcohol, but to abstinence from tobacco, and to a careful regard for one's physical well being.

Among the men who admitted that they had taken alcohol occasionally to excess in the past, but whose habits were considered satisfactory when they were insured, there were 289 deaths, while there would have been only 190 deaths had this group been made up of insured lives in general. The extra mortality was, therefore, over 50 per cent, which was equivalent to a reduction in the average life of these men of over four years. If this meant that four years would be cut off the end of the average normal lifetime of each man, there are many who would consider that "the game was worth the candle"; but it means that in each year a number of men will die at an earlier age than they should. For example, at age thirty-five, the expectation of life is thirty-two years: in the first year after that age, instead of, say, nine persons dying, there would probably be twelve deaths; that is, three men would each lose thirty-two years of life; in the next year probably four men would each lose thirty-one years of life, etc. As a matter of fact, many immoderate drinkers would live longer than thirty-two years, but not nearly so many as would live if they had been moderate drinkers, and far fewer than if they had been total abstainers from alcohol.

With regard to men who had used alcoholic beverages daily but not to excess, the experience of the companies was divided into two groups: (a) men who took two glasses of beer, or a glass of whiskey, or their equivalent, a day; (b) men who took more than the foregoing amount, but were not considered by the companies to drink to excess. The mortality in the second group was found to be fully 50 per cent greater than in the first—an excellent argument for moderation in the use of alcoholic beverages. The fore-

going result does not mean that the large excess mortality in Class (c) was due to their drinking a little more each day than those in Class (a). It is probable that among those who were very moderate users of alcoholic beverages there were comparatively few who eventually used liquor immoderately; but among those who took more than a glass of whiskey or its equivalent a day there were probably a goodly number who increased their daily consumption after having applied for insurance, and who eventually drank to an immoderate extent. Part of the hazard from alcoholic beverages lies in the user losing the power to limit himself to a moderate consumption.

Among the men whose habits were formerly intemperate but who had reformed for at least two years prior to their acceptance by the insurance companies, the extra mortality was fully 30 per cent; i. e., their average lifetime was reduced by about three years. This excess mortality is partly due to the effect of previous intemperate habits in undermining the system and partly to a proportion of the persons relapsing into their old habits.

In the foregoing classes men who were in the liquor business, or in any other occupation involving hazard, were excluded.

The committee of the Medico-Actuarial Mortality Investigation did not make a report on the mortality among total abstainers, but sufficient statistics have been published by individual companies to justify the statement that persons who have always been total abstainers have a mortality during the working years of life of about one-half of that among those who use alcohol to the extent of at least two glasses of whiskey per day. In a view of this, the effect of prohibition of the manufacture and sale of alcoholic beverages in Russia must be very great. If the Government of Russia carry out their present intention to abolish permanently all forms of alcoholic beverages, the saving in human ilfe will be enormous. It is not too much to say that the loss of 500,000 men as the result of the present warfare could be made good in less than ten years through complete abstinence from alcoholic beverages by all the inhabitants of Russia. In the "New York Times" of November 19 a former member of the Duma, a man who has worked for prohibition in Russia for many years, Michael Demitrovitch Tehelisheff, states that already the results of the abstinence from vodka are seen in the peasants; "they are beginning to look like a different race." He states that in the factories the efficiency of the worker has greatly increased, that women and children who suffered from violence of the husband and father through his addiction to vodka "suddenly found themselves in an undreamed-of paradise. There were no blows, no insults, and no rough treatment. There was bread on the table, milk for the babies, and a fire in the kitchen."

Pleurisy. What may the public learn regarding such an apparently uninteresting subject as the death rate in an insurance company from pleurisy? They may learn that the deaths from tuberculosis of the lungs among persons who had had pleurisy within five years prior to insurance were three times the average number. The public should be told that an attack of pleurisy is followed in many cases by tuberculosis, and that, accordingly, after an attack of pleurisy every precaution should be taken to guard against infection from tuberculosis.

Family Record of Tuberculosis. Twenty years ago it was believed that tuberculosis of the lungs was directly inheritable, and, accordingly, it was the custom of most companies to decline to grant insurance on applicants either of whose parents had died of tuberculosis of the lungs. After it was ascertained that tuberculosis was apparently due to contagion, the companies liberalized in their treatment. It was noted, however, that there was an excess mortality among persons with a family history of tuberculosis even when care was taken against contagion, and many physicians were led to believe that a predisposition to that disease could be inherited. In the latest investigations it has been feasible to make subdivisions with a view to determining the types of persons among whom the mortality had been high, and thereby to arrive, if possible, at the reasons for the apparent pedisposition to tuberculosis. Among light weight men who had a parent die of tuberculosis, the mortality was high at the younger ages, but normal at the older ages. It may be said, in general, that, except at young ages, the longevity of persons above the average weight is not affected by a family history of a parent dead from tuberculosis. The mortality among men who had a brother or a sister die of tuberculosis was not materially different from that among men who had a parent die from that disease.

Unfortunately, these statistics do not show definitely whether or not a predisposition to tuberculosis is hereditary, but it has been indicated that there is a predisposition to light weight, which is a condition favorable to the development of tuberculosis. Among young men who were, when insured, at least 25 pounds under the average weight, and who had a parent, brother or sister die from tuberculosis, out of every ten deaths five were due to tuberculosis. This is an appalling waste of life, which could be greatly decreased by proper care and sufficient nourishment. Among young men with the same family record of the disease, who were slightly overweight, three out of every ten deaths were from tuberculosis; while among those distinctly heavy, out of every ten deaths only one was from tuberculosis. A well-nourished man, taking reasonable precautions against contagion, has little to fear from tuberculosis. The lesson to be drawn by the community from the experience of the insurance companies is that the inhabitants should be well nourished in order to reduce the great economic waste which comes from tuberculosis. That this waste is very costly there can be no doubt. Dr. Hurty, the Indiana Health Commissioner, states that "the cost of preventable consumption to the people of Indiana is not less than ten million dollars a year."

Among persons who were very light in weight but who had not a family record of tuberculosis, the death rate from that disease was high.

During a time of war the dependents of those in the army and navy are looked after by their governments, although generally in an inadequate way; but in time of peace comparatively little attention is paid to the dependents of those afflicted with tuberculosis, frequently acquired as the result of conditions which the governments could prevent. There is unquestionably a great need for the State or the community providing means of subsistence for the families of the breadwinners under treatment for tuberculosis. As great a need also exists for suitable employment for those who have recently been cured of tuberculosis and who are not yet fitted for their regular occupation, or must change from indoor to outdoor work. It is beginning to be recognized that the man or woman afflicted with tuberculosis should not be hindered from recovery by anxiety about the conditions of their dependents; but it is equally important that the bread winner should not be required to take up hard or unsuitable work too soon after recovery, because a relapse means that the treatment must begin again with a discouraged patient.

Influence of Overweight on Mortality. There is no doubt that marked overweight has a material effect in decreasing length of life, especially at the middle and older ages. For example, among men forty pounds above the average weight the lifetime of those who entered the companies at age forty-five was about four years less than that of men of normal weight. The public should understand that marked overweight is a serious handicap to length of life, and that the adage, "Laugh and grow fat," is not good advice

for the man or woman who is inclined to be heavy. Diabetes, Bright's disease, heart disease, and apoplexy cause a large proportion of the deaths among the overweights. While the over-eater is not such a bad social influence as the excessive drinker, the former is also shortening his life by lack of moderation.

In conclusion it should perhaps be stated that the statistics of the Medico-Actuarial Mortality Investigation were not compiled with intent to prove or disprove a particular theory, as so frequently happens when partisans engage in the preparation of statistics in support of their point of view. The companies put their records in the hands of a committee of actuaries and medical directors and asked them to determine what the true experience has been. The statistics, therefore, represent the facts.

This investigation shows effects of incorrect living and frequently indicates the way in which improvement may be made. The officers of the companies are glad to have such information given to the public, since they know it will be of direct benefit in reducing the death rate and because they are interested also in such matters from the standpoint of the general welfare.

THE RELATION OF LIFE INSURANCE TO THE CREDIT FABRIC OF BUSINESS

By Hon. A. Barton Hepburn*

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I AM asked to discuss "the relation of life insurance to the credit fabric of business," from the viewpoint of a banker.

In 1879 I was chairman of the Assembly Insurance Committee of the New York Legislature, a position unsolicited and undesired, but a position which forced upon me more or less study of the subject of life insurance. The Continental, Knickerbocker, Globe and other companies failed, and the failures were bad ones; public sentiment was greatly aroused and the demand for immediate legislation was importunate. All attempts at legislation that year failed, because every measure was loaded down with punitive provisions, *ex post facto* provisions, not only unwise but unconstitutional. It required the lapse of a year for the temper of the public to cool down sufficiently to permit of the enactment of wholesome legislation.

In 1879 the total resources of the Prudential Insurance Company were $201,891, and outstanding insurance was $3,866,913; in 1913 the total resources of the Prudential had grown to $335,478,783, and outstanding insurance, ordinary, to $924,362,877, industrial, $1,462,515,043. In 1879 the resources of the Metropolitan Life Insurance Company were $2,022,482, and its total outstanding insurance amounted to $11,150,349; in 1913 the total resources of the Metropolitan were $447,972,405 and outstanding insurance, ordinary, amounted to $1,038,089,393—industrial insurance amounted to $1,778,415,069. The aggregate resources of the New York Life, Mutual, Equitable, Prudential and Metropolitan were, in 1879, $166,296,822, and their aggregate outstanding insurance was $603,553,606. According to their reports for 1913, the aggregate resources of these companies had grown in the intervening 34 years, to $2,694,591,746, and their outstanding insurance had reached the enormous total of $7,325,711,135 of ordinary insurance, and including the industrial insurance of the Metropolitan and Prudential, the grand total reaches $10,566,042,247.

I have presented these figures in this way, in order to emphasize the fact that these institutions are the greatest investment banks in the world; and indeed they practice a measure of commercial banking, since life insurance companies have adopted the policy of loaning to the insured upon their policies as collateral. A contractual obligation is written into the policies, whereby they agree to loan a certain percentage of the surrender value at a fixed rate of interest at any time when the insured may require the same. Policyholders are coming to realize this privilege and the volume of these loans is constantly on the increase. The aggregate amount of such loans, according to the 1913 reports of the five companies above named, was $356,280,312.92. Such loans, of course, offset and reduce the amount of insurance. Such disadvantage must be more than counterbalanced, in the opinion of life insurance managers, by the commercial value, the availability as collateral, which the borrowing privilege gives to the policy.

The asset side of life insurance may be classified as banking—in one form or another. Should not the banking character of life insurance companies impose upon them, measurably, the same obligation to support the credit fabric of the country, as rests upon other forms of banking? If savings banks, trust companies and commercial banks are required by law to keep a reserve against their liabilities, should not life insurance companies, in the conservatism of good management, keep liquid funds available in case of need? Should not the liquid character of their assets contribute to the general protection of the public credit in times of stress and stringency? I by no means lose sight of the differentiation between life insurance and banking, and I am not advocating fixed legal requirements of reserve, but in view of the policy loans to the insured, it can no longer be said that a man must die before any demand upon the company can result from his policy of insurance.

My understanding is that the wisdom of such a general policy was recognized and practiced up to the time of the recent insurance investigation. Then large bank balances were paraded, coupled with the charge that they were excessive, maintained as a matter of favoritism in institutions whose stock was largely owned by the trustees, or where the trustees were especially favored in respect to loans. To the extent to which such charges were true, it represents, of course, a wrong which rightly called for correction. That time and those conditions have passed, however, and the proper relation of life insurance management to the credit fabric of the country is, it seems to me, a question of importance calling for careful consideration on the part of life insurance managers.

As to the liability side, the functions of an insurance company are not eleemosynary; they do not give alms, but they do sell protection, they insure against the extremes of misfortune and graduate the vicissitudes of life; they are not money-making institutions, but enable the general public to mutualize their strength and helpfulness, and minimize the loss and hardship which would otherwise exist. That is the attitude which the companies have assumed and which the public have accepted, and now insist that such relationship shall be maintained.

Some companies are capitalized, but public sentiment limits dividends to a very moderate percentage, and insists that all overplus earnings be held for the benefit of the policyholders. All companies are essentially mutualized in their administration; the amount received in premiums exceeds the amount paid for losses only by an amount representing the cost of management and a proper and wholesome reserve. All benevolent work deserves commendation. The figures I have given you, showing the growth of life insurance in force, show the public appreciation of this greatest of all humane instrumentalities for equalizing the burdens and alleviating the sufferings of mankind, which would otherwise exist. Time was when a life insurance agent had to weave a spell, to fascinate with

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fluent phrase to induce the sale of a policy. Now, if a business man is known not to have a life insurance policy, it excites the query, "I wonder why?" Of course the premiums exceed the death losses, and long years of payment enable the companies to meet the presently occurring losses. I have never known any one to regret these constantly recurring payments, year after year, and all the while the insured has had protection. Anxiety and worry yield to the comforting conviction, day by day, that his insurance will enable his estate to make full restitution to those who have given him their confidence and credit, or better still, that his insurance will care for and maintain his loved ones when his supporting hand no longer avails.

The Good Book tells us that "a contented mind is better than great riches." Life insurance has been most effective in bringing the contented mind within the reach of all.

Life insurance companies and banks both deal in credit and subsist upon credit, and both draw from the public the financial resources with which they in turn serve the public. The reservoir, filled by the inflowing stream of premiums, is drained by the outgoing current of ascertained losses. The asset side of life insurance deals wholly with credit; on the liability side, your outstanding insurance depends upon your credit with the general public, upon their belief in the honesty and efficiency of your management and your financial ability to meet the obligations contained in such insurance. You would not insure a known crook, however flattering your physicians might report his physical condition to be, nor would a bank make a loan to a known crook, however choice the collateral offered might be. To quote the late J. P. Morgan, "Character is fundamental in all business transactions, or should be." The exigencies of business compel us to have arm's length relations with all sorts of people, but we establish a community of interest only with those whom we trust and whose character we believe to be worthy and well established.

Fifty or sixty years ago banks of this country did business upon their capital, reinforced, in many instances, by the issue of bank note currency. The money of the people and corporations was in active use—bank deposits were negligible. The growing wealth of the country has changed this, and now the business of banking is done upon deposits, capital and surplus being only sufficient in amount to margin the business and command public confidence.

The individual wealth of our citizens has made bankers more and more dealers in credit, by furnishing the major part of their banking power, by giving the banks credit, in form of deposits, as well as by utilizing their credit with the banks. If a man or corporation wished to open an account, the line of investigation as to the individual or the individuals managing the corporation would first be directed to their character, honesty, temperance, sobriety, industry, forethought, efficiency, prudence, the quality of looking ahead and providing for eventualities, and their financial resources and property strength.

The initial inquiry would naturally take the form of a personal interview, and at some point in such an interview between a banker and a would-be depositor or debtor, the inevitable inquiry would suggest itself, "Have you any life insurance, and if so how much, and in what companies? Does it run to your estate, or to some named beneficiary?" Such an inquiry would be important because of its bearing upon his financial power, but vastly more important as showing his trend of mind, the extent to which he assumed personal responsibility, whether he was caring for the present and immediate future only, or whether the range of his vision and his activities looked to the protection of his estate and his family after his demise. (We live under the shadow of the Stock Exchange, and it may be well to remark that money on the Exchange is, theoretically at least, loaned to the highest bidder, and such loans are an exception to all usual credit rules.) The quality of mind which induces one to take out life insurance is the quality of mind that best insures success in business.

The business of the world is dependent almost entirely upon the maintenance of credit relations among men. If we ever lose sight of this fact, its truth is presently borne in upon us by some financial depression, panic, great labor strike, or war.

Business transactions on a large scale, such as we of this age have become accustomed to regard as matters of course, but which would have been the marvel of earlier generations, arise out of man's faith in the promises of his fellow-men. Agreements to do or not to do certain things, which in diplomatic circles may sometimes be regarded as "mere scraps of paper," but never in business circles, afford the means by which commerce of present-day magnitude is carried on throughout the world. Credit of the kind we are considering may almost be defined as man's faith in man and in man-made institutions.

We have established a new banking system, to the end that we may have better credit facilities. The President of the United States took occasion to refer to the importance of the event, saying, among other things, that "credit is the very life of trade; the very air men must breathe if they would meet their opportunities." And so, indeed, it is.

It is almost as difficult to separate the matter of credit from our daily deals and examine its constituent elements, as it is to isolate a particular bacterial cell from thousands of others for the purpose of studying its peculiar characteristics, so intimately is credit intermingled with every business transaction. Even in sales where men feel that they are trusting nobody, we find credit involved in the currency that is being paid in the "cash transaction."

The machinery of credit is made up of governmental agencies, banking institutions, customs of business, courts for the enforcement of contracts, and in many other practical devices having their origin in law. But underneath the great superstructure lies the credit foundation, consisting of ability and determination on the part of men to meet their obligations at maturity.

It has been the custom of business men, in extending credit, to lay much stress upon financial ability to pay, and this element, coupled with laws which make it possible to enforce payments when property is available for that purpose, is of great importance. But does not the average business man put too much emphasis upon a man's financial ability to pay, and too little upon those personal traits which are comprehended within the general term "determination to pay"? In other words, do we not pay too much attention to property qualifications and too little to personal qualities? The law's delays and the law's circumvention permit property to melt away, but the element of personal honesty and the quality of efficiency do not change with time.

With such thoughts in mind it is interesting to note the activities of life insurance companies, in urging life insurance, as a means of circumventing the disaster almost sure to follow, in cases where death removes from the management of a business the man whose foresight and ability have made the business a success. Of course, the mortality chances in such cases, under the law of average, may not be very great, but they are chances which a concern, dependent largely upon one life, may well hesitate to take. Hence, the growing custom, to shift the risk to a company, which, by insuring many lives, invokes the law of average, thus making certain that its losses shall not in the aggregate be abnormal. I am told that this kind of insurance is now being written in large amounts to cover, not only the dependence of one partner upon another, but also of corporations upon their man-

aging geniuses, their inventors and other persons upon whom success is largely dependent. Life insurance is also being made to serve the useful purpose of insuring creditors against the death of debtors whose ability to pay their debts is more dependent upon their living than upon the amount of property they may own. I borrowed money to finish my education, and had my life insured as collateral. The party making the loan believed I would repay the same if I lived, and that the insurance company would if I did not. These useful functions tend to remove uncertainty and chance of loss from daily business transactions, which is most important in establishing and maintaining credit relations. It shows how rapidly and how intimately life insurance is being interwoven with current business.

There is another feature of life insurance about which I would like to speak, and on which I would lay much emphasis, because I feel that it has not been fully appreciated. I hardly know what to call it, unless it be the psychological significance of life insurance as it should be viewed from a creditor's standpoint.

When it comes to extending credit, the average business man does not, perhaps, have in mind any set of rules or formulae. He does not attempt to analyze and catalogue the qualities the applicants should possess, as a basis for the credit they ask. He reaches a conclusion by the short cut to which he is accustomed, viz.: the man's manner, appearance, reputation, financial standing, and somewhat by his words and promises. He should in some way, either general or specific, by inquiry or intuition, seek and obtain answers to a number of questions such as these: Has the man ability, self-control, prudence and forethought? Is he cautious, frugal and normal in his habits of life? Has he a sense of justice and a proper regard for the rights of others? Is he accustomed to assume responsibility, and does he understand the need for being prepared to meet emergencies? Is he home-loving, industrious and mindful of duty? Is he progressive, and likely, therefore, to keep pace with his competitors? Does he know how to get money's worth for money expended? Is he fickle and erratic, or are his habits fixed and his purposes in life well-defined? Has he integrity and reputation and does he cherish his standing among his fellowmen? Is he selfish and self-centered, or does he think of others, and especially of wife, children and those who may be dependent upon him?

Surely it will require no argument before a group of life insurance experts to prove that a careful and detailed inquiry as to the life insurance a man carries would shed light upon each of the questions I have attempted to formulate and to which many others of similar import might well be added. Suppose, for example, in seeking information as to a man's forethought, prudence, caution, frugality, unselfishness, reliability and other qualities which go to make up high character and good repute, we should ask how much life insurance he carries, of what kind and for how long has it been carried, in what companies has it been taken out and is it for the protection of the family or the business or both? Could we find anywhere better evidence of the working of the man's mind, of his habit of life, of his sense of responsibility, and, in fact, of all those qualities upon which we must rely for fulfilment of promises so far as personality is concerned? Of course, inquiries concerning a man's life insurance will not answer all of the questions involved in the matter of extending credit, nor any of them conclusively, but I doubt if there is any one line of inquiry that could be made of a man who has reached middle age, after having been engaged in business for several years, that would come as near showing both ability and determination to meet obligations and keep promises.

The need for making such inquiries is of growing importance. There was a time when it was the rule, even among conservative business men, to carry largely, if not entirely, risks of fire, accident and death, against which to-day it is almost the universal custom to insure. Then a lack of life insurance did not carry special insignificance. Now the failure of a man to take the precautions which are commonly taken by his fellowmen is a fact of such importance as to put the prospective creditor on notice, and call for careful inquiry as to why he thinks he can disregard what has come to be the common judgment of mankind. Or, to put it another way, the man a generation ago who carried life insurance of large amount was so exceptional as to excite inquiry as to his reasons and motives for so doing, while to-day it is the man who thinks he can afford to do without life insurance that is subjected to inquiry.

Banks have long been accustomed to ask large borrowers for a statement of the life insurance they carry, and it seems to me that commercial agencies, like Dun's and Bradstreet's, should ask for similar information for use in reaching a conclusion as to the credit-rating to which a man is entitled. Such information is certainly valuable contributory evidence.

In urging the psychological element in credit transactions, as disclosed by the life insurance a man carries, I have in mind largely those dealings in which security is neither asked nor expected—dealings in which property is exchanged for mere promises to pay. As to such transactions, faith is, and must be, put in a man who makes the promise and in his habits of mind and conduct, which have crystalized into what we are accustomed to term reputation. I fear we sometimes overlook the fact that in making inquiry about a man's property and the profitableness of his business, we are really seeking information concerning the qualities which have led to his success in business. It has occurred to me that the combined records of life insurance companies, showing those who have insured and carried insurance for some time, those who have borrowed on their policies, and those who have not committed this offense against their beneficiaries, would afford an excellent credit-rating of the men whose names would thus appear. It is almost regrettable from the credit standpoint that such information must be deemed confidential by the life insurance companies. Men seem to pride themselves upon their property ownership and do not object to its being known in business circles, partly, no doubt, because this is customary and generally regarded as evidence of the possession of those characteristics which give reputation and standing among their fellowmen. Would not public knowledge of the insurance they carry also contribute to their credit-standing in the community?

The potent factor, the all-important factor in every business, is the management. Would you insure the machine and not the man? By every rule of prudence and conservatism, is not life insurance just as indispensable to credit as fire insurance?

Banking renders an indispensable service to the public and realizes its profit in the aggregation of very small percentages in multitudinous transactions. It is managed as a business and for gain. Life insurance management seeks no profit in the usual sense of that term; it holds and uses all net earnings for the benefit of the insured; the insured seeks no personal profit or advantage, but strives to protect his credit, shield his family and soften for them the asperities of life after he has passed beyond the realm of personal activity. Life insurance is unselfish, it is the tangible result of the better motives of human nature embodied in the form of practical relief; although interwoven with and closely allied to business, its impulse and its execution are sociological, altruistic; it is the regard for one's credit and the love for one's family, incarnate in tangible, enforcible contract, a beneficent instrumental-

ity, which enables the dead hand to control, in order to soothe, assuage, cherish and support.

THE INCREASING NEED OF LIFE INSURANCE FOR WOMEN

By Herbert C. Cox*

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THE problem of the insurance of women has ever been one of interest and difficulty because of the paucity of knowledge we have been able to bring to bear upon its solution. At a very early period we learn that woman as an insurable subject was considered most desirable; at another period—the companies having insured her on a lower premium rate than men because of her supposed superior longevity—we find her attractiveness quite dispelled by the unfavorable mortality experienced. At still another and later period, we find her again being wooed by life insurance companies, until presently practically all barriers to her acceptance have been removed.

As pointed out by Cornelius Walford, F. I. A., the earliest glimmering of the idea of woman as an interesting statistical subject was when Graunt, in 1661, made something in the nature of a discovery, namely, that in the City of London there was a preponderance of males over females, but that the females outlived the males, in spite of the fact, which had come under his observation, that "Physicians have two women patients to one man, yet more men die than women." He was, however, speaking only generally, and came to no positive conclusions.

In 1693 Dr. Hadley, in constructing the Breslau table of mortality, had not discovered the superior longevity of women, and it was not until 1742 that Kersseboom, in his investigations into the mortality of the Dutch Annuitants, took special note of that amongst females, and his data established the fact of their greater longevity. This information, together with further proofs supplied in 1746 by Deparcieux, an investigator of the French Tontines, was turned to advantage by the Dutch, who, when subscribing to a scheme of English Exchequer Life Annuities, nominated girls instead of boys, thus obtaining the benefit of the more favorable mortality.

Up to 1843 the confidence engendered by these discoveries had, as stated, resulted in the life insurance companies offering lower rates to women, which proved to be a sorry miscalculation, for in that year the tabulated experience of seventeen British offices demonstrated that the boasted longevity of women failed to assert itself when insured women were under observation.

The general experience from that time was that the insured female presented a doubtful aspect, and the unfavorable mortality gave rise to the suspicion that the offices had been grossly deceived by the woman applicants, who, it was asserted, could not have discharged their true physical condition to the examining physician. An excessive death rate in the first five years of risk seemed to bear out this contention, but no specific case of fraud could be discovered. Many suggestions were offered in explanation of this reversal of the former case for women as good insurable risks, it even being mooted that they were subconsciously warned of the approach of disease while they were still in a perfect state of health, and thus impelled by instinct they applied for insurance.

In 1861 the compilation of the well known Combined Experience Table of Mortality led to the conclusion that the greatest reliance could be placed upon a table which was based upon observation of male lives exclusively, as the mortality amongst insured females had been clearly shown to be higher than amongst insured males. The recent investigation made by the Actuarial Society of America still further confirms this finding, although the superior longevity of women in general is still unquestioned.

This wide divergence in experience as exposed by a comparison between insured and uninsured women we may in large measure account for by a review of the practice of the companies which would seem to indicate that they have somewhat extensively adopted the method of waiting for female insurants to propose themselves. If the same procedure were followed in regard to men, the result would, in all probability, be similarly adverse. Officials and agents know the necessity of urging men to apply for life insurance and the voluntary applicant in some degree invites especial scrutiny of his desirability as a risk by this very offering of himself without solicitation. It would, therefore, seem that if the increasing need of life insurance for women is to be met, without undue stress upon the companies, we must adopt toward them the same attitude as toward men. It is not sufficient to accord them the same rates and plans, as has already been done quite commonly, but that we may create a favorable average our agency system must be extended to include an aggressive campaign amongst women of all classes, employing such safeguards as are reasonably demanded for the female risk in the same manner that hazards are guarded against in dealing with men in various occupations and walks of life.

That the occasion of insurance for women is great and urgent and largely unsatisfied is apparent, and we must perforce acknowledge that its need has far outgrown the machinery of the companies for supplying it, the personal solicitation which has been the great factor in the increase of insurance amongst men being almost entirely neglected. Probably less than 7 per cent of insurance risks are upon the lives of women. This surely cannot be considered a fair proportion, having in mind how very extensively woman has been thrust into the professional and industrial occupations by our modern civilization. In art, in literature, in law, in medicine, in education, in finance, in commerce, in manufacture, and even now in war the twentieth century woman is bearing her full share in the creation and conservation of the wealth of nations, and in the support of those for whom circumstance had rendered her responsible. While this increasing absorption of women in business pursuits may by some be viewed as constituting a danger to the State, on the one hand through giving them interests foreign to the home, and on the other through the effect of their competition with man, hereby lessening his earning capacity to the point where the forming of home ties is not feasible, it is nevertheless the outcome of present-day economic conditions and must be recognized as an integral part of our financial and industrial fabric. Charged, then, with the maintenance of themselves and sundry others, it would seem they perform a function as important to society as do their brothers, and they cannot logically and properly prosecute their avocations with independence and content without the provision and protection for the future of which those brothers have the advantage and which they also should be able to secure through life insurance. Every basic argument in support of insurance for men serves also to impress the necessity and desirability of similar protection for such women producers. In addition and of equal importance is the economic value to the State of having insured those women who have established for themselves a monetary value through becoming the support of others who may eventually but for the aid of life insurance become a charge upon the State.

Entitled also to consideration and insurance benefits are number-

*An address delivered before the Eighth Annual Meeting of the Association of Life Insurance Presidents, December 10, 1914.

less women of the home, whose lives represent a value which cannot be expressed in terms of money, but who nevertheless constitute one of our greatest national resources and present an indusputable insurable interest.

It would seem, therefore, that the life insurance companies have a duty in respect of these women who are sharing in the erection of our business and social structure, that our institutions should approach the obligation in the light of its broader relation to the community at large, and that, looking to its adequate discharge and the satisfying of the increasing insurance need of our women, we should set in motion whatever of machinery we may have or may be able to devise, having always in mind that it is also laid upon them by thier relation to the State to make, even at the cost of some individual discomfort, ample or possible provision for the perpetuation of their earning capacity in its application to others.

MAKING NEGLIGENT PROPERTY OWNERS LEGALLY RESPONSIBLE FOR THE COST OF FIRES

TO Fire Commissioner Robert Adamson, of New York City, belongs the credit of taking the first effective steps in this country towards making the cost of fires in which negligence has a part fall where it belongs, i. e. upon the negligent owners of the property which is burned. As long ago as 1871 the Legislature of New York afforded at least partial statutory means for doing this, and Chapter 742 of the Laws of 1871 contained the initial provision of law under which there may be a recovery by a city or other political sub-division of the State, of the expenses incurred in putting out fires resulting from wilful or culpable negligence of the owner of the property. Ever since 1871, the laws of New York have contained this provision, with some modification as time went on; and in substance it has been embodied in the charter of Greater New York. Yet during the whole period from 1871 to 1914 not a single action was brought against a property owner under the statute.

On January 31, 1914, a fire occurred in the basement of a building known as Nos. 212-214 East 99th Street, New York City, owned by the Greenwood Cemetery Corporation. The fire was a difficult one for the Fire Department of New York to extinguish, and several members of the department were more or less severely injured in the course of their duty. It happened that during November, 1912, the Fire Commissioner of the City of New York had served upon the owners of the building in question an order requiring them to equip the building with a system of automatic sprinklers; but the owners had neglected or failed to obey this order. In consequence of the lack of these automatic sprinklers the progress of the fire was rapid, and the fire extended to adjacent buildings. Some time after the fire the Fire Commissioner brought action against the owners of the property, in the sum of $1,500, for the expenses of extinguishing the fire, in respect of the use of employes, apparatus and materials for the same. The defendants demurred to the complaint on two principal grounds: (1) That there must be shown a criminal intent; and (2) that the failure to instal sprinklers did not start the fire. This demurrer was sustained by the Supreme Court, but an appeal was taken by the Fire Commissioner to the Appellate Division, First Department. This week a decision was handed down by the Appellate Division, reversing the order of the lower court and overruling the demurrer. Though this decision does not, of course, determine the matter at issue in this case, the opinion written by Judge Scott may be regarded as almost epoch-making, both in New York and in the United States, with regard to the possible means of asserting the legal liability of property owners for fires and the cost of extinguishing them, if not for all the loss occasioned by them. It is, therefore, printed herewith in full:

SUPREME COURT, APPELLATE DIVISION

First Department, November, 1914

George L. Ingraham, P. J.
John Proctor Clark,
Francis M. Scott,
Victor J. Dowling,
Henry B. Hotchkiss, JJ.

Robert Adamson, as Fire Commissioner of the City of New York,
Appellant,
against
Greenwood Cemetery,
Respondent.
No. 6482.

Appeal by the plaintiff from an order sustaining a demurrer as a contested motion.

Albert de Roode, for Appellant.
Edwin D. Bechtel, for Respondent.

Scott, J.

The complaint, summarized, alleges that in November, 1912, the then Fire Commissioner of the City of New York, pursuant to the authority conferred upon him by Section 775 of the Greater New York Charter, as amended by Laws of 1911, Chapter 889, made and served upon the defendant, the owner of the building known as Nos. 212-214 East 99th Street in the City of New York, an order that the said building be equipped with a system of automatic sprinklers; that the said defendant failed and omitted to comply with the said order and to equip the said premises with the system of automatic sprinklers ordered by the said Fire Commissioner, or any other system of automatic sprinklers; that on January 31, 1914, a fire occurred in the basement of said building and from its point of origin, extended to and set fire to other portions of said building and the contents thereof, and spread rapidly throughout the rest of the building and to adjoining buildings, being extinguished by the Fire Department with great difficulty and after injury to many members of the Department; that had a system of automatic sprinklers been installed in said building as ordered by the Fire Department, and maintained in good working order at the time of the fire, said fire would have been confined to that portion of the building in which it originated, and would not have spread, as it did, throughout and set fire to the rest of the building and the adjoining buildings. It is charged that the failure of the defendant to instal a system of automatic sprinklers constituted wilful and culpable negligence on its part, and it is alleged that by reason of this wilful and culpable negligence of the defendant the Fire Commissioner of the City of New York, without fault or negligence on its part, incurred in and about the use of employes, apparatus and materials, the expense of $1,500, which expnse would not have been necessary except for the wilful and culpable negligence of the defendant. Annexed to and forming part of the complaint by reference is an ordinance of the Board of Aldermen of the City of New York adopted December 19, 1911, and which went into force and became operative on January 1, 1912. The demurrer is for general insufficiency. The plaintiff relies upon two sections of the Greater New York Charter as warrant for the maintenance of this section. Section 773 provides in part as follows: "any person, persons or corporation, for the violation of or non-compliance with any

of the several provisions of the several sections of this Title, where the penalty is not therein specially provided, shall severally forfeit and pay a fine or penalty in the sum of $50 for each and every offense, and shall forfeit and pay the penalties respectively imposed under any of said sections and shall also be severally liable for any costs or expenses that may be incurred by any violation of or non-compliance with, any requirements under said sections and shall also be severally liable for the payment of the further penalty of the sum of fifty dollars ($50) and for any violation of, or non-compliance with any regulation, or special direction issued by the said Commissioner," etc.

Section 761, after providing for the recovery of damages for personal injuries suffered by members of the Fire Department, provides as follows, "and any and all persons for any fire resulting from his or their wilful or culpable negligence or criminal intent or design shall, in addition to the present provisions of law for the punisment of persons convicted of arson be liable in a civil action for the payment of any and all damages to the persons or property, the result of such fire, and also for the payment of all costs and expenses of the said Fire Department incurred in and about the use of employes, apparatus and materials in the extinguishment of any fire resulting from such causes, the amount of such costs and expenses to be fixed by the said Commissioner and when collected shall be paid into the relief fund of such Department herein created," etc.

Both sections above quoted are embraced in the same title of the Charter (Chapter 15, Title III) and are therefore to be read together. Section 773 provides generally that any person for non-compliance with any of the several provisions of what Title shall be liable for any costs and expenses that may be incurred by such non-compliance. Section 775, under which the order for the installation of automatic sprinklers was made, is a part of the same Title III. A failure to comply with an order made under Section 775 is therefore a failure to comply with the provision of Title III and subjects the offender to the consequences specified in Section 773 (Peo. vs. Kaye, 212 N. Y. 407-415), which includes liability for costs and expenses incurred by reason of non-compliance. Section 761 is more specific and provides when and under what circumstances a person who has been culpably or wilfully negligent and thus caused the fire, may be called upon to pay the damages resulting therefrom, what damages he may be charged with. It is not claimed and we do not hold that the only culpable and wilful negligence which would establish a right of action, under the Section last quoted, is the disobedience of an order of the Fire Commissioner. All that it is necessary to hold in the present case is that such disobedience as is set forth in the complaint establishes *prima facie* such culpable and wilful negligence. We think that there can be no doubt that it does.

The order of the Fire Commissioner requiring the installation of automatic sprinklers was presumptively valid and lawful, and non-compliance therewith subjected the owner of the building to the penalties provided for by the Charter (Peo. vs. Kaye, *supra*). The order being authorized by law and validly made and served has all the authority of a statute or ordinance and its violation of itself is sufficient to establish *prima facie* the defendant's negligence (McRikard vs. Flint, 114 N .Y. 222. Shields vs. Pugh & Co., 122 App. Div. 586).

In order to justify a recovery under the statute, mere negligence is not sufficient. It must be "culpable and wilful"; and it is alleged in the complaint that the defendant's negligence was both culpable and wilful.

Whether or not the failure to obey the order was wilful is a question of fact and the demurrer admits it. Whether it is culpable,—that is, criminal or worthy of punishment,—is a question of law dependent upon the facts proved, or perhaps more properly speaking, a question of mixed law and fact. Upon the facts stated in the complaint admitted and not explained, we find no difficulty in holding that the defendant's failure to obey the order of the Fire Commissioner was both culpable and negligent.

The defendant argues that the reference in Section 761 to the punishment provided by law for the crime of arson indicates that an action for damages under that Section will not lie unless the person sought to be charged has been guilty of the crime of arson. It is manifest that this could not have been the intention of the Legislature. What fixes the civil liability is negligence as well as criminal intent or design. But mere negligence, even if culpable and wilful is not sufficient to establish the crime of arson, of which an indispensable ingredient is criminal intent. To construe the section, in this regard, as defendant would have us do, would be to emasculate it.

It is further insisted that the defendant cannot be held liable under the statute because it is not alleged that the fire started as a consequence of defendant's negligence, but merely that it spread for that reason. As we read the section it is not necessary that the fire should be started as a consequence of negligence. The word used in the section is "resulting," and it is clearly alleged that the spread of the fire, and its communication to adjacent buildings resulted from the defendant's negligence. This we think satisfies the language of the statute and is clearly within its intention. We are therefore of opinion that the complaint sufficiently states a cause of action.

It follows that the order appealed from must be reversed with $10 costs and disbursements and the demurrer overruled with $10 costs, with leave to the defendant to withdraw its demurrer and answer within twenty days upon payment of costs in this court and the court below.—All concur.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Industrial Commissioner of Iowa Advocates Exclusive State Administration of Workmen's Compensation Insurance.—The Industrial Commissioner of Iowa, Mr. Warren Garst, while in New York this week attending the Convention of Insurance Commissioners, gave to the New York "Globe and Commercial Advertiser" an interview, in which he set forth his opinion that the administration of workmen's compensation insurance in each State should be wholly under the control of the State and that the private liability insurance companies should be completely excluded from participation in it. He would, further, have all the costs of administration borne by the State, leaving employers to bear merely the pure cost of the insurance. The essential portions of the interview are as follows:

"Compensation is a tax and should be regarded as such. The insurance fund should be created by premiums paid by the insured employers. The expenses of administering this insurance should be paid by the State at large. The State workmen's compensation relieves the courts of the trial of damage accidents, and thus saves the taxpayers thousands of dollars more than the expense of administering a State insurance fund can amount to. The payment of compensation saves thousands of families from becoming public charges, and again the State is saved expense in excess of the cost of administration. The entire State benefits—therefore the entire State should pay the cost.

"Perhaps that scares you. Perhaps it sounds too populistic for you. But I insist that this compensation is a tax. It must

(Continued on Page 766.)

FINANCE AND COMMERCE

Financial and Commercial Review
Banking Situation at Home and Abroad
Statistics of Cotton and Coffee
Market Prices of Securities and Commodities

NOW that the machinery of finance and trade has been almost restored a familiar development is being witnessed. Most persons are more than satisfied with the re-establishment of conditions conducive to a recovery of volumes and values, but a note of discord with the general contentment is struck by the usual number of post mortem grumblers who are persuaded that almost everything which has been done since the outbreak of the war should not have been done and nothing was done which should have been done and there is no health in us. For a reason no doubt the banking and business community will have to put up with the objectors who can make a good deal of noise when they try. Nor would it be surprising if President Wilson, despite his desire to prevent the business peace of mind from being disturbed by political manifestations, has trouble in keeping Congress from running amuck with investigations into the financial and business conduct of the war crisis with a view to shaping legislation accordingly.

Already Southern members of the National Legislature have begun to make a predictable howl about the opening of the cotton exchanges. No matter what the country as a whole has learned about the value of the organized apparatus of commerce and finance and the indispensability of the commodity and stock exchanges, the fact that cotton prices have not risen, but have gone down since the reopening of the regular markets is construed as proof that all the demagogic charges about speculation in futures is true. There will be more of this kind of thing, although it is a question now if clamorous radicalism is going to get a large following from a public which has had a good deal of schooling in the stern adversities which the European War has caused.

The cotton exchanges are far from being the only text of criticism and pestiferous comment. With the reopening of the stock exchanges we are beginning to hear that there never was any good reason why they should have closed. Something of the sort was said by bankers at the beginning of August, before finance and business realized how stupendous was the emergency precipitated by the European conflict, but it is worth noting that banking objection to the closing of the stock exchanges was not accompanied by any ideas as to how to go about reopening them at an early date.

The facts are, of course, that the suspension of the regular securities markets all over the world saved civilization from a panic, the colossal proportions of which cannot be comprehended. The shutting down of the machinery of the capital markets furnished needed leeway for the bolstering up of the credit markets and gained time for the repairing of the shattered economic machinery generally. It also produced an area of inaction and permitted an interval of reflection in which people everywhere had a chance to regain their wits and proceed to accustom themselves to the facts of the war and adjust their perspectives to it. How much all this was worth is shown by the circumstances under which the securities markets are reopening. Not so very long ago it appeared that Wall Street, like other financial centres, had on its hands a suspended panic ready to break out violently as soon as the embargoes on its expression were removed. It is now seen that the panic was rather suppressed than suspended, for there are no signs anywhere that a panicky state of mind exists.

Other financial developments are coming in for their share of unfavorable discussion. The banks, for example, are accused of having practiced a foolish gold hoarding in August and the early part of September, which spread dismay among depositors and helped to make the financial situation worse and so accelerated the contraction and depression of general business. The truth about this, as in regard to the other aspects of the commencement of the war, is that finance had no way of estimating promptly the dimensions of the economic catastrophe which might be impending, and it was certainly the part of wisdom for our bankers operating under statutory reserve requirements to hold fast to the reserve basis of credits. The Federal Reserve Banking System was still a matter of the future; and the one thing which was shown about gold was that every country in the world was grabbing at our supply. After a while effective co-operation was arranged, not only in the domestic banking community, but among international bankers, and a prudent release of gold for export purposes restored our international credit. The one important influence in promoting a return of comparative public composure at home was the taking of early steps to keep the gold foundations of our banking and currency system strong.

There is much debate also about the emergency measures resorted to in the issuance of clearing house certificates and emergency currency. Of these it is being said that both were overdone, although no particular difficulty is being experienced in undoing them. It is argued further than as long as emergency currency was going to be circulated in volume, the use of clearing house certificates could have been avoided because the clearing houses readily arranged to accept the extra circulation in settlement of balances. In answer to all this it can be pointed out that the crisis which loomed up in the banking prospect was huge. There were no precedents which could be consulted as adequate for dealing with it and there was no way of telling what was going to happen. It was highly desirable to spare no pains to cope with formidable runs which depositors might make on the banks, and it was more than desirable to safeguard bank reserves by provisions for converting deposits into acceptable forms of cash. It is fortunate that people in the main kept their heads as well as they did, but one reason why they did so is now to be the unmistakable over-preparation of finance to handle all possible contingencies. Excessive preparation against the chance of trouble has proved again to be the surest way of averting it.

As if the foregoing did not represent enough belated criticism fault is being found with the authorities for keeping the stock exchanges closed as long as they did, and with the methods instituted to safeguard security values and financial positions after the resumption of open business in the organized markets. With regard to these contentions the wisdom of keeping the stock exchanges so long in a state of suspension is demonstrated by the lack of any portents of serious disturbance attending their reopening. As for the restritcions on trading in securities, the only objection which has any symptom of validity is based on the theoretical arguments against any attempts at valorization, such as is implied by fixing minimum prices below which transactions will not be authorized in the open. This objection borrows from experience with the futility of efforts to valorize commodities, but the analogy is defective. Securities are only technically consumed through market processes. Actually they are imperishable and this quality presumes a long range intrinsic value which it is proper to recognize in figuring market value.

No, there is no sufficient ground for dissatisfaction with what has been done in the world of finance in the last few months. On the contrary, there is good ground for satisfaction with the con-

tributions which have been made to a recovery of the economic equilibrium. Indeed as one surveys the immediate situation as it exists in our own country he must find some encouragement for a fairly hopeful view of the outlook for some betterment of volumes and values. Probably values should receive the preference because it is logical that Wall Street, for instance, should be the first department in which activity has been suspended to make a return to its wonted activities. The return has been going on for some time and the opening of the Stock Exchange doors to trading in stocks as this week ended was only the outward completion of progress.

Until the organized securities market was restored and until it is shown what degree of permanence attaches to the restoration, and what the course of values will be, it could not and it cannot be said that the country is ready to go ahead to do better business in general trade and industry. There is entire fitness in contemplating the Wall Street resumption as marking the probable beginning of all around business improvement, because the discounting function of the securities market extends to such a momentous matter as the reopening of the Stock Exchange after a suspension of unprecedented duration. Financial activities are at the bottom of all forward movements in commerce, and manufacture and trade follows investment endeavors and tendencies.

So far as the war goes there have been no events calculated to check efforts to promote either the growth of business confidence or the expansion of the business movement. Although the tide of war has not distinctly set in favor of the Allies, Germany seems less and less likely to be able to wage a prolonged conflict. Aside from the war the greatest difficulty which business men and bankers have to contend with is that denoted by the factor of domestic politics.

President Wilson, in his annual message, held out assurances to the managers of business affairs that the programme of important legislation in the business domain was completed and gave a clear indication that the Executive was full of solicitude for business concerns. However this may be, business men are as yet far from being trustful of political intentions. They have no confidence in the practical intelligence of the party which has charge of things at Washington, and they remember that Mr. Wilson is not all there is to an Administration, which includes Mr. Bryan as Secretary of State and lesser Bryanites in places of lesser importance. The business world believes that the Federal Banking System has removed the money market from the field of apprehension, but they are wondering how the new banking experiment is going to work with the Secretary of the Treasury trying to take it over and make a Treasury enterprise of it. They are also wondering how the other political experiments which are being conducted, such as the low tariff and the commission government of interstate industry, are going to result. BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

Clearing House Members (In Millions of Dollars).

	1914			
	Average Status.		Actual Status.	
Week Ending.	Nov. 28	Dec. 7.	Nov. 28.	Dec. 5.
Loans, etc.	$2,156.7	$2,169.0	$2,157.7	$2,180.1
Reserve in own vaults	341.6	341.1	345.5	336.1
Res. in Fed. Res. B'k	95.7	95.0	97.6	94.1
Res., other depositaries	25.1	28.6	26.8	28.5
Net demand deposits	1,954.3	1,957.5	1,963.8	1,963.0
Net time deposits	94.5	93.2	94.9	9 .3
Circulation	68.1	70.7	73.9	65.2
Aggregate reserve	468.8	464.9	467.9	458.8
Excess reserve	132.4	127.3	121.1	119.4

Actual Status Non-Member Institutions.

	1914			
Week Ending.	Nov. 14.	Nov. 21.	Nov. 28	Dec. 5.
Loans	560.2	561.1	[illegible]	558.1
Deposits (net)	553.9	553.4	5 4.1	552.8
Cash reserves	54.8	54.1	54.1	54.1
Other reserves	88.1	86.1	87.5	89.6
Reserve ratio (%)	25.2	25.8	26.7	27.2

CONSOLIDATED STATEMENT OF REGIONAL RESERVE BANKS.

Assets.

	Nov. 27.	Dec. 4.
Gold coin and certificates	$227,840,000	$230,912,000
Legal tender notes, silver certificates and subsidiary coin	34,630,000	32,020,000
Total cash	$262,470,000	$262,932,000
Rediscounts and loans	7,383,000	9,844,000
All other resources	165,000	308,000
Total resources	$270,018,000	$273,084,000

Liabilities.

Capital paid in	$18,050,000	$18,047,000
Reserve deposits	249,268,000	251,067,000
Federal Reserve notes in circulation	2,700,000	3,970,000
Total liabilities	$270,018,000	$273,084,000
Gold reserve against all liabilities	90%	90%
Cash reserve against all liabilities	104%	103%
Cash reserve against all liabilities after setting aside 40% gold reserve against Federal Reserve notes in circulation	103.70%	104%

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914			
	Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,175.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week Ending	New York.	Outside.	Total.	New York.	Outside.	Total.
December 5	1,719	1,943	3,662	1,325	1,711	3,034
November 28	1,631	1,258	2,890	1,149	1,164	2,314
November 21	1,516	1,905	3,421	1,156	1,714	2,870

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week Ending.	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
December 9	6	5¼	5½	3½	4	5
December 4	8	5½	5¾	4	4½	5
November 27	10	5	5¼	4½	4½	5

NEW YORK STOCK EXCHANGE TRANSACTIONS.

Week of—	Shares Sold.	Bonds Sold.
August 1	3,639,985	14,634
July 25	1,389,485	12,297
July 18	1,608,068	10,563

FOREIGN BANK STATEMENTS.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Nov. 19.	Nov. 27.	Dec. 3.	Dec. 10.
Deposits	163,621	170,344	180,547	165,906
Circulation	35,313	35,314	35,926	35,751
Gold	72,570	72,222	71,409	71,452
Securities	125,704	137,601	144,410	129,559
Reserve ratio (%)	34.04	31.60	29.90	32.60
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 16.	July 23.	July 30.	Oct. 1.
Deposits	1,218.9	1,343.5	1,331.0	2,117.0
Circulation	6,067.0	5,911.9	6,683.1	9,299.0
Gold	4,092.6	4,104.3	4,141.3	4,092.0
Silver	639.7	664.6	625.3	319.0
Discounts, etc	1,606.8	1,611.8	2,444.2	4,476.0
Coin to notes (%)	77.9	80.6	71.0	58.1
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	Nov. 7.	Nov. 14.	Nov. 27.	Dec. 5.
Gold and silver	1,921.5	1,956.6	1,988.6	2,031.2
Loans and discounts	2,676.0	2,800.6	2,922.6	2,968.2
Circulation	4,484.8	4,060.0	4,009.1	4,205.3
Discount rate (%)	6	6	6	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	July.	August.	September.	October.
Loans on call	193.9	166.7	159.5	151.4
Loans, current	927.0	883.8	867.8	858.6
Deposits, demand	346.8	338.9	348.2	348.7
Deposits, other	766.9	755.1	759.3	750.6
Circulation	94.8	111.5	120.3	123.7
Cash reserves	113.3	159.7	176.2	183.2

THE COUNTRY'S COMMERCE

	September		October	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$171,084,843	$139,204,267	$122,949,302	$137,978,778
Exports	218,240,001	156,188,790	271,861,464	195,283,852
Specie.				
Gold—Imports	4,626,748	2,761,590	5,391,085	5,934,866
Exports	496,037	21,887,202	483,780	50,341,972
Silver—Imports	2,098,348	1,861,213	2,538,446	2,549,117
Exports	5,856,197	5,389,981	4,878,349	3,972,446

THE PRICE OF SILVER

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	49⅞	50⅛	50¼	49⅞	49⅞	50
London	23 1-16	23¼	23¼	23 1-16	23⅛	23⅛

(For Foreign Exchange Quotations See Page 768.)

COTTON

December 12, 1914.

THE event of the week in the cotton markets was the publication, on Thursday, of the estimate of the season's yield of lint cotton in the United States, as made up by the Crop Reporting Board of the Bureau of Crop Estimates of the United States Department of Agriculture. This report is given in detail in another column of this paper. Despite the fact that the cotton trade has long realized that this year's crop is a very large one, the figure issued,— 15,966,000 bales of 500 pounds, gross weight,—took the markets decidedly by surprise. In no previous year has anywhere near so large a cotton crop been indicated by the Department of Agriculture's December estimate. Even the Department itself but recently, as stated in this paper last week, prognosticated, on the basis of its September condition report, a yield of only 15,360,000 bales. Inasmuch as the present estimate does not include linters, which can scarcely fall below 650,000 in a crop of such magnitude, it must be assumed that the commercial crop of 1914-1915, if it had moved out in normal fashion, would have been not far from 16,600,000 bales, or half a million bales more than the next largest crop (1911-1912) of 16,100,000 bales. Under the existing abnormal conditions it is, of course, a matter of pure guess-work to forecast the size of the commercial crop this season. It is not even certain that the total production, as indicated by the Department of Agriculture, will be picked and ginned; and the final ginning figure may turn out to be some hundreds of thousands of bales smaller than the estimated production. More important than this, however, as a factor with regard to the size of the commercial crop, is the extreme improbability that the farmers will sell or the markets buy any such quantity of cotton. It is now imperative, from the point of view of pure self-preservation, that the farmers should treat a large part of the cotton they have grown in 1914 as in reality part of their crop for 1915. A motive more powerful than all the laws that could be enacted, has now been evoked in favor of the severest kind of reduction of the cotton acreage for the coming year, and the farmers will find that they have little choice about the matter. If they sell their cotton freely now, the price will decline to so low a level as to make cotton production clearly ruinous for the next season; while if they hold over a third of their crop, it will be apparent even to themselves that a crop of normal size next year, conjoined with the carry-over, can be sold only so far below the cost of production as to leave them all financially prostrate. Whether they will or not, then, they must turn to grain and other crops, by means of which they can at least live, even though the remuneration is less attractive than they have of late become accustomed to. What is now imperative is that the two crops of 1914-1915 and 1915-1916, taken together, should not exceed 25,000,000 to 26,000,000 bales. To bring this about a minimum reduction of 33⅓ per cent in the acreage in cotton will be required. A reduction of 40 per cent would be better still. This exceeds any acreage reduction ever known in the history of cotton; and yet, under the pressure of self-interest on the part of the farmers themselves, and of curtailment of credit on the part of merchants and bankers to such farmers as prove obstinate, there is no reason to despair of the attainment of the desired result. It would seem, moreover, that this is the view of the matter generally entertained by the cotton trade; at least the action of the markets, after the announcement of the Department of Agriculture's estimate of yield, would so indicate. Had there been no war, no tie-up of exports, no curtailment of consumption, and the ordinary amount of trading in the futures markets, the extreme bearishness of this announcement would unquestionably have led to a violent break in the price of cotton. One cent a pound decline at the very least, could have been counted upon. As it was, however, the decline on Thursday and again yesterday was of very moderate proportions and still left the market level materially higher than it was at the point of the season of 1904-1905. It may well be that some further decline is on the cards, and that the farmers will yet have to sell, if they do sell, at no better prices than they obtained in that first of recent large crop seasons. The trade, however, does not anticipate this and is not counting upon it. On the contrary, the trade is of the opinion that the necessary reduction in acreage will be made and that the expectancy of the coming crop of 1915-1916 will be small enough to justify prices quite as high, and probably much higher than those now ruling. It will proceed on this basis as long as it can; but it is an assured fact that the faintest suspicion on the part of the trade that the expected reduction in acreage is not to be realized, will instantly lead to the abandonment of all commitments in cotton on the long side. Merchants, manufacturers and speculators will unanimously abandon the hope of higher prices for years to come, and the South will see its prized and lauded crop, being held to be substantially the same as gold itself, despised and rejected by all. The damage will then be repaired only after there have gradually been developed new uses for cotton which will remove the superabundance of it from the markets. It is devoutly to be wished, for the sake both of the Southern agricultural community and of the country as a whole, that no mistake be made in the matter.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	7.00	7.08	7.09	7.07	7.06	6.89
Low	7.00	7.03	7.05	7.04	6.91	6.65
Close	7.05	7.06	7.06	7.04	6.88	6.67
January (Old Contract)—						
High	....	7.10	....	....	....	6.77
Low	....	7.09	....	....	....	6.76
Close	7.07	7.08	7.08	7.06	6.90	6.69
January (New Contract)—						
High	7.21	7.21	7.23	....	7.18	7.04
Low	7.20	7.20	7.21	..	7.02	6.86
Close	7.20	7.20	7.22	7.14	7.02	6.88
March (New Contract)—						
High	....	....	....	7.39	7.38	7.18
Low	....	....	....	7.32	7.17	7.08
Close	7.09	7.10	7.10	7.33	7.17	7.09
March (Old Contract)—						
High	7.44	7.43	7.43	..	....	....
Low	7.35	7.39	7.37	....	....	....
Close	7.39	7.40	7.41	7.08	6.92	6.89
April—						
High	....	....	7.50	....	7.42	7.28
Low	....	....	7.50	....	7.30	7.20
Close	....	....	....	....	....	....
May (New Contract)—						
High	7.61	7.61	7.61	7.58	7.56	7.37
Low	7.51	7.56	7.57	7.51	7.35	7.25
Close	7.57	7.59	7.59	7.51	7.35	7.27
May (Old Contract)—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	7.42	7.43	7.43	7.37	7.21	7.13
July—						
High	7.78	7.77	7.79	7.74	7.74	7.52
Low	7.66	7.73	7.73	7.67	7.50	7.41
Close	7.74	7.76	7.76	7.67	7.50	7.42
August—						
High	....	....	....	....	7.85	....
Low	....	....	....	....	7.83	....
Close	....	7.82	....	....	....	....
September—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....
October—						
High	8.02	8.03	8.03	8.00	7.98	7.78
Low	7.94	7.97	7.98	7.92	7.76	7.70
Close	7.99	7.99	8.00	7.92	7.76	7.70
November—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	7.00	6.97	7.06	6.93	6.80	6.74
January (New Contract)—						
High	7.18	7.22	7.20	7.05	7.10	6.96
Low	7.18	7.22	7.16	7.04	6.93	6.87
Close	7.19	7.18	7.16	7.04	6.92	6.86
February—						
High	.....	.....	.....	....	....	....
Low	.....	.....	.....	....	....	....
Close	.....	.....	.....	....	....	....
March—						
High	7.31	7.31	7.30	7.24	7.25	7.04
Low	7.25	7.26	7.26	7.17	7.01	6.94
Close	7.29	7.29	7.26	7.18	7.03	6.95
May—						
High	7.50	7.50	7.49	7.43	7.44	7.24
Low	7.45	7.45	7.45	7.37	7.21	7.12
Close	7.48	7.48	7.46	7.37	7.21	7.13
June—						
High	....	.....	.....	....	...	...
Low	....	.....	.....	....	....	....
Close	....	.....	.....	....	....	....
July—						
High	7.66	7.70	7.68	7.62	7.62	7.43
Low	7.66	7.67	7.63	7.57	7.41	7.32
Close	7.67	7.68	7.65	7.57	7.40	7.30
August—						
High	....	.....	.....	....	....	....
Low	....	.....	.....	....	....	....
Close	....	.....	.....	....	....	....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
September—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....
October—						
High	7.86	7.95	7.92	7.88	7.74	....
Low	7.86	7.89	7.89	7.86	7.72	....
Close	7.88	7.92	7.91	7.82	7.67	7.51
November—						
High	.....	.....	.....	.....	.....	.....
Low	.....	.....	.....	.....	.....	.....
Close	.....	.....	.....	.....	.....	.....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery on each day of the past week, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May-June—						
Opening	4.09	4.12	4.13	4.12½	4.08	4.06
12:30 p. m.	....	4.12	4.13	4.12½	4.10	4.05½
Close	4.10	4.13	4.14	4.10	4.10	4.04
June-July—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
July-Aug.—						
Opening	4.14	4.17½	4.20	4.18	4.14	4.13
12:30 p. m.	....	4.17½	4.18½	4.18	4.15½	4.11½
Close	4.15½	4.19	4.19½	4.16	4.16	4.10
Aug.-Sept.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Sept.-Oct.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Oct.-Nov.—						
Opening	4.24½	4.28½	4.30	4.28	4.25	4.22
12:30 p. m.	....	4.27½	4.29½	4.28½	4.25½	4.22
Close	4.25½	4.29	4.30	4.26½	4.26	4.20
Nov.-Dec.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Dec.-Jan.						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Jan.-Feb.—						
Opening	4.29	4.33	4.36	4.34	4.30½	4.28
12:30 p. m.	....	4.33	4.34	4.33½	4.31	4.26½
Close	4.31	4.34½	4.35	4.31½	4.31	4.25½
Feb.-Mar.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Mar.-Apr.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Apr.-May—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat	Mon.	Tues	Wed.	Thurs	Fri
New York	7.50	7.50	7.50	7.40	7.40	7.25
New Orleans	7 3 16	7 3 16	7 3 16	7⅛	7	7
Galveston	7½	7½	7½	7½	7½	7¼
Mobile	7	7	7	7	7	6 13 16
Savannah	7⅛	7	7	7	7	6⅞
Charleston	7	7	7	7	7	6¾
Wilmington	7	7	7	7	7	6¾
Norfolk	7	7	7	7	7	6⅞
Baltimore	7⅛	7⅛	7⅛	7⅛	7⅛	7⅛
Augusta	7	7⅛	7⅛	7⅛	7⅛	6⅞
Memphis	7	7⅛	7⅛	7⅛	7⅛	7
St. Louis	7⅛	7¼	7¼	7¼	7¼	7⅛
Houston	7½	7½	7½	7½	7½	7¼
Little Rock	6⅞	6⅞	6⅞	6⅞	6⅞	6⅞

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	5.27	5.29	5.27	5.26	5.24	5.14
Good middling	4.61	4.63	4.63	4.62	4.60	4.54
Middling	4.35	4.37	4.37	4.36	4.34	4.28
Low middling	3.89	3.91	3.91	3.90	3.88	3.84
Good ordinary	3.24	3.26	3.26	3.25	3.23	3.19
Estimated spot sales	3,000	6,000	10,000	6,000	6,000	5,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	....	....	....	.....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	445,369	384,535	293,661	372,651
Overland to mills and Canada	49,957	50,735	59,738	30,265
So. mill takings, est., exclusive of takings from Southern ports.	100,000	100,000	105,000	90,000
Gain of stocks at interior towns	43,080	32,077	43,362	44,621
Brought into sight for week	638,406	567,347	501,761	537,537
Total Movement—				
Port receipts	6,599,316	6,526,303	6,274,373	3,472,240
Overland to mills and Canada	396,902	438,194	507,653	332,586
Southern mill takings	1,232,032	1,205,873	1,264,796	847,887
Stocks at interior towns in excess of Sept. 1	760,397	613,407	682,360	1,009,881
Brought into sight thus far this season	8,988,647	8,732,777	8,729,182	5,662,594

The total crop movement is respectively for 137 days, 135 days, 134 days and 133 days.

PORT RECEIPTS AND STOCKS.

	This week last year—			This week		
	R'c'ts. Week.	R'c'ts. Season.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	36,418	2,095,484	284,154	126,679	1,513,851	401,703
New Orleans	81,171	788,453	239,861	68,854	495,015	282,114
Mobile	19,103	249,346	41,776	7,328	70,215	39,658
Savannah	52,983	1,285,377	139,982	84,528	599,865	230,395
Charleston	16,424	361,216	72,427	19,549	165,463	106,617
Wilmington	14,802	303,650	28,139	6,857	75,212	42,000
Norfolk	30,808	313,710	64,372	19,955	160,286	63,471
Baltimore	3,820	62,051	9,935	3,371	23,084	6,508
New York	110	1,337	59,204	150	2,250	83,491
Boston	1,321	8,009	4,115	2,034	7,155	7,162
Philadelphia	.....	164	3,126	176	968	5,143
Newport News	4,311	27,630	.....	8,857	54,841	.....
Brunswick	4,500	202,850	14,904	7,500	40,567	5,034
Pensacola	10,350	102,109	.....	.....	3,925	.....
Port Arthur	.....	12,494	.....	.....	400	.....
Pacific ports	6,661	133,027	.....	5,709	95,219	.....
Texas City, etc.	9,477	306,079	33,280	9,665	142,842	34,789
Jacksonville, etc.	1,402	21,389	2,203	1,439	21,082	1,557
Georgetown	.....	.....	.....	.....	.....	.....
Totals	293,661	6,274,375	998,217	372,651	3,472,240	1,309,642

MOVEMENT AT INTERIOR TOWNS.

	This week last year				This week			
	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.	R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	87	24,980	123	1,828	191	10,722	693	3,193
Dallas	3,326	57,461	3,712	11,194	4,566	62,789	4,497	5,654
Shreveport	8,967	127,597	5,940	36,321	5,447	100,525	3,225	76,996
Little Rock	9,381	111,576	6,322	52,924	10,723	98,201	5,386	52,575
Helena	3,560	42,234	3,146	20,277	2,643	41,532	1,857	23,023
Vicksburg	2,862	19,289	1,435	10,707	3,315	23,424	1,174	17,209
Columbus, Miss.	1,412	30,140	1,996	7,891	2,437	18,621	577	12,364
Natchez	1,535	14,619	1,178	5,308	1,098	15,165	450	11,534
Memphis	66,096	643,802	47,389	237,884	45,420	527,810	35,656	255,872
Nashville	239	7,529	262	929	275	1,687	125	1,115
Selma	4,878	112,377	3,885	20,908	6,869	89,374	4,639	51,829
Montgomery	6,692	132,689	5,523	35,534	8,835	132,570	5,842	85,618
Eufaula	1,065	19,433	761	4,825	1,117	17,052	592	11,067
Columbus, Ga.	5,625	44,662	2,400	16,418	5,752	64,795	1,600	48,700
Macon	2,454	28,194	2,043	4,528	731	30,321	677	23,401
Albany	1,211	27,781	530	4,290	1,138	26,476	1,103	18,929
Atlanta	9,689	162,596	6,738	20,585	13,046	89,601	9,074	19,105
Rome	2,814	48,541	2,955	8,397	3,560	39,878	3,151	10,727
Augusta	17,237	265,263	7,276	77,709	15,090	299,159	15,427	156,856
Columbia	3,541	40,960	3,544	.....	2,191	56,615	2,191	.....
Greenville	1,012	18,922	1,012	.....	888	8,644	888	.....
Charlotte	711	9,781	711	.....	913	5,682	913	.....
Raleigh	595	10,975	860	457	504	3,200	475	285
St. Louis	29,563	223,205	24,359	25,602	19,628	240,775	19,167	36,257
Houston	21,655	1,854,451	28,245	176,801	129,191	1,146,131	117,501	158,686
Meridian	1,378	8,853	826	9,762	2,178	16,630	411	14,582
Cincinnati	9,581	79,711	10,425	17,659	8,214	71,117	7,217	4,025
Yazoo City	2,066	27,743	1,111	15,473	2,518	30,364	1,107	22,946
Totals	220,420	4,214,803	174,717	824,211	292,173	3,469,360	245,615	1,122,488

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	248,830	94,145	128,949
France	36,789	46,424	5,809
Continent	154,792	161,825	110,959
Mexico	.....	1,424	.....
Japan	7,338	16,661	5,709
Totals	447,749	320,479	251,426
Great Britain	2,179,407	1,662,892	823,811
France	725,384	725,517	81,966
Continent	1,789,164	2,072,793	606,417
Mexico	953	21,755	24,629
Japan	86,894	163,766	182,528
Totals	4,781,802	4,646,723	1,719,291

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	400,000	370,000	318,000
Since September 1	4,706,640	1,027,918	910,325

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	7,750	101,050	9,000	96,915	6,000	18,379
To Manchester	18,250	106,801	10,750	93,968	6,000	15,266
To Continent	22,250	122,161	15,200	143,696	.....	19,309
To America	8,500	40,368	2,500	12,164	5,000	16,984
Total exports	56,700	370,380	37,500	346,683	.....	69,938

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	105,000	622,000	.....	.....
Exports to Great Britain	.....	1,000	.....	.....
Exports to Continent	9,000	238,000	.....	.....
Exports to Japan and China	1,000	137,000	.....	.....
Afloat in harbor	7,000	.....	.....	.....

Exchange, 1s. 4⅛.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	808,000	616,000	694,000	423,000
London	7,000	.....	10,000	.....
Manchester, in warehouses	92,000	56,000	54,000	29,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	3,000	15,000	3,000
Bremen	345,000	340,000	185,000	180,000
Havre	370,000	364,000	175,000	141,000
Other ports—Continent	71,000	54,000	43,000	28,000
Alexandria	369,000	.....	150,000	.....
Bombay	366,000	.....	371,000	.....
U. S. interior towns	824,211	824,211	1,122,488	1,122,488
U. S. ports	998,217	998,217	1,309,642	1,309,642
Afloat for—				
Liverpool	416,000	335,000	408,000	350,000
London	.....	.....	.....	.....
Continent	859,000	726,000	408,000	330,000
Afloat in Bombay harbor	7,000	.....	.....	.....
Coastwise to New York	15,000	15,000	19,000	19,000
Exports to-day	.....	.....	38,000	38,000
Totals	5,565,428	4,331,428	5,002,130	3,973,130

Increase in general visible supply for the week, ———, against increase last year, 116,465. Increase in American visible supply for the week, ——, against 18,465 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,146	1,691,808
Crop in sight to date	8,729,182	5,662,594
Total supply	10,061,322	7,354,402
Less visible supply, American, to-day	4,331,432	3,973,422
World's takings, American, to date	5,729,890	3,380,980
American Takings.		
Stocks at United States ports July 31	161,289	253,291
Returned from foreign countries	.....	819
Receipts at United States ports to date	6,274,373	3,472,240
Total supply at ports	6,435,662	3,726,290
Deduct.		
Stocks at ports to-day	998,217	1,309,640
*Exports to date	4,661,723	1,738,331
Southern mill takings from ports	32,163	45,864
Burnt at ports	4	292
Totals	5,692,107	3,094,129
To Northern mills from ports	743,555	632,161
Overland to Northern mills	517,653	332,586
Total Northern mill takings	1,251,208	964,747
Southern mill takings	1,296,959	893,751
Total American mill takings, including Canada	2,548,167	1,858,498

*Includes 19,000 in transit between Southern ports and New York, against 15,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	211,817	2,548,167	180,664	1,858,498
Great Britain	92,145	1,201,892	62,949	658,831
Continent	161,249	1,794,310	115,768	656,094
Mexico	1,424	21,755	.....	25,029
Japan and China	16,661	163,766	5,709	182,528
Totals	483,296	5,729,890	365,090	3,380,980

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	52,000	71,000	33,000	34,000
Sales, American	43,000	51,000	26,000	26,000
Sales, speculation	4,000	10,000	2,000	1,000
Sales, exports	2,000	1,000	1,000	1,000
Forwarded	102,000	98,000	91,000	92,000
Imports, all kinds	151,000	145,000	139,000	64,000
Imports, American	104,000	120,000	109,000	35,000
Actual exports, all kinds	5,000	10,000	6,000	15,000
Stock, all kinds	1,081,000	808,000	737,000	694,000
Stock, American	923,000	616,000	459,000	423,000
Afloat for Great Britain, all kinds	648,000	416,000	332,000	408,000
Afloat for Great Britain, American	564,000	335,000	269,000	350,000

SIXTH COTTON GINNING REPORT OF THE SEASON.

On Tuesday, December 8, the Bureau of the Census issued its sixth report of the season on cotton ginned from the American crop of 1914-1915. The figures cover the period from the beginning of the season up to December 1. The following table gives the returns by States, with comparisons for last year and for the large crop year, 1911:

COTTON GINNED FOR SEASON TO DECEMBER 1.

	1911, Bales.	1913, Bales.	1914, Bales.
Alabama	1,436,076	1,365,246	1,438,389
Arkansas	680,434	789,937	840,562
Florida	74,056	58,485	72,859
Georgia	2,339,354	2,066,109	2,285,607
Louisiana	313,624	342,383	381,913
Mississippi	892,495	955,808	986,998
North Carolina	828,660	622,369	674,135
Oklahoma	783,989	764,295	1,018,287
South Carolina	1,310,963	1,160,725	1,225,467
Tennessee	319,979	304,467	291,329
Texas	3,747,932	3,572,105	3,746,694
All others	89,245	86,483	103,865
United States	12,816,807	12,088,412	13,066,105

The amount of cotton ginned from November 14 to December 1 was 1,394,895 bales, as compared with 1,503,571 bales ginned in the same period in the season of 1911-1912, or 109,000 bales less. It must be borne in mind that the weather during the last ginning period was extremely unfavorable. Included in the figures for this year were 36,195 round bales (taken as half-bales), as compared with 86,878 last year, 73,030 in 1912, and 87,567 in 1911. Sea Island cotton included amounted to 62,991 bales, compared with 61,049 bales last year, 51,275 bales in 1912, and 87,457 bales in 1911.

The average quantity of cotton ginned prior to December 1 in the last seven years was 10,732,631 bales, or 84.6 per cent of the average of the seven crops.

* * *

DEPARTMENT OF AGRICULTURE'S FINAL COTTON CROP ESTIMATE FOR 1914-1915.

The Crop Reporting Board of the Bureau of Crop Estimates of the United States Department of Agriculture estimates, from the reports of the correspondents and agents of the Bureau, that the total production of cotton in the United States for the season 1914-1915 will amount to 7,637,113,000 pounds (not including linters), estimated production, with comparisons, by States, follows:

equivalent to 15,966,000 bales of 500 pounds, gross weight. The

States.	Lbs. Lint. 1914.	Bales of 500 Lbs., Gross Weight. 1914.	1913 (Census).	5-Year Av. 1908-1912 (Census).
Virginia	11,443,000	24,000	23,490	18,305
North Carolina	452,865,000	950,000	792,545	779,037
South Carolina	716,100,000	1,500,000	1,377,814	1,252,981
Georgia	1,266,435,000	2,650,000	2,316,601	2,000,514
Florida	36,075,000	75,000	58,695	62,239
Alabama	803,158,000	1,600,000	1,495,485	1,324,624
Mississippi	610,470,000	1,275,000	1,310,743	1,200,361
Louisiana	220,064,000	460,000	443,821	345,973
Texas	2,184,240,000	4,560,000	3,944,970	3,704,668
Arkansas	497,848,000	1,040,000	1,072,846	850,793
Tennessee	174,726,000	365,000	379,471	329,860
Missouri	35,932,000	75,000	67,105	63,836
Oklahoma	597,875,000	1,250,000	840,387	840,422
California	17,708,000	37,000	22,838	.....
All other	7,174,000	15,000	9,675	8,670
United States	7,637,113,000	15,966,000	14,156,486	12,850,297

Total production was 13,703,421 bales (500 pounds gross) in 1912; 15,692,701 in 1911; 11,608,616 in 1910; 10,004,949 in 1909; 13,241,799 in 1908.

The price per pound to producers December 1 in 1912 was 11.9 cents; 8.8 cents in 1911; 14.2 cents in 1910; 13.9 cents in 1909; 8.7 cents in 1908.

* * *

Liverpool Cotton Trade Financially Sound.—"It must be a great source of gratification to the directors of the Liverpool Cotton Association," says the "Liverpool Post," "to find that their strenuous and unremitting labors on behalf of the members have been crowned with absolute success, and that to-day's cash settlement down to present levels was met without a hitch. The price of May-June (1915) on the 27th of July, the last settlement prior to the outbreak of the war, was 6.54½d., and on Monday last the same position was struck at 4.18d., a fall of 236½ points, or £473 sterling, per 100 bales in actual cash. During the Fall over two and a half million pounds has been paid by the members of the Association to meet differences on their own and clients' account; and it is something to be proud of, when we remember that not only has not one failure occurred, but that not one firm has found it necessary to take advantage of the Government scheme, inaugurated for the purpose of assisting any one who might be temporarily financially embarrassed. No further words need be used to exemplify the sound and stable condition of the cotton trade, as represented in Liverpool at all events."

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28-in. 64 x 64s	3	2⅞
Gray goods, 38½-in., standard	4	3⅞-4
Brown sheetings, Southern standard	6¼-6½	6¼-6½
Denims, 9 ounce	12½-16	12½-16
Tickings, 8 ounce	12½	12½
Standard prints	5	5¼
Standard staple ginghams	6	6
Yarns.		
Southern 2-ply skeins, 30s	18-18½	18-18½
Southern 2-ply skeins, 60s	32	32
Southern single skeins, 20s	13	13
Southern single chain warps, 22s	14½	14½
Southern 2-ply chain warps, 20s	16	16
Southern frame cones, 20s	16½-17	16½-17
Southern frame cones, 30s	18½-19	18½-19
Eastern carded cops, 20s	18	18
Eastern carded cops, 30s	20	20
Eastern carded peeler warps, 30s	24½	24½
Eastern carded peeler warps, 56s	40	40

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 5	1.17⅞	1.16⅝	1.17	1.21⅞	1.21⅝	1.21¾	.....	.....	.....
Dec. 7	1.17⅝	1.16½	1.16½	1.22⅝	1.21⅝	1.21⅝	.....	.....	.....
Dec. 8	1.17¼	1.15⅝	1.16¼	1.21⅞	1.21⅛	1.21⅜	.....	.....	.....
Dec. 9	1.16⅞	1.15⅞	1.15⅞	1.21¼	1.20¼	1.20⅜	.....	.....	.....
Dec. 10	1.16	1.14⅝	1.15	1.20⅝	1.19¾	1.20⅝	.....	.....	.....
Dec. 11	1.16¼	1.14⅞	1.15¼	1.20⅞	1.20¼	1.20⅝	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 5	61	60½	60½	69⅝	69	69	....	....	....
Dec. 7	61	62⅝	62¼	69½	68¾	68¾	....	....	....
Dec. 8	63	62½	62½	69	68⅝	68⅝	....	....	....
Dec. 9	62⅜	62	62⅜	68⅞	68¼	68½	....	....	....
Dec. 10	63⅛	62⅛	62¼	69⅛	68½	68⅞	....	....	....
Dec. 11	63⅛	62⅝	62⅝	69¼	68¾	69	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 5	48	48¼	48¼	52½	52⅛	52¼	....	....	....
Dec. 7	48½	47⅝	47⅝	52½	51⅞	51⅞	....	....	....
Dec. 8	48⅜	47½	47½	52	51½	51½	....	....	....
Dec. 9	47⅜	46⅞	47	51½	51⅛	51⅛	....	....	....
Dec. 10	47	46⅝	46⅞	51½	51	51⅛	....	.....	....
Dec. 11	47¼	47⅛	47⅛	51⅜	51⅞	51⅜	....	....	....

LARD.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 5	....	....	....	9.75	9.70	9.70	10.00	9.95	9.95
Dec. 7	....	....	....	9.72	9.70	9.70	10.00	9.95	9.95
Dec. 8	....	....	....	9.80	9.77	9.77	10.05	10.02	10.02
Dec. 9	....	....	....	9.82	9.77	9.77	10.05	9.97	9.97
Dec. 10	....	....	....	9.70	9.65	9.67	9.95	9.90	9.92
Dec. 11	....	....	....	9.72	9.62	9.72	9.97	9.92	9.97

RIBS.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 5	....	....	....	9.77	9.70	9.70	10.12	10.05	10.05
Dec. 7	....	....	....	9.70	9.67	9.67	10.07	10.02	10.02
Dec. 8	....	....	....	9.75	9.72	9.75	10.10	10.05	10.07
Dec. 9	....	....	....	9.77	9.77	9.77	10.12	10.07	10.07
Dec. 10	....	....	....	9.77	9.72	9.72	10.07	10.02	10.02
Dec. 11	....	....	....	9.77	9.75	9.75	10.07	10.02	10.07

PORK.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 5	....	....	....	18.27	18.10	18.10	18.62	18.47	18.52
Dec. 7	....	....	....	18.10	18.05	18.07	18.50	18.42	18.42
Dec. 8	....	....	....	....	....	18.15	18.60	18.50	18.55
Dec. 9	....	....	....	18.22	18.12	18.12	18.60	18.52	18.52
Dec. 10	....	....	....	18.05	17.85	17.90	18.50	18.32	18.37
Dec. 11	....	....	....	17.95	17.82	17.92	18.45	18.27	18.40

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.82	5.75	5.85	5.85	5.70	5.80
December	6.00	5.75	5.85	5.86	5.76	5.84
January	6.09	5.91	5.96	5.96	5.84	5.90
February	6.18	6.00	6.06	6.07	5.92	6.00
March	6.28	6.10	6.16	6.17	6.02	6.11
April	6.34	6.20	6.25	6.26	6.10	6.20
May	6.50	6.31	6.36	6.37	6.25	6.31
June	6.50	6.44	6.40	6.47	6.30	6.39
July	6.63	6.55	6.54	6.56	6.46	6.51

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 20, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
December	7.01	7.29	6.25	6.75	6.55	6.40
January	6.96	6.92	6.97	6.93	6.63	6.45
February	7.02	6.99	6.35	6.93	6.71	6.55
March	5.78	6.99	6.42	6.73	6.79	6.61
April	7.18	6.26	6.49	6.82	6.88	6.69
May	7.07	6.93	6.59	6.91	6.98	6.77
June	7.00	6.99	6.45	6.71	6.91	6.69
July	7.06	7.00	7.38	6.95	6.73	7.55
August	6.79	7.17	7.28	7.52	7.79	7.64
September	6.78	7.25	7.45	7.87	7.85	7.72
October	6.96	7.32	7.52	7.87	7.92	7.78
November	7.01	7.39	7.59	7.91	8.00	7.85
Spot Rio	6½	6¾	7	7¼	7½	7½

ECONOMIC NOTES

(Continued from Page 746.)

The tolls collected on tonnage in this period amounted to $329,704.72, as compared with the total of $369,706.29 collected prior to October 1, in which are included charges for 115 barges towed through the canal before its formal opening to commercial traffic on August 15."

* * *

Money Circulation in the United States, December 1, 1914.—The Treasury Department's monthly statement of the money in circulation on December 1, 1914, shows a total of approximately $3,630,000,000, as against $3,715,000,000 on November 2, 1914. The general stock of money in the country is placed at $4,031,000,000 on December 1, as against $4,055,000,000 on November 2. Money held in the Treasury as assets of the Government amounted to $401,000,000 on December 1, as against $339,000,000 on November 2. On the basis of population estimated at 99,733,000 the circulation per capita is given as $36.40. The following tables show the amounts of the various kinds of money in circulation and the general stock of money on November 2, 1914, as compared with the status at other dates:

MONEY IN CIRCULATION.

	Nov. 2, 1914.	Dec. 1, 1914.	Dec. 1, 1913.	Jan. 1, 1879.
Gold coin (including bullion in Treasury)	$665,854,219	$637,553,443	$633,214,789	$96,262,850
Gold certificates†	913,347,859	928,505,529	1,016,203,398	21,183,280
Standard silver dollars	70,273,451	69,731,951	74,069,800	5,790,721
Silver certificates† ..	482,776,199	464,647,020	477,689,269	413,360
Subsidiary silver	162,470,390	163,085,173	163,059,236	67,982,601
Treasury notes of 1890	2,377,389	2,358,845	2,566,214	.....
United States notes..	334,963,719	318,977,776	340,902,481	‡310,288,511
Federal reserve notes	.....	3,310,000	.....	.....
National bank notes..	§1,083,519,080	§1,042,048,495	726,544,602	314,339,398
Totals	$3,715,522,306	$3,630,218,232	$3,434,249,789	$816,266,721

TOTAL SUPPLY OF MONEY IN THE UNITED STATES.

	General Stock of Money in the United States		*Held in Treasury as Assets of the Government	
	Nov. 2, 1914.	Dec. 1, 1914.	Nov. 2, 1914.	Dec. 1, 1914.
Gold coin (including bullion in Treasury)..	$1,835,416,298	$1,817,121,700	$222,582,210	$207,269,388
Gold certificates†	.....	.....	33,632,010	43,793,340
Standard silver dollars	565,886,478	565,904,478	1,781,027	10,954,527
Silver certificates†	.....	.....	11,055,801	20,570,980
Subsidiary silver	183,644,414	184,100,675	21,174,024	21,015,502
Treasury notes of 1890.	2,386,000	2,368,000	8,611	9,155
United States notes	346,681,016	346,681,016	11,777,237	27,703,240
Federal reserve notes..	.....	3,310,000	.....	.....
National bank notes	§1,121,468,911	§1,111,999,076	37,949,831	69,950,581
Totals	$4,055,483,117	$4,031,484,945	$339,960,811	$401,266,713

*This statement of money held in the Treasury as assets of the Government does not include deposits of public money in National Bank Depositaries to the credit of the Treasurer of the United States, amounting to $72,931,349.79. For a full statement of assets see Public Debt statement.

†For redemption of outstanding certificates an exact equivalent in amount of the appropriate kinds of money is held in the Treasury, and is not included in the account of money held as assets of the Government.

‡Includes $33,190,000 Currency Certificates, Act June 8, 1872.

§Includes additional circulating notes issued under authority of act of May 30, 1908, as amended by acts of December 23, 1913, and August 4, 1914.

* * *

Fertilizer Resources of the United States.—The Bureau of Soils, of the United States Department of Agriculture, has submitted its annual report for the fiscal year ended June 30, 1914. In discussing the fertilizer resources of the United States, the report says, in part:

While the extraction of potash from such natural silicates as the feldspars is quite feasible physically, it is not practicable economically, unless some other salable product is produced in the same operation. An investigation into the use of feldspar in the fixation of atmospheric nitrogen showed promise of a practical method of producing ammonia simultaneously with potash from feldspar. The most promising American source of potash, however, is the annual crop of giant kelps on the Pacific Coast. Working maps have now been made of nearly all the commercially available kelp beds from the Cedros Islands to the Shumagins, off the Alaskan Coast. The area of these beds aggregates nearly 400 square miles, capable of yielding annually, either as dried kelp or as pure potassium chloride, over six times the present consumption of soluble potash salts in the United States, or something more than the world's present total production. The development of a great American industry, based on the conservation and utilization of this important national resource, of fundamental importance to the national agricultural interests, seems now to be a matter of time only.

If all the coal that is now coked in the United States were treated in modern by-product ovens and the ammonia thereby saved, the nitrogen tonnage would be about that now consumed in the fertilizer trade of the country. While the transition from the old "beehive" to the modern furnace method is steadily progressing, the greater dependence for nitrogen carriers yet remains in cottonseed meal, slaughterhouse by-products, fish scrap, and some other less important materials. The growing and insistent demand for more nitrogeneous feeds to support the meat production demanded by the dietary customs of the American people is gradually but steadily withdrawing these "organic" carriers from the command of the fertilizer manufacturers, while the demand for nitrogen carriers is steadily increasing. The necessity for artificial methods of fixation of atmospheric nitrogen in the United States is not immediately present, but is approaching rapidly. It would be premature to anonunce the results of the department's investigations as yet, but the types of material which are of commercial promise for American conditions have been pretty well worked out and substantial progress has been made in the investigation of the fundamental technical factors which must control the production of these particular types. At the same time investigation is being made of other possible sources of nitrogen. Following up previous investigation of the possibilities in the fish-scrap industry of the Atlantic Coast, already devolved, a study has been made of the possibilities on the Pacific Coats, including Alaska. The waste fish and fish refuse approximate annually 120,000 tons and can be made to yield about 12,000 tons of scrap (fertilizer) and 3,000,000 gallons of oil, worth, perhaps, $1,800,000. A study is also now under way of the possibilities under American conditions of utilizing garbage and other city wastes.

Although improvements are being made the wastage of phosphate rock at the mines is still disconcertingly large. In Florida, where the most actively worked fields are situated, investigations of the Bureau of Soils have shown that practically two pounds of phosphorus goes to waste for every pound produced in merchantable rock. Studies are now being made looking to the recovery or prevention of some of this wastage by mechanical methods, while several chemical methods have been carefully investigated. One of the latter is a modification of the well-known sulphuric-acid extraction, but by "steps." Extraction by electrolysis has been shown to be economically impracticable, but the use of the electric current to produce temperatures necessary for volatilization methods appears very promising, and at least two such mehods are now being subjected to factory trials by outside commercial organizations.

Quoted Prices of Active Bonds on the New York Stock Exchange

Range Jan.-July, 1914. High.	Low.	July 30. Close.	Bonds.	Ma- turity.	Interest Payable.	Saturday. Dec. 5. High.	Low.	Monday. Dec. 7. High.	Low.	Tuesday. Dec. 8. High.	Low.	Wednesday. Dec. 9. High.	Low.	Thursday. Dec. 10. High.	Low.	Friday. Dec. 11. High.	Low.
80¾	73½	79	Adams Express 4s	1948	*M-S												
87	84½	85	Albany & Susque 3½s	1946	*A-O												
			Allis-Chalmers 5s	1936	J-J*												
102	97¾	99	Am Ag Chemical cvt 5s	1928	*A-O												
99⅜	97½	98⅞	Am Cotton Oil 4½s	No 1 1915	Q Feb									99 - 99			
			Am Hide & Leather 6s	1919	M-S*							100 - 100					
			Am Ice deb 6s	1925	*A-O							83⅛ - 83⅛				83¼ - 83¼	
100	93½	95½	Am Tel & Tel conv 4s	1936	*M-S												
			Am Tobacco Co 4s	1951	F-A*					97½ - 97⅝							
123	117½	122	Am Tobacco 6s	1944	A-O*												
74	62½	64	Ann Arbor 4s	July 1995	Q Jan											68¾ - 68	
93⅛	89¾	90	Armour & Co R E 4½s	1939	*J-D	90 - 90				90⅛ - 90⅛		90½ - 90½		90⅛ - 90⅛		90½ - 90¼	
96¼	91½	91½	A T & S F gen 4s	1995	A-O*					91¾ - 91¾		92 - 91¾		92 - 91⅞		92 - 91⅞	
88½	84⅜	85½	A T & S F adj 4s stamp	July 1995	Nov									82¾ - 82¾		82½ - 82½	
102½	100	100¾	A T & S F conv 5s	1917	*J-D	99⅞ - 99⅞				100¼ - 100				100⅛ - 100⅛		100¼ - 100¼	
100	90½	90½	A T & S F conv 4s	1955	*J-D					90⅞ - 90⅞		91 - 90⅞		91¼ - 91¼			
95	91	93¾	Atlantic Coast Line 4s	July 1952	M-S							86¼ - 86¼				85⅝ - 85⅝	
95	87	87¼	Atl C L L & N col 4s	Oct 1952	M-N	85½ - 85½		85¼ - 85¼				85¼ - 85¼				85¼ - 85¼	
93	89½	89½	Balt & Ohio prior 3½s	1925	J-J*	88½ - 88½						88¼ - 88		88⅛ - 88⅛			
			Balt & Ohio gold 4s	July 1 1948	A-O			87⅞ - 87⅞		88 - 87⅞		88 - 88					
			B & O P L E & W V 4s	1941	M-N*	80¼ - 80¼		80¼ - 80		80 - 80						79⅞ - 79⅞	
91½	87¼	87⅞	B & O S W Div 3½s	1925	*J-J					86⅜ - 86⅛						87 - 86½	
100¼	93¼	98	Bethlehem Steel 1st 5s	1926	*J-J	98½ - 98½		99 - 98⅞						97¾ - 97¾			
104	100	100¼	Brooklyn Rap Tran cvt 4s	2002	J-J*												
100	96⅜	97	Brooklyn Rap Tran 5s	1945	A-O*									101¼ - 101¼			
103¼	99½	99¾	Brooklyn Union El 1st 5s	1950	*F-A	98½ - 98½		98⅛ - 98¼		98½ - 98½		98½ - 98½					
			Brooklyn Union Gas 5s	1945	*M-N												
			Buff Roch & Pitts gen 5s	1937	*M-S												
108	107¼	107¼	Central of Ga con 5s	1945	M-N*	100 - 100											
99⅞	96½	96	Central Leather 5s	1925	*A-O	97 - 97⅞		97¼ - 96⅞		97¼ - 97⅛		97¼ - 96⅞		97 - 96½		96⅞ - 96⅞	
118	114	116⅜	Central of N J gen 5s	1987	J-J*							112⅝ - 112⅝				113 - 113	
			Central New England 4s	1961	*J-J												
94½	89½	89½	Central Pacific 1st 4s	1949	F-A*			89⅝ - 89⅜		89⅛ - 89¼		89⅛ - 89⅛		86 - 85⅞		86¼ - 86	
			Ches & Ohio con 5s	1939	*M-N	102 - 101⅜		101¾ - 101¾		102¼ - 102							
98½	90½	90½	Ches & Ohio gen 4½s	1992	*M-S			86 - 86		86 - 86		86½ - 86		86½ - 86½			
86½	70	70	Ches & Ohio conv 4½s	1930	*F-A	68 - 68		68¼ - 68⅛		69 - 68½		69 - 68¾		70 - 69¼		70⅜ - 69¾	
			Chicago & Alton 3s	1949	A-O*												
55½	35	37⅛	Chicago & Alton 3½s	1950	J-J*									35¼ - 35¼			
94½	91½	91½	Chi Bur & Quincy gen 4s	1958	*M-S	89½ - 89½		89½ - 89½		89⅝ - 89⅝		89½ - 89¼		89⅜ - 89¼		89¾ - 89½	
98	94¾	94¾	Chi Bur & Quincy joint 4s	1921	*J-J	94¼ - 94⅜		95 - 94¾		95⅛ - 94¾		95¼ - 95		95⅜ - 95¼		95¼ - 94⅞	
85⅞	82	83	Chi Bur & Quincy Ill Div 3½s	1949	J-J*							81 - 81					
96	93	95	Chi Bur & Quincy Ill Div 4s	1922	*F-A												
			Chi Bur & Quincy Neb ext 4s	1927	*M-N												
108	105⅝	107	Chicago & Erie 1st 5s	1982	*M-N												
75⅛	67	68	Chicago Great Western 4s	1959	M-S*											68½ - 68	
96¾	92	94¾	C M & St P gen 4s Series A	May 1989	J-J*												
93	88	90	C M & St P deb 4s	1934	J-J*	88 - 88											
104½	102½	103¾	C M & St P C P & W 5s	1921	*J-J					101⅞ - 101¾		101⅞ - 101¾					
84	80	81	Chicago & N W gen 3½s	1987	M-N*					79⅜ - 79½		79½ - 79½		79½ - 79½			
97¾	93⅞	95½	Chicago & N W gen 4s	1926	F-A*											89½ - 89½	
90	81¾	81¾	C R I & P gen 4s	1988	J-J*			81½ - 81½		81¾ - 81⅝						81⅞ - 81⅞	
53	18¾	18⅞	C R I & P col trust 4s	2002	M-N*	25 - 23		27¼ - 27½		27⅞ - 27⅛		27¼ - 26		26¾ - 26⅛		27 - 26¾	
81	65	65	C R I & P ref 4s	1934	*A-O	69 - 68½		69⅜ - 69		69 - 68⅝		68¼ - 68		69 - 69			
120¾	118	119⅝	C St P M & O 6s	1930	*J-D					115¼ - 115¼							
			C C C & St L gen 4s	1993	*J-D												
			C C C & St L S L Div 4s	1990	M-N*					83 - 83							
82	71	71	Col Industrial 5s	1934	F-A*												
			Col Midland 1st 4s	1947	J-J*											15 - 15	
93	89	89½	Col Southern 1st 4s	1929	*F-A									87 - 87			
93½	81	81	Col South ref & ext 4½s	1935	*M-N					71 - 74		76 - 75					
			Con Tobacco 4s	1951	*F-A												
99¼	97½	98	Del & Hudson conv 4s	1916	*J-D							98¾ - 98¾		98¾ - 98¾		98¾ - 98¾	
97½	93½	95	Del & Hudson ref 4s	1943	*M-N	91 - 91		90 - 91		90⅝ - 90½		91 - 91		91⅛ - 91		91 - 91	
85	75	75½	Den & Rio Grande con 4s	1936	*J-J	75 - 75											
74	43⅝	45⅜	Den & Rio G 1st ref 5s	1955	F-A*									42¾ - 41½		43½ - 43¼	
68	52½	52½	Distillers' Securities 5s	1927	*A-O	55⅞ - 55⅞		57 - 55⅞		57¼ - 57¼		57¼ - 57¼				57 - 56¾	
108½	105¼	107½	E T V & G con 5s	1956	M-N*							103⅛ - 103⅛					
			E T V & G Div 5s	1930	J-J*												
87¼	82	82	Erie prior lien 4s	1996	*J-J											80 - 80	
76¼	66⅞	67½	Erie general lien 4s	1996	*J-J					65¼ - 65¼		65¼ - 65¼					
77⅞	64	64	Erie conv 4s A	1953	*A-O									60½ - 59¼		62 - 62	
76	63½	63½	Erie conv 4s B	1953	*A-O									62 - 62		63 - 62¼	
92	88½	88¾	Erie (Pa) col 4s	1951	*F-A											87¾ - 87¾	
			E & T H 1st gen 5s	1942	*A-O												
			Ft W & D C 1st 6s	1921	J-D*												
			Ft W & R G 1st 4s	1928	J-J*												
106½	103	105¼	Gen Electric deb 5s	1917	*J-D												
			G B & West deb B		Ann.-Feb.					11½ - 11½							
			Hocking Valley 4½s	1999	*J-J												
			H & T Central gen 4s	1921	*A-O												
			Illinois Central 4s	1952	*A-O												
95¼	88¼	88¼	Illinois Central 4s	1955	M-N*												
94	89⅞	90½	Illinois Central ref 5s	1955	M-N*	86 - 86						86¼ - 86¼				86¼ - 85	
61	43	43	Int & Gt Nor 1st 6s	1952	A-O*	29 - 29								30¾ - 29⅞		29¾ - 29¾	
79¼	72	72	Inter Met 4½s	1956	A-O	73 - 72		73 - 72		74¼ - 74		74½ - 74		74¼ - 74¼		74¼ - 74	
99⅛	97½	97⅜	Int Rys of C A 6s T	1935	M-N*	96 - 96		96⅜ - 96		96⅞ - 96⅜		96 - 96½		96⅜ - 96½		96⅝ - 96½	
104	100	100½	Interborough-Metro 4½s	1956	*F-A					100¼ - 100¼				100¼ - 100¼		100½ - 100½	
			Int Mercantile Marine 6s	1941	*J-J	85 - 85				87 - 82½		83⅞ - 82¾		83⅞ - 83⅞			
67½	42	41½	Inter Steam Pump 5s	1966	*M-S			43½ - 43¼									
			Iowa Cent 1st 5s	1938	J-D												
			Iowa Central ref 5s	1951	M-S												
77½	71	71	Kan City Ft S & M 6s	1936	A-O*			67⅞ - 67⅞				67⅞ - 67⅞					
70	68½	69½	Kan City Southern 3s	1950	A-O											72½ - 72½	
94¼	94⅜	94⅜	Kan City Sou ref 5s	1950	J-J							89¼ - 89¼		89 - 89		88½ - 88½	
			Lake Erie & West 5s	1937	A-O	87 - 87				89⅜ - 89⅞							
102⅛	100	102	Lake Shore & M S 4s	1928	M-N*					100 - 99¾		100 - 99⅞					
			Lake Erie & West 5s	1941	J-J												
			Lake Erie & W 2d 5s	1941	J-J												
			Lake Shore con 7s	1903	J-D												
94⅞	89⅞	90	Lake Shore deb g 4s	1928	M-S*					90⅛ - 90		90¼ - 90¼		90⅛ - 90¼		90¼ - 90¼	

Range Jan.-July, 1914. High.	Low.	July 30. Close.	Bonds.	Ma- turity.	Interest Payable.	Saturday. Dec. 5. High.	Low.	Monday. Dec. 7. High.	Low.	Tuesday. Dec. 8. High.	Low.	Wednesday. Dec. 9. High.	Low.	Thursday. Dec. 10. High.	Low.	Friday. Dec. 11. High.	Low.
93⅞	88¾	90¾	Lake Shore deb g 4s	1931	*M-N	.....	.....	89	89	89	89	89⅛	89⅛	89¼	89¼	89⅝	89½
.....	.....	.....	Long Island unified 4s	1949	*M-S	.....	.....	.....	.....	91½	91½	.....	.....	.....	.....	.....	.....
.....	.....	.....	Long Island gen 4s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Long Island ref 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96⅜	92¼	92⅞	Louis & Nash unified 4s	1940	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	92	91½	92	92
.....	.....	.....	Manhattan con 4s	1990	*A-O	.....	.....	88¼	88¼	.....	.....	.....	.....	.....	.....	.....	.....
93	89½	91	Man Ry 4s stpd tax exempt	....	....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
91⅞	81½	82½	M K & T 1st 4s	1990	*J-D	.....	.....	76	76	.....	.....	.....	.....	.....	.....	79	79
77	57	57	M K & T 2d 4s	June 1990	F-A	52	52	.....	.....	.....	.....	53½	53½	55	55	.....	.....
.....	.....	.....	M K & T ext g 5s	1944	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
71	51	51	M K & T ref 4s	2004	M-S*	48½	48½	.....	.....	48⅝	48⅝	49	49	.....	.....	.....	.....
.....	.....	.....	M K & T gen 4½s	1936	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	M K & T of Tex 5s	1942	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98⅛	89	89	Mo Pac col tr 5s	Jan 1917	M-S	.....	.....	.....	.....	.....	.....	90	90	.....	.....	.....	.....
95½	85½	85½	Mo Pac col tr 5s	1920	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	86	86	.....	.....
63⅞	39½	39½	Mo Pac 4s	1945	*M-S	.....	.....	38	36	39	39	41	39¼	42	40½	43¾	42¼
.....	.....	.....	Mobile & Ohio gen 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nassau Electric 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nat Rys of M per lien 4½s	1957	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nat Rys of M con 4s	1977	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108⅛	105½	107½	Nash Chatt & St L con 5s	1928	*A-O	.....	.....	103	103	.....	.....	.....	.....	103	103	.....	.....
99½	97	97	N Y Air Brake con 6s	1928	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
84	79½	79¾	N Y Central ref 3½s	1997	J-J*	80	80	80¼	80¼	80⅜	80⅜	80⅜	80⅜	.....	.....	.....	.....
.....	.....	.....	N Y Central deb 4s	1934	*M-N	88	88	.....	.....	.....	.....	.....	.....	.....	.....	86½	86½
.....	.....	.....	N Y Central L S 3½s	1997	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	N Y Central M C col 3½s	1998	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97	93½	93½	N Y C & St L 1st 4s	1937	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87¾	83	86¼	N Y G E L H & P 4s	1949	*F-A	82½	82½	.....	.....	.....	.....	.....	.....	83	83	.....	.....
105⅛	102¼	104	N Y G E L H & P col tr 5s	1948	J-D*	101	101	.....	.....	.....	.....	100½	100½	.....	.....	101¼	101¼
117¼	98¾	98¾	N Y N H & H con deb 6s	1948	*J-J	.....	.....	.....	.....	99	99	100	99½	.....	.....	100⅛	100⅛
75	61	61½	N Y N H & H deb 3½s	1956	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88	79⅞	81	N Y Ont & W 1st ref 4s	June 1992	M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79⅛	72	72	N Y Rys ref 4s	1942	J-D	70¼	70½	70¼	70½	70¾	70¾	70¾	70½	.....	.....	70¾	70½
63⅜	45	45	N Y Rys adj 5s	1942	J-D	51¼	50¼	51½	51	51½	50⅞	50⅝	50⅝	50½	50½	51¼	50¾
96	94¼	94½	N & W con 4s	1996	A-O*	.....	.....	92	92	92	92	92	92	92	92	.....	.....
91¾	88½	90	N & W div 1st lien 4s	1944	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105¼	101	101	N & W conv 4s	1932	*J-D	.....	.....	.....	.....	92	92	.....	.....	96½	96½	.....	.....
.....	.....	.....	N & W P C & C joint 4s	1941	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	87	87
96	92	92	North Pac prior 4s	Jan 1997	Q-J	89½	89½	89½	89¼	89¾	89½	89¾	89⅝	89¾	89¾	89¾	89½
68⅝	64¼	67¼	North Pac gen 3s	Jan 2047	Q-F	.....	.....	63	63	63	62½	62¾	62½	63	63	63	63
.....	.....	.....	Oregon Ry & Nav 4s	1946	*J-D	.....	.....	.....	.....	90	90	.....	.....	.....	.....	.....	.....
110¾	109⅛	110	Oregon Short Line 1st 6s	1922	*F-A	.....	.....	107	107	.....	.....	.....	.....	.....	.....	.....	.....
108	105¾	107	Oregon Short Line cons 5s	1946	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94½	89½	89½	Oregon Short Line ref 4s	1929	J-D*	86	86	86	86	.....	.....	86	85⅝	.....	.....	.....	.....
.....	.....	.....	Pacific Coast 1st 5s	1946	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99¾	95	95½	Pacific Tel & Tel 5s	1922	*J-J	.....	.....	94⅛	94⅛	.....	.....	94¼	94¼	94⅞	94⅞	94½	94½
102⅛	99	99	Penn con 4s	1948	M-N*	99¼	99¼	99¼	99¼	.....	.....	99⅛	99	.....	.....	.....	.....
99¼	97⅜	97⅞	Penn con 3½s	Oct 1 1915	J-D	99	99	99	99	99	99	99⅛	99	99⅛	99⅛	99⅛	99⅛
.....	.....	.....	Peoria & E 1st 4s	1940	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28	20	21	Peoria & E income 4s	Apr 1990	Ann.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95⅝	92¾	93	Reading gen 4s	1997	*J-J	92⅛	92	92⅛	92	92⅛	92⅛	92¼	92¼	92¼	92	92⅜	92¼
.....	.....	.....	Reading Jersey Cent col 4s	1951	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94⅝	91	91¼	Rep Iron & Steel col 5s	1934	A-O*	.....	.....	90¾	90¾	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Rio Grande W 1st 4s	1939	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Rio Grande W col tr 4s	1949	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St J & G I 1st 4s	1947	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105	100⅝	101	St L & I M gen 5s	1931	*A-O	.....	.....	98	97½	97½	97½	98	98	.....	.....	.....	.....
.....	.....	.....	St L & I M ref 4s	1929	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
81¾	65	65	St L & I M Riv & G Div 4s	1933	*M-N	.....	.....	65	65	.....	.....	65½	65½	.....	.....	.....	.....
78¼	63⅝	63	St L & S F R R ref 4s	1951	J-J*	.....	.....	.....	.....	.....	.....	58	56½	56¾	56¾	.....	.....
54	35	35	St L & S F R R gen 5s	1927	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88	81⅛	81⅛	St L S W 1st 4s	1989	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	78	77	.....	.....
.....	.....	.....	St L S W 2d income 4s	Nov 1989	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78½	68	68	St L S W consol 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St P M & M con 4½s	1933	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95⅞	93	95¼	St P M & M Mont ext 4s	1937	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	San Antonio & A P 4s	1943	*J-J	.....	.....	.....	.....	78	78	.....	.....	.....	.....	.....	.....
78¼	66	66	Seaboard A L ref 4s	1950	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
86	83½	84½	Seaboard A L stamped 4s	1950	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
80¾	71	71	Seaboard A L adj 5s	1949	F-A*	64	63½	64	63⅝	65	64	64	64	64	64	64¼	64
93⅝	88¾	89	So Pac ref 4s	1955	*J-J	84⅛	84⅛	84½	84⅜	84⅝	84½	84½	84½	84½	84½	84⅝	84⅝
94	85	85	So Pac col 4s	Aug 1949	J-D	83	82¼	.....	.....	83	82½	.....	.....	83¼	83¼	83⅜	83¼
92	80	80	So Pac conv 4s	June 1929	M-S	80⅜	80⅛	80⅞	80½	80¾	80½	80⅜	80⅜	80¼	80¼	80¼	80¼
106	102	102	So Ry 5s	1944	J-J*	98½	98¼	99	98¼	99	98⅞	99¼	98¾	99	98⅞	99	98⅝
76¼	66¾	68	So Ry col tr 4s	1956	*A-O	66	66	66½	65⅞	65⅞	65⅝	65½	65¼	65½	64⅞	65½	65½
83½	77	77	So Ry M & O Div 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
86½	83⅜	86½	So Ry St L Div 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103⅛	98⅛	102½	Tenn Coal & Iron gen 5s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Term Ass'n St L ref 4s	1953	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104	99¼	99⅞	Texas Pac 1st 5s	2000	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85	80⅝	93¼	Third Av ref 4s T R ctfs std	2000	*J-J	79½	79½	79½	79½	.....	.....	79½	79⅜	79½	79½	79½	79½
.....	.....	.....	Tol St L & W 3½s	1925	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
60	44⅛	44⅛	Tol St L & W 1st 4s	1950	*A-O	.....	.....	46½	46½	46½	45	.....	.....	.....	.....	46	46
.....	.....	.....	Underground London 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98¾	95½	96¾	Union Pacific 1st 4s	1933	*J-J	94¾	94½	94⅞	94⅜	95	94¾	95	94¾	95	95	94⅞	94⅞
93½	86	86	Union Pacific conv 4s	1927	J-J*	.....	.....	85½	85½	85⅜	85⅜	86	86	86¼	86⅛	86½	86¼
95	91¼	93½	Union Pacific ref 4s	June 2008	M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
61¼	49	49½	United Rys San Fran 4s	1927	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	51¼	51¼
.....	.....	.....	U S Realty & Imp 5s	1924	J-J*	71	71	.....	.....	74	73½	.....	.....	.....	.....	.....	.....
.....	.....	.....	U S Reduc & Ref 6s	1931	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104	101¼	102	U S Rubber 6s	1936	*M-N	101¼	101¼	101⅛	101	101⅛	101⅛	101	101	101¼	101⅛	.....	.....
103¼	100	101	U S Steel 5s	1963	*F-A	100	100	100¼	100	100¼	100	100	99⅞	100	99⅞	100	99⅞
98	91⅜	96¼	Va-Car Chemical 1st 5s	1918	J-D*	.....	.....	.....	.....	.....	.....	94	94	.....	.....	.....	.....
.....	.....	.....	Wabash 1st 5s	Apr 1936	M-N	.....	.....	97½	97½	.....	.....	.....	.....	97⅞	97⅞	.....	.....
.....	.....	.....	Wabash 2d 5s	1939	J-D*	.....	.....	.....	.....	.....	.....	87	87	.....	.....	.....	.....
57½	40	41	Wabash ref & ext 4s	1956	J-J*	.....	.....	37	36¼	37	37	38	37	.....	.....	37½	35⅜
14½	6¾	6¾	Wab-Pitts T 1st Cen tr c	1954	*J-D	.....	.....	.....	.....	8	7	8	8	9½	8⅝	9	8⅝
.....	.....	.....	Wabash-Pitts T 2d tr c	1954	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
80	55	56	West Maryland 4s	1952	A-O*	54¾	54¾	.....	.....	56½	56½	56¾	56¾	57½	57½	58	57½
.....	.....	.....	West N Y & P 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅛	93	97⅞	West Union col tr 5s	1938	*J-J	98	98	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93	86⅞	91½	West Union R E 4½s	1950	*M-N	.....	.....	.....	.....	.....	.....	89½	89½	.....	.....	.....	.....
95	91¼	92½	West Shore 4s	2361	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	89	89
96½	89⅝	93	Westinghouse E & M 5s	1931	*J-J	89⅜	89⅜	89½	89½	89½	89½	89½	89¼	89¾	89½	89⅞	89¾
.....	.....	.....	Wheeling & L E con 4s	1949	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
89½	83¾	86	Wisconsin Central 4s	1949	J-J*	.....	.....	.....	.....	83½	83½	83⅜	83¼	.....	.....	.....	.....

NOTES ON INSURANCE, AMERICAN AND FOREIGN

(Continued from Page 756.)

either be paid by the citizens as a tax or it will be paid by them unknowingly in the conduct of their courts and care of injured. If they pay it in the form of taxes they will find it decidedly cheaper than paying it to a private corporation which is in the insurance business to make money, and then paying it over again to run the courts and poorhouses.

"There is some cry against 'State insurance.' This is not State insurance, strictly speaking. The State simply collects a fund from the insured and furnishes the cost of administering that fund. That is not State insurance. The State is not engaging in the insurance business. No element of profit appears. It is the administration of workmen's compensation insurance from the primary standpoint of the State and its working people rather than that of corporations organized for pecuniary profit.

"Private or stock company insurance means that all the men whose hair is turning gray, every man who is unable to work without glasses, every man who is partly incapacitated as the result of some old accident, will be crowded out of the ranks of industry. There are thousands of men to-day with one eye, with one arm, or with one leg who are self-supporting, and many of them caring for their families. But the private or stock insurance company is there to make profits. It will refuse a risk on these men, except at a prohibitive rate. Consequently employers will get rid of them. The man who is at the top of the hill of life and has to wear glasses to see his way down must go. There is no risk about insuring old men.

"I do not consider it good public policy to make this great number of men idle. We have probably 10,000 men in Iowa who are partly incapacitated, but they are all working and earning their living—even supporting families in whole or in part. I do not consider it good public policy for the State of Iowa to let these men become idle because some corporation wants dividends. I consider it good public policy for the State to administer workmen's compensation insurance in such a way that these men will be protected and not become objects of charity—a heavy tax on the citizens of our State."

The chief interest of the above expressions of opinion of Commissioner Garfield is in his assertion that workmen's compensation is in its infancy. The earlier advocates of the system in the United States looked upon it as a sort of [illegible] industrial peace [illegible] employers and employed. The [illegible] should be [illegible] Mr. Garfield [illegible] within [illegible] choice of definition. A "[illegible]" and the application [illegible] practically [illegible] of all the premiums [illegible] [illegible] [illegible]

map by defeating a full-crew bill, and when the long-suffering people of Wisconsin will deliberately repudiate the crowning and final product of the culture oven in which, in the name of progress, every kind of socialistic fad and fancy has been germinated in the past two decades, we, who believe in the policy of making haste slowly, can find some comfort.

"It would be most unfortunate, to my mind, if the initiative of private enterprise were ever taken out of life insurance by having the State assume it. There seems to be record enough of the failure, or non-progress, of State-owned or State-operated life insurance enterprises to keep us from repeating the experiment. To succeed, the State would need a monopoly of the business and, in addition, a law making insurance compulsory. I regard the happening of these two contingencies as quite unlikely in this country, and, unless prohibited from competing with State insurance or deliberately crippled by law in so doing, the companies will have nothing to fear. Hence, I look for an indefinite continuance of the present status, where the Government, through the agencies of the law and the departments, demands and compels solvency, honest management, equitable dealings—and I express the hope that the relation between the departments and the companies will be such as to secure, with a minimum of friction, a maximum of efficiency for the people they serve."

INSURANCE NEWS IN THE WEST

Reinsurance of the Individual Fire Underwriters of St. Louis.—After a career of twelve years the Individual Fire Underwriters of St. Louis has decided to quit. The advisory committee came to this conclusion this week. The premium income was not satisfactory and the future of the business was not encouraging. This institution is a high-grade, well-managed Lloyds. Each of its twenty-five underwriters put up $10,000 as a deposit and was liable for three times that much in addition. The management is in the hands of W. H. Markham & Co., fire agents, who rank with the best. It paid brokers only 10 or 15 per cent commissions, according to the class of business. Its business consisted largely of reinsurance. Its premium income for 1913 was less than $43,000, and, as the prospects of growth in the future were not bright, it was decided to reinsure and discontinue.

* * *

Compensation Revisions and Amendments in the West.—Now are coming to the fore all sorts of demands for amendments or revision of many of the workmen's compensation laws of the West. Some of these were to be expected. For example, it was not likely that the working men of the Western States would be satisfied with 50 per cent of wages as a basis of compensation, when the laws of several States make 65 or 66⅔ the basis. Accordingly organized labor in Nebraska already is asking the increase in the scale, although the law has actually been in effect less than two weeks. In Minnesota also there is a demand for an increase in compensation.

The question of the administration of the compensation laws appears also to be coming to the front to some extent. The Minnesota workmen want the Labor Commissioner, instead of the courts, to handle disputes. The Labor Commissioner of Kansas will ask for the creation of a new bureau in the Department of Labor to be known as the Commissioner of Compensation, who will arbitrate disputes and see that injured workmen get their rights. Commissioner O'Brien states that damage case lawyers are getting large percentages of amounts awarded workmen and that unconscionable lump sum settlements are being made. In Oklahoma the labor men and the manufacturers are each charging the other with the failure of the State to have a compensation law now. The labor men say that the manufacturers defeated the bill two years ago. The manufacturers admit this and intimate that they will endeavor to do the same thing again if the labor element insists upon a law providing for life pensions and administered by the Labor Department. The manufacturers favored a different bill, providing for administration by the Insurance Department, and they charge the labor people with defeating that measure.

A committee of employers and employes, with the assistance of the Industrial Board and Samuel A. Harper, the attorney who drafted the first Illinois compensation law, is now engaged in drafting a bill to revise the present law and remove flaws discovered in operating under it. A member of the incoming State Senate is reported as redrafting the Minnesota law. A well-informed State official in Iowa says that efforts will certainly be made to amend the law of that State. The Texas Industrial Commission has recommended a number of changes in the act of that State. There is little question that extensive amendments to the Oiho law will be sought.

* * *

Movement for Compulsory Contractors' Bond Law for Michigan.—Two or three important organizations in Michigan have got behind a move to secure the enactment in that State of a law to require all contractors to give bonds except where the contract amounts to less than $2,000. While the surety people favor this, they did not initiate the movement. It started with those who would protect owners from the effects of the mechanics' and materialmen's lien law of the State by either putting irresponsible contractors out of business through their inability to furnish bonds or throw the burden of paying the unpaid debts of such contractors upon those unwise enough to become their sureties.

* * *

Compensation Mutuals in Nebraska.—With the filing of articles of incorporation by two mutuals that purpose to write workmen's compensation in Nebraska, the question of rates in that State becomes interesting. These institutions have backing sufficient to give promise of their becoming important factors. It has been reported that they intend to discount stock company rates 20 or 25 per cent, but this is probably hearsay, as the law under which they are organizing gives the Insurance Commissioner supervision of their rates. He has not stated what he will do positively, as he has not yet conferred with the officers of the mutuals, but he is reported to look with favor upon the plan of requiring the mutuals at first to secure rates known to be adequate and then let them pay dividends or reduce the rates later if experience warrants such action. In short, the Massachusetts kind of rate supervision appeals to him, according to report.

* * *

Controversy over Indiana Steam Boiler Law.—The Indiana steam boiler law which was enacted in 1913 has given rise to some controversy, and it appears likely efforts will be made to amend it this Winter. They will be strongly opposed. Indiana was one of the States very dilatory about protecting its citizens against the installation of substandard boilers, with the result that before 1913 low grade new boilers and discarded second-hand ones that no longer could be used in States having good laws, had been installed in Indiana in large numbers. Especially is this said to have been the case in the coal fields in the Southern part of the State. When Indiana finally did pass a boiler law, it passed a very strict one. It requires a higher factor of safety than Ohio, or Massachusetts, whose laws have been held up as models. The result is that owners of these low grade boilers have to use very low steam pressure, and many of them will have to buy new boilers or run in a limping,

FOREIGN EXCHANGE QUOTATIONS

Sterling—	Saturday	Monday.	Tuesday	Wednesday	Thursday	Friday
Cables	[illegible]	[illegible]	[illegible]	4.87	4.88	4.88⅜
Demand	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.87¾
Sixty days sight	[illegible]	[illegible]	4.81⅞	[illegible]	[illegible]	4.84½
Ninety days sight	[illegible]	[illegible]	4.81⅜	4.82¼	[illegible]	4.83½
Francs—						
Cables	[illegible]	[illegible]	5.12½	5.12½	5.12½	5.12½
Demand	[illegible]	[illegible]	5.13⅛	5.11⅝	5.13⅛	5.13½
Reichsmarks—						
Cables	[illegible]	92	92⅛	92¾	92	90¾
Demand	[illegible]	91	92	92⅛	91⅞	90¼

unsatisfactory way. They want the factor of safety lowered. While it is so high as at present, they [illegible] kind of carrying steam boiler insurance and some of them are said to be dropping their insurance at expiration. This is unsatisfactory to the companies that lose this business, and one or two insurance companies are reported as standing with the steam users to get the standard changed to the new "uniform" one recommended by the American Society of Mechanical Engineers. On the other side, the boiler manufacturers get an advantage from the present law and do not want it changed. The representatives of labor and the safety organizations argue that when the State has a law which provides for a higher factor of safety than does that of any other State it would be bad policy to go back to lower standards.

* * *

Interesting Surety Situation at Fort Worth. An interesting situation has arisen at Fort Worth, Texas, where the Equitable Surety has been relieved by the Federal Court of liability under a $150,000 contract bond. The City of Fort Worth had entered into a contract for the building of a tunnel for its water works. Under its terms the contractor was bound to carry out his side, but the city retained the right to abrogate the contract at its pleasure. The court held that there was an absence of mutuality, that the contract was therefore void and that the surety could not be held to complete a void contract. It is said that most of Fort Worth's contracts for public improvements have been of this character. Attorneys for the city are making a hard fight, for the city might be placed in a bad position if the decision just given were allowed to stand in its present form.

Chicago, December 11, 1914. LA SALLE.

ITEMS OF INSURANCE NEWS.

The plan for the [illegible] of the Prudential Insurance Company of America was adopted [illegible] and brought virtually to realization through the [illegible] of the policyholders of the company at a meeting held at the [illegible], N. J., on Monday, December 7. The vote of the [illegible] is reported to have been overwhelmingly in favor of the plan. Proxies [illegible] were 4,010 in favor and only 206 opposed. [illegible] will show that over 650 votes [illegible] that the policyholders have approved [illegible] permitted by the enabling statute to pass [illegible] will then appoint three trustees who will [illegible] company the stock outstanding at the [illegible] value.

As collated by [illegible] Casualty, press notices [illegible] October, 1914.

Benefit [illegible]	
Banks and [illegible]	
Public [illegible]	
General [illegible]	
Insurance [illegible]	
Coal [illegible]	
[illegible]	
Miscellaneous	
Total	

At the [illegible] Daily Underwriter, Insurance [illegible] Magazine and Insurance Monitor, of London, Sir G. Sherston Baker gave his decision in a case in which a fisherman claimed compensation from the owners of the trawler Kilmarnock for injuries caused by the trawler being blown up by a German mine in the North Sea. His Honor refused to allow the claim, on the ground that injuries inflicted by the enemy do not come under the Workmen's Compensation Acts. He expressed the hope that the case would be taken to the Court of Appeal.

Mr. F. W. Thomson, President of the Farm Mortgage Bankers' Association of America, Chicago, is reported as stating that a few of the life insurance companies that withdrew from the farm loan field during the early days of August are back again making loans, though not as freely as they formerly did. It is the general belief among dealers in farm mortgages that most of them will be back in the field after the first of the year. The situation now seems to be clearing up quite perceptibly and a return to farm mortgages as a source of sound investment is to be expected.

Superintendent Hasbrouck, of the New York Insurance Department, has made the following answers to inquiries on the subject of the Federal War Revenue Tax received by him:

November 30, 1914.

Mr. A. C. Hegeman, President, Fire Brokers' Association of the City of New York:

Dear Sir:—Replying to your favor of the 30th inst., you are advised that the department is of the opinion that the payment by agents or brokers of charges made by fire insurance companies against policyholders covering the war revenue stamp tax would constitute a rebate within the intent and meaning of section 65 of the insurance law. A rebate is defined by said section to be not only a technical "rebate from the premium," but also "any special favor or charge * * * or any valuable consideration or inducement whatever, not specified in the policy or contract of insurance * * * or anything of value whatsoever, not specified in the policy." Respectfully yours,

FRANK HASBROUCK, Superintendent of Insurance.

November 30, 1914.

Mr. A. C. Hegeman, President, Fire Brokers' Association of the City of New York:

Dear Sir:—We are in receipt of your favor of the 30th inst. on the subject of the war revenue stamp tax on insurance policies. We note your conclusions with regard to the probable disturbance which will ensue by reason of the attempt of the fire insurance companies to collect from the assured the amount of the tax levied by the Federal tax law, effective as of to-morrow.

The department is quite clearly of the opinion that the revenue act requires the stamp to be affixed and cancelled by the corporation issuing the policy, the tax falling upon the corporation. We have further recognized, however, that by virtue of the authority set forth in section 146 of the Insurance Law, fire insurance companies are permitted to make a charge for "a policy fee, survey fee, or other fees or charge in addition to the consideration or premium written in the policy." Presumably, it is this section of the law under which fire insurance companies are seeking to impose upon policyholders of New York State the burden of assuming the payment of the war revenue tax. Your opinion that section 144 of the Insurance Law appears to prohibit a charge of this character we do not concur in, the section merely reciting that it is not lawful for an insurer knowingly to include as part of the premium "any fee, compensation, charge or prerequisite whatsoever." Respectfully yours,

FRANK HASBROUCK, Superintendent of Insurance.

The meeting of the National Convention of Insurance Commissioners, held in New York on December 7, 8 and 9, performed some important work in the consideration of insurance supervision problems. The chief [illegible] were the endorsement of Commissioner Ekern's [illegible] supervision bills, which have been so [illegible] the passage of the adverse resolution against underwriting [illegible] and the favorable action of the [illegible] enactment of the New [illegible] law and the broadening of the scope of [illegible] powers.

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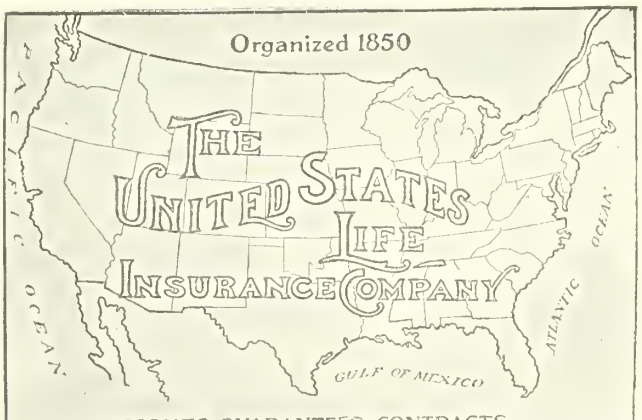

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NEW YORK, SATURDAY, DECEMBER 19, 1914

Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

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Governmental Interference with a Great Business and Some of its Costs

A CONSIDERABLE sub-division of the recently issued report of the Secretary of Agriculture is devoted to the Cotton Futures Act, more commonly known as the Lever Act, which was adopted by Congress in August last and which is to go into operation on February 18, 1915. The introductory paragraph of the Secretary's remarks upon this subject is as follows:

"The Cotton Futures Act is the first definite, systematic, legal approach to the solution of difficult problems in this field of distribution. Interest in the economics of the cotton situation has grown rapidly in recent years, and has been especially marked during the present season because of the difficulties arising out of the European War. For many years there has been a growing dissatisfaction with the future markets as a means of price insurance. The demand for reform in certain practices and methods of the exchanges resulted in the passage of the futures act, which is designed to increase the safety of the future contract as an insurance and to limit somewhat the possibility of manipulation."

It is clear from the very first sentence of this statement that Secretary Houston, like the members of his party generally in Congress and in the Administration, conceives that the National Government alone is capable to solving the difficult problem of distributing the cotton crop of the United States. For over a century now cotton has been grown in this country and its distribution has somehow been accomplished by that class of persons known as cotton merchants. The annual crops of cotton have grown and grown; the money values involved in them have increased by leaps and bounds; the cotton consuming countries all over the world have become steadily more numerous and more remote; the credit operations necessary in getting American cotton to these consuming countries have grown vastly in extent and complexity, without any sign of inability on the part of cotton merchants to meet their requirements; but the "difficult problems in this field of distribution" have remained unsolved, and it is only at this moment that "the first definite, systematic, legal approach" to their solution is made, through the interposition of the National Legislature. This is certainly a noteworthy state of things.

The French have a saying that: "*Tout se paie*, a price must be paid for everything." It is not to be expected that some price will not have to be paid for the revolution in the conception of the true source of health and justice in our economic life with which the Democratic Administration and the Democratic Congress have identified themselves during the past two years. Until the Democratic régime began, it had been generally believed by Americans that, if a reasonable competition could be maintained, the difficult problems of any great department of business would naturally solve themselves through the action and counteraction of the forces of economic activity, the play and counterplay of minds actuated by enlightened self-interest in the pursuit of a livelihood, the gradual discovery and acceptance of methods and practices fair to all. It has, however, been one of the continual puzzles in connection with the political party presently in power that while its leaders have never ceased to exalt in speech the traditional free-

dom of competition, as the greatest of all solvers of problems, the tendency of all its important acts has been to find checks and restrictions for free competition, to belittle its results in producing equity among citizens, and to substitute for it, to as large an extent as possible, that governmental determination of the principles and rules which must be followed in the conduct of affairs, held by our forefathers to be one of the most odious forms of tyranny. And to this new order of things, sought by the Democratic Party to be established in the United States, belongs *par excellence* the Cotton Futures Act, of which the Secretary of Agriculture writes that it "is the first definite, systematic, legal approach to the solution of difficult problems in this field of distribution." By it a totally new and untried system is to be imposed upon the cotton trade and, indeed, the entire cotton industry of the country; and a price must be paid for this, though no one now can foresee the full amount of the price.

It would seem to be self evident that if there is any excuse at all for Government to intervene with its all-powerful hand in the business affairs of citizens, it must be that Government has a more exact knowledge and a larger wisdom than groups of private persons, however numerous and experienced, can have. One would say off-hand, for instance, that a prime requisite of really beneficial regulation of the distribution of cotton by the Government and of governmental definition of the instrumentalities of that distribution, must be a precision of information upon the subject which the cotton trade has hitherto not displayed. Ignorance or uncertainty as to the nature and principles of the matter are not only indefensible, but preposterous, on the part of even a Government and its members or officers, when they assert the advantage to the body politic of having their conceptions and their will substituted for the experience and judgment, acquired by continually conforming to the apparent necessities of their vocation, of the members of such a business as the cotton business. And yet, one of the outstanding facts in connection with the new governmental regulation of the cotton trade, and especially of the cotton trade, is that the Government itself is wholly devoid of an established and consistent theory with regard to the very nature of what it is attempting more than all else to regulate, namely, those transactions upon cotton exchanges known as contracts for future delivery, or, in the unscientific vernacular of the Government, "cotton futures." In fact, the Government has flatly and violently contradicted [illegible] on the subject within the short space of five years.

Secretary Houston, in the extract quoted from his report, gives a typical [illegible] for the adoption of the Cotton Futures [illegible] consideration that "for many years there has been increasing dissatisfaction with the future market as a means of price insurance." But only five years [illegible] official, Mr. Herbert Knox Smith, Commissioner of Corporations, denounced in the strongest possible terms the theory that "cotton futures" [illegible] as being in common with insurance. [illegible] of Mr. Herbert Knox Smith's "Report on Cotton Exchanges" published on December 4, 1908, [illegible] observations on this subject.

Recently, however, a new definition of hedging, and one of an extraordinary ingenious character, has been advanced by some advocates of fixed differences. This new theory of hedging assumes that the hedge, instead of being intended to relieve the non-speculative class of risks, is virtually a means of effecting a distribution of risks among all parties to the future market, speculative and non-speculative, substantially similar to that which occurs in the case of a mutual fire insurance company.

"There is a fundamental error in this new theory of hedging. It is true that hedging is commonly referred to in the trade as a sort of insurance. It is by no means, however, a mutual insurance, and the word 'insurance' is not applicable in its technical sense. Ordinary insurance is based upon the prospect of loss or destruction of wealth. Insurance is indemnity for such loss. In the case of fluctuations in the value of a product like cotton, on the other hand, there is no destruction of wealth as a result of a decline in values; instead, a shrinkage in value which results in a loss to the seller means a corresponding benefit to the buyer."

We need not discuss this economic elucubration of the erstwhile Commissioner of Corporations, though it is worth remarking that there is much of comfort for the Southern cotton producer this year in the thought that the decline in the value of his crop implies no destruction of wealth, since somebody else gains what he loses. The main point is, however, that a pubication of the United States Government declared in 1909 that the definition of the use of hedging,—i. e. of cotton future contracts,—as insurance is "of an exceedingly fallacious character," while the Secretary of Agriculture in 1914 asserts that "a growing dissatisfaction with the future markets as a means of price insurance" has been the motive and justification for the enacting by Congress of legislation which removes from the class of cotton merchants the control of their business and hands this control over to the officers of the Government, under rules and regulations prescribed by Congress itself. And the very contradiction between Commissioner and Secretary is conclusive evidence that there is no sure governmental knowledge of the nature and necessities of the business of distributing cotton, at least in so far as "cotton futures" are concerned; but that the new legislation has been adopted and is to be put into effect as essentially a quack remedy for an undiagnosed and merely suspected disease.

It may be said that after all this confusion of governmental thinking and the consequent ineptitudes of the legislation which is designed to bring about a better order of things in the cotton business than the members of the cotton trade themselves have been able to attain, does not involve what may be called "costs." Though the Government bungle, the trade, it may be urged, can adapt itself to the bungling, as it adapts itself to the unfavorable vicissitudes of the weather or to the unexpected disturbances of the world's affairs; and one more hazard to be provided for, among so many as the cotton merchant has to face, need not bring with it a material increase of economic cost. Unfortunately, the matter is not so easy to dispose of. The very interposition of the Government, with its imperative yet ignorant regulations, must bring with it a long train of unseen and incalculable costs, in the shape of activities restricted, energies checked and diminished, courageous enterprise thwarted and held in bonds. When the Government comes in at the door, the free motion of the mind escapes by the window. The mere shadow of governmental

authority paralyzes initiative, lessens efficiency and decreases the sum-total of benefits which society derives from the thinking and working of any class or group of individuals within itself. Here are "costs," and heavy ones, to be paid for the Cotton Futures Act, whose praises are sung by Secretary Houston.

There are, however, more tangible and calculable "costs" which will have to be met, as a result of the legislation. In order to compass the ends which, in its economic ignorance, Congress thought to be essential and desirable, provisions have been incorporated in the Cotton Futures Act which will continually expose all persons producing cotton or dealing in it to the most serious losses. It is enough to enumerate but two or three of the "cost" effects of these provisions, and particularly such as directly affect the cotton producer, whose name has been so much in the mouths of the advocates of governmental control of the processes of distributing the cotton crop. Henceforth, so long as the Cotton Futures Act is in force, the cotton farmer who has the misfortune to have his still unpicked crop exposed to storms will have no calculable market whatever for his cotton. It will be of too low a grade to be bought and sold upon the cotton exchanges, and the unlucky farmer must take what price he can get for it, irrespective of its worth to the spinner who ultimately uses it. In at least two years out of the past ten, not less than five million bales of such cotton have had to be marketed, and with the aid of the cotton exchanges, reasonable prices have been obtained for it. But Congress, in order to attain an object of no economic consequence whatever to these or any other cotton producers, has smitten the already grievously burdened owners of storm-beaten cotton and insured that it shall sell enormously below its true worth. Similarly, large quantities of cotton are regularly produced in the South whose fibre is less than seven-eighths of an inch in length; and when the Atlantic States are visited with a severe drought in August and September the amount of such cotton is very greatly increased. This cotton, also, is deprived of a calculable market by the Cotton Futures Act. As the seasons revolve it will be found that the "cost" of this far-reaching governmental rule, whose aim is to force farmers, will they nill they, to raise the kinds of cotton governmentally approved of, will prove high indeed for the farmers who suffer from it. And so we might continue both in the field of cotton production and in that of distribution; everywhere we should find indefensible governmental compulsion, heedlessly working "cost" effects which unfortunate individuals must bear. And through it all runs ignorance, the crass ignorance of men who have power and mean to use it, but who are incompetent and destructive, as governments and their officials must always be, when they undertake to interfere with the practical conduct of business affairs.

Arthur Richmond Marsh

THE COTTON LOAN FUND AS THE REDUCTIO AD ABSURDUM OF BANKING ASSISTANCE

IT is unnecessary to recite here all that has been said and done during the past two or three months in connection with the provision of a fund of $135,000,000, to be loaned for the purpose of carrying the surplus of the present great cotton crop over the period of the European War, until the return of peace and the resumption of full consumption may enable the cotton to be sold at a reasonably remunerative price. From its very inception the plan has received a large amount of public attention and the public-spirited efforts of those engaged in promoting it have been duly recorded in the newspapers. There is no doubt that an enormous amount of time and energy has been expended upon the matter, both by the important bankers whose aid was enlisted and also by the Secretary of the Treasury and the Federal Reserve Board. The highest hopes have been roused, particularly throughout the Southern States, that the vast sum of money proposed to be put at the disposal of those wishing to hold cotton would greatly stimulate the cotton markets and lead immediately to much higher prices, notwithstanding the unprecedented supply of cotton due to a record crop and a violent decline in the world's immediate requirements. So impressive was the plan to the general mind that it became almost heretical to express the slightest doubt of its efficacy. This paper was sharply criticized by some of its readers for saying editorially on October 31: "The interest, then, of the cotton trade in the Cotton Loan Fund is as yet purely that of curiosity; and the main point of this curiosity is as to the character of the persons to whom it is expected that the $135,000,000 will be lent."

On Saturday of last week, Mr. W. P. Holly, Secretary of the Cotton Loan Committee, issued to the various State committees which have been organized throughout the South, a letter of advice and instructions with regard to terms and conditions under which the $135,000,000 may be made available for borrowers, with cotton as collateral. It is probable that no scheme for rendering banking assistance was ever contrived which could be compared with this for complication, rigidity and complete impracticability for all the uses of trade and commerce. After reading it, one is impressed with the pertinency of the question suggested above, "as to the character of the persons to whom it is expected that the $135,000,000 will be lent." It is apparent on the face of the thing that these persons will not be cotton merchants, cotton manufacturers, or, except to an infinitesimal extent, cotton farmers. None of these classes of persons could possibly make any real use of the fund. The requirements governing the lending of it are in one or another way alien from all the practices and necessities of collecting, carrying and distributing the cotton crop. Hence the inevitable conclusion would seem to be that the great fund is to be administered for the benefit only of large speculators in cotton, if such should appear. They alone could amass cotton in warehouses, remove it from the market for fixed periods of time and immobilize it until the pinch should come and the price advance, as seems to be expected by those who have devised the rules and regulations with which the managers of the fund,—the bankers and the Federal Reserve Board,—have surrounded the obtaining of advances from the fund upon the pledge of cotton. After studying these rules and regulations, the mind becomes increasingly suspicious that there is real merit in the contention, so indignantly repudiated by the Secretary of the Treasury upon the authority of the Attorney General, that the entire scheme is in essence distinctly in contravention of the principles, if not of the terms, of our National anti-trust legislation. It is, however, unnecessary to go farther into details; the rules and regulations themselves tell their own story to anybody in the least degree familiar with the trade and commerce in cotton. Consequently, the letter of Secretary Holly to the Southern local committees is printed herewith in full. Perhaps in the future it may be possible to say of it, as Vergil makes his hero Aeneas say of his shipwreck on the African coast: "*Forsan*

—perhaps we shall find it worth while to remember even this by-and-by." The plan is as follows:

* * *

The local committees must satisfy themselves:

(a) As to the responsibility of each borrower.

(b) That the cotton described in the warehouse receipts is of the grade or grades specified in the note; that none of such grades is under "low middling," and that, on the basis of 6 cents per pound for middling, the quality of cotton supplies a margin of 20 per cent above the face amount of the proposed loan.

(c) That the warehouse in which the cotton is stored is a properly protected structure.

(d) That it is not under the ownership of control of the applicant for a loan.

(e) That the warehouse receipts and insurance policies are in proper form.

(f) That storage charges and insurance premiums are paid as stated in the applications. Insurance by marks, numbers and amounts per bale is desired in all cases, and the right is reserved to reject policies or certificates not so written.

(g) That all insurance policies are issued by standard companies, and are so written or endorsed that any loss or damage thereunder will be payable to the Cotton Loan Committee as its interest may appear.

When policies contain a clause requiring the cotton covered thereby to be insured to the extent of a specified percentage (usually 80 per cent or 90 per cent) of its actual value, that such cotton is insured to the extent of the value required.

(h) That the cotton is free of all liens.

(i) That the applicant is the sole owner thereof.

(j) That the bank or banker forwarding the application is reputable and in good standing.

(k) That such bank or banker accompanies the transmittal of the application for said loan with a New York draft payable to the order of the Cotton Loan Committee for 25 per cent of the amount of the applicant's note, for the amount of which draft a Class "B" participation certificate will be issued.

The local committee must also be certain:

(a) That the form of application for loan prescribed by the Cotton Loan Committee has been duly filled out and signed by the applicant.

(b) That the form of transmittal of such application and of subscription to Class "B" certificates, as prescribed by the Cotton Loan Committee, has been duly filled out and executed by the bank or banker forwarding the application.

(c) That the applicant has duly signed the form of note prescribed by the Cotton Loan Committee.

(d) That the proper [illegible] stamps have been attached to such note and cancelled.

Each application for a loan must receive the approval of at least two members of the local committee, one of whom shall be the chairman. In giving [illegible] the local committee will recite its full title [illegible] Loan Committee for New Orleans."

Each application [illegible] to the committee for the State, which includes the [illegible] committee is acting. When the State committee consists of one or more members each loan shall be approved by [illegible] thereof, one of whom shall be the chairman. When the committee consists of less than [illegible] each committee shall be composed of [illegible] at least two members thereof. [illegible]

Before approving any application [illegible] committee shall satisfy itself that all papers [illegible] in subdivisions 3 and 4 have been duly made out and executed, and are in proper form; and the approval by a State committee of any such application will be considered by the Cotton Loan Committee as equivalent to the assurance of the State committee that it is satisfied that all statements of fact contained in the papers relating to such application are correct.

Unless all forms received in connection with each application are correctly filled out, properly executed and comply with these instructions and with the requirements of the plan, the application cannot be considered, and all papers will be returned to the State committee through which it was received.

Please impress upon banks and bankers through which or through whom applications are made that they are responsible for the payment of interest upon all loans for which they respectively forward applications, which interest, in accordance with the provisions of the note prepared by the Cotton Loan Committee, is payable at the office of the last named committee in the City of New York. No notice when interest payments are due will be sent to borrowers.

Although the plan makes no provision for part payments of loans, a borrower desiring to make such a payment may communicate his wishes to the bank or banker through which or through whom his application for loan was forwarded, which bank or banker must bring the matter to the attention of the Cotton Loan Committee and, in so doing, must state whether or not such bank or banker approves the proposed payment. The Cotton Loan Committee will consider each case separately and deal with it in such manner as the particular facts seem to require, except that no part payment will be accepted unless approved by the bank or banker through whom the loan is made, nor unless interest to the next interest date is paid on the sum prepaid on account of principal.

Payment of notes in full may be anticipated by borrowers, but not until thirty days after notice to the Cotton Loan Committee. If payment of loans is made between interest dates, interest must, nevertheless, be paid to the interest date then next ensuing.

The requirements that the payment of loans may be anticipated only upon thirty days' notice and upon payment of interest to the interest date then next ensuing were inserted in the plan in order to protect the guarantee fund, the balance of which, after payment of expenses and possible losses on loans, is to be returned pro rata to the borrowers. All subscriptions to the fund bear 6 per cent interest. Loans made from the fund carry interest at the same rate. In order that there may be no deficiency in the amounts available for interest payments, it is necessary, therefore, that all moneys loaned shall earn interest until distributed to subscribers.

All insurance policies must be issued by companies satisfactory to the Cotton Loan Committee.

The Cotton Loan Committee reserves the right to reject any application for a loan.

THE WORLD'S WHEAT CROP IN 1914 AND THE PRODUCTION OF THE UNITED STATES

THE wheat crop of the United States for the year 1914-1915 is now estimated to be the largest in the history of the country. According to the English authority, Broomhall's, it will amount to 111,500,000 quarters, or 892,000,000 bushels. The estimate of the United States Department of Agriculture places the Winter wheat at 684,000,000 bushels, and the Spring wheat at 208,000,000 bushels, or a total of 892,000,000 bushels for the 1914 harvest. This is probably the largest crop that has ever been raised in any country of the world in a single year, although the local government estimate of the crop of Russia, including

Siberia, for 1913-1914 was nearly 945,000,000 bushels,—which, however, Broomhall's states to have been "considerably in excess of commercial estimates." The largest wheat crop raised in the United States previous to the current year was in 1913-1914, when the yield was 763,000,000 bushels. That record was approached in 1901, with a harvest of 748,000,000 bushels; in 1906, with 735,000,000 bushels; in 1909, with 737,000,000 bushels; and again in 1912, with 730,000,000 bushels. In no other years has a crop as large as 700,000,000 bushels been produced in the United States. The average wheat production of the country, by groups of years, will be seen in the following table:

AVERAGE ANNUAL WHEAT PRODUCTION OF THE UNITED STATES.

Years.	Bushels.	Years.	Bushels.
1866-75	244,672,000	1890-1900	515,480,000
1876-85	419,940,000	1900-10	670,784,000
1886-90	443,847,000	1910-14	752,740,000

The 1914 wheat crop of all wheat producing countries together was not the world's largest. It reached an estimated total of 3,613,600,000 bushels, as against 3,848,048,000 bushels for the previous year. The percentage of the United States crop in the total world's harvest has shown a steady increase during the past five years. This percentage was 24.6, in 1914; 19.7, in 1913; 19.4, in 1912; 18.0, in 1911; and 17.9, in 1910. The second largest producer of wheat is Russia. During the past five years the Russian crops have held the following percentages in the world's total: In 1914, 21.5; in 1913, 24.5 (on the basis of a return considered excessive by Broomhall's); in 1912, 19.6; in 1911, 14.7; and in 1910, 23.6. Allowing, however, the large Russian figure for 1913 to stand, the average of crop ratios of the United States to world's crops for the five-year period is 19.9 per cent, against an average for Russia of 20.7, or approximately an equal ranking.

It is invariably a source of surprise to the casual student of the world's production of wheat to learn that, despite the vast productive areas known to exist in North America, South America, Australia and India, the European output of wheat ranges well above half of the total world's crop in the average year. As will be seen in the complete record of the wheat production of the world printed at the end of this article, the average wheat output of Canada or Argentina has been very little in excess, in normal years, of the crop of Italy or of Germany. France has consistently maintained its position as fourth in the rank of wheat producing countries. The French crop for 1914-1915 is estimated at 37,000,000 bushels. The requirements of the population are so great, however, (the per capita wheat consumption of France being the highest in the world) that the imports of wheat into that country run well above 50,000,000 bushels annually. The following table, based upon the estimated figures for 1914-1915, gives the relative rank of the chief wheat producing countries of the world:

PRINCIPAL WHEAT PRODUCING COUNTRIES OF THE WORLD, 1914.

Country.	Quarters.*	Country.	Quarters.*
United States	111,500,000	Germany	19,000,000
Russia (incl. Siberia)	97,300,000	Spain	14,200,000
India	47,000,000	Hungary	13,500,000
France	37,000,000	United Kingdom	7,700,000
Argentina	24,000,000	Austria	7,500,000
Italy	21,200,000	Australia	6,000,000
Canada	19,700,000	Rumania	5,500,000

*One Quarter equals eight bushels.

It is interesting to note that, of the countries in this list which are now at war, only Hungary, Germany and Russia have suffered a decline of relative position as a result of the present harvest. Russia dropped from first to second place; but it must be remembered that some doubt attaches to the Russian figures for 1913. The Russian crop for 1914 is greater than that of either 1912 or 1911. The crop of Hungary showed a substantial decline, having been 19,120,000 quarters in 1913. That country, accordingly, fell this year in rank from eighth place to tenth place. Germany, with its crop of 19,000,000 quarters, as against 21,000,000 in 1913, fell from seventh to eighth place. Austria, with a crop of 7,500,000 quarters, as against 8,300,000 quarters last year, still gained slightly in relative position, going up from thirteenth place to twelfth place. The United Kingdom produced a crop of 7,700,000 quarters, as against 7,100,000 in 1913, and increased its relative standing from fourteenth to eleventh place. France remained stationary at fourth place.

As indicating that the effects of war may not be felt until some time after the conclusion of peace, it is perhaps suggestive to observe the decline of wheat production in two years in the countries most influenced by the Balkan war. This will be seen in the following table:

WHEAT PRODUCTION OF BALKAN STATES.

	1914, Quarters.	1913, Quarters.	1912, Quarters.
Rumania	5,500,000	10,000,000	10,600,000
Bulgaria	2,000,000	5,000,000	5,500,000
Servia	1,000,000	1,378,000	2,044,100
Greece	700,000	500,000	920,000

It will be observed that Greece is the only one of the States cited which does not show an uninterrupted decline in its output during the past three years.

A point regarding which considerable popular misconception exists is the relative suitability for wheat production of Russia and Canada. It is well known that the center of the wheat producing area of the United States has, during the past century, moved with considerable steadiness Westward and Northward. In the years from 1800 to 1825, for example, New York was the principal wheat producing State of the Union. The opening of the Erie Canal in 1825 provided adequate transportation facilities, and for many years, according to Prof. A. P. Bingham, Rochester held a position relatively as predominant with regard to milling operations as that of Minneapolis to-day. In the next decade, however, the States of the Middle West took the lead. The Westward progress by decades from 1839 to 1899 will be seen in the following table, showing the relative rank of wheat producing States in eight years, together with the production of the ranking State in millions of bushels:

LEADING WHEAT PRODUCING STATES.

	1.	2.	3.	4.	Crop of Leading State.
1839	Ohio	Pennsylvania	New York	.....	16
1849	Pennsylvania	Ohio	New York	Virginia	15
1859	Illinois	Indiana	Wisconsin	Ohio	23
1869	Illinois	Iowa	Ohio	Indiana	30
1879	Illinois	Indiana	Ohio	California	44
1889	Minnesota	California	N. Dakota	Indiana	45
1899	Minnesota	N. Dakota	S. Dakota	Ohio	68
1909	N. Dakota	Kansas	Minnesota	S. Dakota	117

It is on the basis of the Northward and Westward tendency thus indicated that the most optimistic predictions have been made with regard to the Canadian wheat production. It can hardly have been other than disappointing to observers of recent crops in Canada to find that the large increase expected has not materialized. On the other hand, the Russian crops have been the world's largest in several seasons, despite the reported inferior quality of Russian labor. The chief obstacle to consistent wheat production supposed to be inherent in Russian conditions as compared to those in Canada is the great cold to which the former country, especially the Siberian section thereof, is subject. Of particular interest, therefore, is a comparison of temperatures in Russia and Canada, as shown in the following table:

AVERAGE MEAN TEMPERATURES, RUSSIA AND CANADA.

	December.	January.	February.
Petrograd	21.7	15.7	17.5
Archangel	12.5	6.6	9.2
Tomsk (Siberia)	— 1.1	— 3.6	3.0
Winnipeg	3.6	— 6.8	— 1.9
Prince Albert	2.3	— 8.5	— 2.9

It will be seen from these figures that the average temperatures in the Russian wheat section are considerably higher than those in the corresponding section of Canada.

It is worth noting that the United States exported, during the governmental year of 1913-1914, 19.07 per cent of its wheat crop. Despite the relatively low yield per acre in this country, as compared with that of other countries (the estimated yield in the United States being between twelve and fifteen bushels per acre, as against a yield in Great Britain, for example, of over twenty-five bushels per acre), yet the relative export ratio continues to be high, considering the large annual increase in our population. One cannot help recalling the famous prediction of Sir William Crookes, President of the British Association for the Advancement of Science, with regard to this matter. In a speech before the association in 1898 Sir William made the following observation: "It is almost certain that within a generation the ever-increasing population of the United States will consume all the wheat grown within its borders and will be driven to import, and, like ourselves, will scramble for a lion's share of the wheat crop of the world."

The year 1931 was fixed upon by the speaker as the time when the world's consumption of wheat would exceed its production. An even earlier time was recently suggested by another authority, at which the United States might cease to have an available surplus of wheat to help supply the European deficit, viz.: Prof. F. W. Taussig, of Harvard University, in his "Principles of Economics." In discussing the theory of comparative advantage as influencing international commerce, Professor Taussig, writing in 1909, made the following comment: "The exports (of wheat) are now declining and may cease in the course of a decade. The tendency to decline in these once heavy exports is commonly ascribed to the fact that we 'need' the domestic product for our rapidly increasing population. This is true as far as it goes. But the reason why the product fails to keep its former relation to population is the increasing cost (marginal cost) of wheat. The increase in cost means, in other words, lessening effectiveness and lessening comparative advantage; hence lessening exports."

In view of these statements, which must wait in one case until 1931, and in the other until 1919, before their truth can be wholly determined, the present percentage of our wheat crop exported is of particular interest. Looking back over the record of years, it is evident that considerable fluctuations in this ratio of exports to total production have taken place. Records are scanty in the early years of the nation's development. In the Statistical Abstract of the United States the percentage of the crop exported in 1840 is given as 12.10; that exported in 1850 as 6.81; and that in 1860 as 9.19. After the Civil War a sharp advance in the ratio took place. From a percentage of 7.89 in 1867, the figure of 22.30 was reached in 1871; 32.54, in 1874; and 40.18, in 1880. This large proportion of exports was not reached again until 1894, when the figure was 41.47. In 1898, the year of Sir William Crookes' remarks, a slightly higher export ratio was attained,- namely, 40.9 per cent,—and the maximum was reached three years later, with 41.36 per cent.

A period of sharp decline followed. The export percentages for the next four years, beginning with 1902, were 31.37, 30.28, 18.92, and 7.99—the last being the lowest since 1867. A steady rise then followed until, in 1908, the figure of 25.71 per cent was reached. In 1911, however, the ratio had fallen as low as 10.91, but increased again to 12.83 in 1912, and to 19.57 in 1913. In other words, in spite of sharp fluctuations in the ratio of exports to production, there seems to be no immediate prospect that with average conditions our domestic requirements of wheat will equal our production within seventeen years. Sir William Crookes estimated the population of the United States in 1931 at 130,000,000. In 1913, with a population of less than 100,000,000, we spared for export nearly 150,000,000 bushels of wheat, and our estimated surplus this year is 272,000,000 bushels. Even on the basis of the 1913 crop, with an increase in population in 1931 of 30,000,000, requiring four and one-half bushels of wheat per capita annually, there would still remain fifteen millions of bushels in excess of domestic requirements; and this leaves out of account the natural increase in wheat acreage and production. The acreage has increased from 20,000,000 acres, the average for the years 1866-1875, to 50,000,000 acres in 1913. The increase in production has been shown in an earlier table. It has manifested a steady increase, by periods of years, since 1866. The period 1910-1914 showed an increase in production of over 80,000,000 bushels annually, as compared with the decade 1900-1910.

It should not be assumed from these remarks that the world's requirements are vastly below the world's production, even at the present time. For example, the London "Statist" in a recent issue estimates the world's requirements, as compared with the available surpluses for the current year, as follows:

WORLD'S WHEAT REQUIREMENTS AND SURPLUSES, 1914-1915.

	Requirements. Quarters.		Available Surpluses. Quarters.
United Kingdom	26,500,000	United States	34,000,000
France	7,000,000	Canada	11,000,000
Italy	6,500,000	Russia	15,000,000
Belgium	7,000,000	Rumania	3,000,000
Holland	2,500,000	Argentina	8,000,000
Spain	1,500,000	India	4,500,000
Switzerland, Portugal and other European countries	4,500,000	Australia	2,000,000
Non-European countries	10,500,000	Other countries	500,000
	66,000,000		
Germany	8,500,000		
Austria-Hungary	4,500,000		
Total	79,000,000	Total	78,000,000

It would appear from this estimate that, were Germany and Austria-Hungary in a position to import wheat, the world's surplus would be inadequate to meet the current demand. It should be borne in mind, however, that variations in the world's harvest of wheat, amounting to from 10,000,000 quarters to 40,000,000 quarters, have not been uncommon, and have been taken care of without hardship in the wheat consuming countries. In other words, the various elements in the law of supply and demand are brought into play with regard to the wheat crop from year to year. If a relatively large surplus is available the price will tend to decline, and the extra supply to be absorbed with small increase in the relative amount of money expended by each purchasing country to obtain its wheat supply. If the available surplus is relatively small, prices rise, and the purchases of wheat are reduced. But economies result all over the world in the use of wheat; waste is curtailed; and, indeed, before the famine point could be reached it would be necessary to exhaust the available resources of mankind in respect of the development of the greatest possible wheat acreage and the largest yield per acre consistent with the law of the diminishing return, and finally, as a last resort, in the application of the Malthusian doctrine of restriction of the increase of population.

A most suggestive illustration of the remark that the ordinary

course of distribution of the average enormous wheat crop does not exhaust the sources of supply is furnished in Professor Taussig's observations upon various attempts to form "corners" in wheat. He points out that the actual operations looking toward the cornering of the supply reduce (without apparent hardship) the consumption of the commodity, thus relatively increasing the available supply; and simultaneously there develop, at numerous points, wholly unexpected sources of supply which drain the financial resources of the manipulator and usually end in the failure of the attempt, as in the famous case of the Frenchman, Secretan, whose efforts to corner the wheat market in 1887-1888 led to his failure and suicide.

In conclusion, there is appended Broomhall's annual statistical survey of the world's wheat production, covering the world's harvest of wheat for the crop season of 1914-1915, with comparisons for the three previous seasons.

Official returns are taken when obtainable, excepting in certain cases, where recognized estimates are adopted in preference. The returns represent the crops harvested in July and August of the years named, excepting in the cases of Argentina, Uruguay, Australasia and Chili, which are harvested fifteen weeks subsequently, and in the case of India still somewhat later. For the current year forecasts only can be given for these five growers.

WORLD'S WHEAT PRODUCTION BY COUNTRIES.

(1 quarter equals 8 bushels.)

Europe.	1914-15. Quarters.	1913-14. Quarters.	1912-13. Quarters.	1911-12. Quarters.
France	37,000,000	38,900,000	41,700,000	40,000,000
Russia, 72 gov'ts, including Siberia	97,300,000	‡118,100,000	91,017,000	†63,500,000
Hungary	13,500,000	19,120,000	21,670,000	22,100,000
Austria	7,500,000	8,300,000	8,330,000	7,000,000
Croatia and Slavonia	1,000,000	2,110,000	1,410,000	1,850,000
Bosnia & Herzegovina	200,000	320,000	370,000	300,000
Italy	21,200,000	26,800,000	20,700,000	24,000,000
Germany	19,000,000	21,000,000	20,030,000	17,500,000
Spain	14,200,000	13,800,000	14,000,000	18,682,000
Portugal	1,000,000	700,000	700,000	1,200,000
Rumania	5,500,000	10,000,000	10,600,000	11,400,000
Bulgaria and Rumelia	2,000,000	5,000,000	5,500,000	8,500,000
Servia	1,000,000	1,378,000	2,044,100	1,800,000
Greece	700,000	500,000	920,000	400,000
United Kingdom	7,700,000	7,100,000	7,175,000	7,987,000
Belgium	1,200,000	1,800,000	1,910,000	1,800,000
Holland	850,000	600,000	575,000	500,000
Switzerland	400,000	440,000	397,400	440,000
Sweden	900,000	913,000	976,000	1,037,000
Denmark	500,000	520,000	470,000	500,000
Norway	50,000	35,000	39,000	30,000
Cyprus and Malta	300,000	300,000	300,000	300,000
Total Europe, quart'rs	232,800,000	277,736,000	250,833,500	230,826,000
Total bushels	1,862,400,000	2,221,888,000	2,006,664,000	1,846,608,000
America.				
U. S. A.	111,500,000	95,400,000	91,250,000	77,700,000
Canada	19,700,000	28,900,000	28,000,000	28,800,000
Argentina	24,000,000	14,200,000	24,800,000	21,300,000
Uruguay	1,000,000	700,000	1,000,000	1,200,000
Chili	2,000,000	1,500,000	700,000	1,750,000
Mexico	1,000,000	1,300,000	2,000,000	700,000
T'l America, quarters.	159,200,000	142,000,000	148,250,000	131,450,000
Total bushels	1,273,600,000	1,136,000,000	1,186,000,000	1,051,600,000
Africa.				
Algeria	2,500,000	4,600,000	3,400,000	4,500,000
Tunis	300,000	500,000	530,000	1,100,000
Total Africa, quarters	2,800,000	5,100,000	3,930,000	5,600,000
Total bushels	22,400,000	40,800,000	31,440,000	44,800,000
Asia.				
India	*47,000,000	39,400,000	45,100,000	46,500,000
Japan	3,000,000	3,200,000	3,100,000	3,000,000
Total Asia, quarters	50,000,000	42,600,000	48,200,000	49,500,000
Total bushels	400,000,000	340,800,000	385,600,000	396,000,000
Australasia.				
New South Wales	2,000,000	4,750,000	4,060,000	2,900,000
Victoria	1,800,000	4,110,000	3,300,000	3,300,000
Queensland	200,000	200,000	150,000	50,000
South Australia	1,200,000	2,100,000	2,425,000	2,500,000
West Australia	700,000	1,700,000	1,140,000	580,000
Tasmania	100,000	40,000	79,000	90,000
Total Commonwealth.	6,000,000	12,900,000	11,154,000	9,420,000
New Zealand	900,000	670,000	650,000	1,000,000
T'l Austral'sia, quart's	6,900,000	13,570,000	11,804,000	10,420,000
Total bushels	55,200,000	108,560,000	94,432,000	83,360,000
Total world's crops:				
Quarters	451,700,000	481,006,000	463,017,500	427,796,000
Bushels	3,613,600,000	3,848,048,000	3,704,140,000	3,422,368,000
Quintals	983,000,000	1,047,137,000	1,007,989,000	931,311,000

*An estimate for next March.
†Seventy-three governments.
‡Considerably in excess of commercial estimates.

ECONOMIC NOTES

British Loan of $50,000,000 in China.—Consul General Arnold, stationed at Hankow, China, has submitted a report to the Department of Commerce with regard to a large British loan negotiated with the Chinese Government to cover improvements in Hankow. This report is of particular interest in connection with Mr. C. L. Chandler's article on British investments printed in last week's issue of this paper. The statement of Consul General Arnold is as follows: "The local manager of one of the foreign banks confirms the report of the conclusion of a loan agreement between Samuel Samuels & Co., London, and the Chinese Government, whereby Samuel Samuels & Co. are to furnish at the expiration of the present war the sum of £10,000,000 ($50,000,000 in round numbers), a portion of which is to be expended on the construction of a bridge across the Yangtze River and one across the Han River, connecting the Wuhan cities Hankow, Hanyang, and Wuchang, and permitting the Hankow-Szechwan and Hankow-Canton Railways to enter Hankow city. Such portion of the loan as is not used for the two bridges (it is estimated that these bridges will cost less than £5,000,000) will be used in the reconstruction of the city of Hankow along modern lines. The agreement, so it is reported, grants to Samuel Samuels & Co. the exclusive right to furnish such foreign materials as are necessary in the construction work."

* * *

Personal Income Tax Returns in the United States for 1913.—The annual report of the Commissioner of Internal Revenue, issued in Washington on December 11, gives the returns from the revenue tax upon personal incomes for the collection year of 1913 (government fiscal year ending June 30, 1914). It is to be remembered that the personal income tax collected for 1913 covered only ten months of the year, and that consequently the amount collected could be only ten-twelfths of the amount for a full year. Moreover, it is probable that many persons, by reason of the variation of their incomes in the earlier and the later months of the year, were not taxable in 1913, though they would have been upon the basis of a full year's income. The figures, consequently, cannot be taken, even proportionately, as conclusive with regard to the normal annual yield which the government will obtain from the personal income tax. This is said because of the astonishment and disappointment expressed in many quarters, political and other, at the small number of taxable incomes reported and the unexpectedly low aggregate amount of the tax assessed,—though it must be admitted that the actual returns fall amazingly below the estimate of $70,135,000 (for a full year) made by Treasury experts when the Underwood Tariff Act was being framed by Congress.

The total number of individuals paying tax upon their personal incomes for the last ten months of 1913 was 357,598, of whom 272,153 were married men, 6,682 were married women, 55,212 were single men, and 23,551 were single women. Of the total number of taxpayers, 1,426 were Americans residing abroad; and 425 were non-resident aliens. The normal tax of 1 per cent on all taxable incomes yielded the sum of $12,728,058; while the surtax on incomes over $20,000 a year produced $15,527,497. The total amount of tax collected was, therefore, $28,253,535 for the ten months included, or at the rate of $33,904,242 for a full year. Of the amount derived from surtaxed incomes, $2,934,754 came from incomes of between $20,000 and $50,000; $1,645,639 from incomes between $50,000 and $75,000; $1,223,023 from incomes between $75,000 and $100,000; $3,855,948 from incomes between $100,000 and $250,000; $2,554,583 from incomes between $250,000 and $500,000; and $3,437,850 from incomes above $500,000. The complete classification of incomes returned as taxable is shown by the following table:

TAXABLE PERSONAL INCOMES IN THE UNITED STATES.

Incomes Classes.	Persons Taxed.
$1,000,000 and over	44
500,000 to $1,000,000	91
400,000 to 500,000	44
300,000 to 400,000	84
250,000 to 300,000	94
200,000 to 250,000	145
150,000 to 200,000	311
100,000 to 150,000	785
75,000 to 100,000	998
50,000 to 75,000	2,618
40,000 to 50,000	2,427
30,000 to 40,000	4,553
25,000 to 30,000	4,164
20,000 to 25,000	6,817
15,000 to 20,000	11,977
10,000 to 15,000	26,818
5,000 to 10,000	101,718
3,333 to 5,000	114,484
2,500 to 3,333	79,426
Number of incomes	357,598

The report of the Commissioner of Internal Revenue further classifies the returns by collection districts; and, as was to be expected, it is found that much the largest portion of the income tax for 1913 was paid by individuals dwelling in or near a few large Eastern and Northern cities, particularly New York, Boston, Philadelphia, Chicago and Detroit. Out of 135 incomes of $500,000 or more, no less than eighty-two were found in the State of New York alone. The following table shows the general classification of the taxable incomes in the State of New York, these being no less than 81,194 out of the 357,598 taxable incomes in the entire United States:

TAXABLE PERSONAL INCOMES IN STATE OF NEW YORK.

Income Classes.	Persons Taxed.
$500,000 or more	82
400,000 to 500,000	17
300,000 to 400,000	48
250,000 to 300,000	46
200,000 to 250,000	63
150,000 to 200,000	105
100,000 to 150,000	278
75,000 to 100,000	467
50,000 to 75,000	879
40,000 to 50,000	851
30,000 to 40,000	1,422
25,000 to 30,000	1,284
20,000 to 25,000	1,632
15,000 to 20,000	2,611
10,000 to 15,000	5,112
5,000 to 10,000	25,328
3,333 to 5,000	20,954
2,500 to 3,333	11,202
Number of incomes	81,194

Production and Consumption of Sugar in the United States.—Figures have recently become available covering exports of sugar from the United States during August, September and October, 1914. They reveal a surprisingly large outward movement of this commodity, amounting for the three months to 229,620,000 pounds, as against a total of exports of sugar for the entire fiscal year 1913 of 67,000,000 pounds. In fact, the total sugar exports for the three months ended October 31, 1914, exceed those of any fiscal year in the history of the United States, with the exception of those during the year 1885, which amounted to 258,000,000 pounds. The exports for August amounted to 38,956,305 pounds; those for September to 52,290,773; and those in October to 138,372,686. The effect of the European war is, of course, apparent in these figures, in that the beet sugar supply of the belligerent countries has been barred from the world's markets.

The following table, compiled from the Statistical Abstract of the United States, sets out the chief factors connected with the movement of sugar in the United States during the fiscal year 1914, together with comparisons with the fiscal years 1913 and 1894:

(In Millions of Pounds.)

Domestic Production.	1914.	1913.	1894.
Cane sugar	601	342	610
Beet sugar	1,240	1,385	45
Total production	1,841	1,728	655
U. S. Imports from			
Porto Rico	641	765	76
Hawaii	1,114	1,085	327
Philippines	116	203	124
Totals	1,872	2,054	526
From foreign countries	4,950	4,536	3,819
Total Imports	6,822	6,589	4,345
Total domestic production and imports	8,663	8,318	5,000
Exports	96	66	64
Domestic consumption	8,567	8,252	4,936
Per capita consumption (pounds)	86.8	85.0	72.9
Per Cent of Consumption Supplied by			
Continental United States	20.6	20.8	13.3
United States islands	21.9	24.7	10.7
Foreign	57.5	54.5	76.0
Totals	100.0	100.0	100.0
World's production	35,860	40,711	16,532
Per cent of world's production consumed in United States	23.9	20.3	29.9

* * *

Corporation Income Tax Returns in the United States for 1913.—Besides the figures for the personal income tax returns, the annual report of the Commissioner of Internal Revenue gives the returns from the corporation income tax during the Government fiscal year ended June 30, 1914. The statistics show that the corporations doing business in the United States in 1913-1914 were 316,909 in number, as compared with 305,336 in the previous fiscal year. The aggregate capital stock reported as issued by the 316,909 corporations in 1913-1914 was $64,071,319,185, an increase of approximately $2,333,000,000 over the capital stock outstanding for the 305,336 corporations in 1912-1913. The bonded and other indebtedness of corporations in 1913-1914 was reported as $37,136,215,096,—making their total capital obligations aggregate the vast sum of $101,207,534,281, or more than two-thirds of the estimated wealth of the United States. The net income of the reporting corporations in 1913-1914,—i. e., their income after deduction of interest on their bonded and other indebtedness, depreciation and bad debts, was $1,339,550,008, or nearly 7 per cent on the amount of their outstanding capital stock. This net income showed an increase of more than $500,000,000 over the net corporation income reported in the fiscal year 1912-1913.

INSURANCE

A DAY or two after the destruction by fire, last week, of Mr. Thomas A. Edison's extensive factory building in New Jersey, he was visited by a newspaper reporter, sent to ascertain the extent of the loss and the effects of it upon the great inventor's own fortunes, as well as upon his state of mind. The interview, as recorded in the New York "Sun," is interesting from more than one point of view; and at the same time it is suggestive in respect of a problem of fire insurance about which the public and, indeed, no small number of persons engaged in the fire insurance business itself are far from clear. The matter can perhaps best be brought out by giving the material portion of the interview between Mr. Edison and the reporter. Asked in general terms what he had to say about the loss of his great property, Mr. Edison characteristically said: "It's just another experience; mine, as a rule, are not so expensive." Then the colloquy continued:

"What would you estimate the loss to be, Mr. Edison, in the light of to-day's developments?"

"I think about $2,000,000," replied the inventor. "No, I didn't have any insurance. I understand, though, that the boys had placed some insurance on two frame buildings; I don't know how much."

By "the boys" he meant the men associated with him, some of them of nearly his own sixty-seven years. He went on.

"I'll tell you how I felt about insurance. A good many years ago I owned a factory that we dcided to abandon. It was insured. Renewal of insurance was refused. The company said that abandoning the factory raised a 'moral issue' as to the insurance.

"What they meant and made clear was that they thought I might set that abandoned factory afire to get the insurance! Well, I just made up my mind that never thereafter would any one get a chance to raise moral issues about my business."

It is, of course, unnecessary to dwell upon the personal susceptibilities of Mr. Edison, which made the merest suggestion of what he denominates a "moral issue" (meaning, naturally, "moral hazard") in connection with himself a sufficient cause for abjuring forever and a day fire insurance and all its works. He belongs to that race apart, the men of creative genius, with all their sensitiveness,—*genus irritabile vatum;* and his practical decisions are not required to have the regulated quality which plain mortals must strive for. None the less, when he charges some fire insurance company with having refused to renew the insurance on certain of his buildings because he was about to abandon them, he raises the question whether or not the company was following a sound business rule within its, and not his, domain. It is not supposable that the agents or officers of any fire insurance company were actually concerned lest Mr. Edison should with criminal intent have his abandoned buildings burned up, so as to collect the insurance. Yet some company, or its agents, apparently did bring up the technical point of increased "moral hazard" by reason of the abandonment of the buildings, even if Mr. Edison did own them. Was the company justified in so doing?

Some light upon this question may perhaps be obtained from approaching it from a slightly different angle, and asking the question, which is one of pure underwriting: "What is the insurable value of a building whose owner has determined to destroy it after a certain space of time, for the purpose of replacing it with another building? An esteemed correspondent of this paper not long ago recounted the expressions of amazement from both property owners and fellow insurance agents in a large Texas city, which greeted his immediate cancellation of the entire line of fire insurance he had placed on a large hotel in that city, upon his learning that the entirely reputable and responsible owners had made plans to pull down the structure in about a year and to erect a more modern building in its place. His contention was that, the moment the old building was condemned by its owners, in their own minds and plans, to destruction, there was a coincident wiping out of the insurable value and, at the same time, so great an increase of the "moral hazard," no matter how upright and responsible the owners, that the continuance of the insurance could not be justified upon any grounds of sound business.

Obviously, the case of buildings merely abandoned is not quite the same as that of buildings condemned to be torn down. It may be contended that the insurable value of the former is not *ipso facto* destroyed; some day the abandoned buildings may be used again, or may be sold to another owner who will use them. But in the matter of the increased "moral hazard," the difference between the two cases is infinitesimal; and this is true almost without regard to the personal and business probity of the owner of the property. It is a far too prevalent error to assume that "moral hazard" in the field of fire insurance has to do purely and simply with the essence or absence of criminal motives or inclinations on the part of the insured. The truth of course is that the "moral hazard" is really good only when the property owner is actively interested in the protection of his property from fire, when that property has positive value in his own eyes and for the purposes of his own use or employment, when in short he will clearly lose more than he can possibly gain from having it burned up. The moment a piece of property comes to be in such a situation, in respect of its owner, that all expenditures upon it in the way of maintenance, proper repair of the structure and its equipment, and general safeguarding of it against the risk of fire, appear to the owner himself to be just so much good money wasted, then that something which fire underwriters know as "moral hazard," in one of its most important phases, comes into play, even though the owner's scrupulous honesty is not open to the slightest suspicion. To such an extent is this true that when the determination to destroy and replace a building has been arrived at by its owner or owners, there is no doubt that sound underwriting principles require the immediate cancellation of all fire insurance upon it, unless the building have some salvage value, in which case the insurance should be based solely upon this salvage value. In the case of the abandonment of buildings, such as Mr. Edison's factories, perhaps less summary action may be necessary. Even then, however, the question of the permissible amount of fire insurance is not one to be resolved simply according to the character of the owner. The character of the property is of much more importance. If this is such that it is improbable that further use will be made of it, whether by the owner or by somebody else, within a reasonable length of time, the same rule should be applied as when the property is marked for demolition. In other words, possibility of further use is the sole measure of the insurable value of such property; and Mr. Edison, despite his genius, showed a complete misconception of the matter when he abjured fire insurance because, as he said: "I just made up my mind that never thereafter would any one get a chance to raise moral issues about my business." Though the business of fire insurance is conducted by private corporations for the most part, the real insurers are the whole mutual body of property owners who contribute to the indemnification of any loss through the premiums they pay. No one, not even Mr. Edison, has the right to expect that these mutually contributing property owners should carry the risk of more than the absolute present value of the property of any one of their number.

THE INFLUENCE OF COMPETITIVE CONCESSIONS ON LIFE INSURANCE

By John B. Lunger*
Vice-President, Equitable Life Assurance Society

AT a gathering of insurance workers a few years ago, in speaking of the growth of Life Insurance in the United States, I referred to the period between 1880 and 1905 as the Era of Expansion. Within that short span of twenty-five years the amount of life insurance in force was multiplied seven times over,—increasing from $1,500,000,000 to $10,500,000,000,—and the assets of the companies increased in almost equal proportion, from $420,000,000 to $2,650,000,000. Equally rapid, though not always equally substantial, growth and expansion were during the same period observable in our great railroad systems, in our other public service corporations, and in our industrial enterprises. It was a period of keen activity in many directions; and American energy, initiative and genius for organization found wide expression. The resulting increase in national wealth, together with the growth of population, were prime factors in the expansion of life insurance, as well as of other forms of savings and investment. In any event, increasing wealth and population furnished the opportunity. That the leaders in life insurance, ever alert, took advantage of the opportunity, is evidenced by the figures which I have quoted.

With rapid growth came the desire for still greater results, until in some companies the ambition to write a constantly enlarging volume of new business became an obsession, displacing for the time being the advantages of a moderately aggressive development and a well rounded record. The sharp competition for volume led to the introduction into the policy contracts of numerous concessions as bids for new business, while old benefits were increased and broadened. This liberality in the matter of policy guaranties was attended by a considerable increase in the cost of new business.

I am not disposed to criticise the increased expenditures; without them the business would not have been multiplied seven times in twenty-five years, and economically it is worth a good deal to have a business developed from a localized benefit into one of the greatest national blessings. Also, in the case of many of the concessions I am disinclined to be critical; for beyond a doubt they developed the life insurance policy from a somewhat narrow and technical instrument into a broad and comprehensive contract. But the fact remains that, by the end of the period which I have called the Era of Expansion, policy concessions had been carried to the point where it seemed no longer possible to add to them; and in some directions they had been carried so far that they ceased to be a real benefit to the policyholders.

This was the situation when laws were passed in the State of New York, in 1906, to regulate and control the operations of the life insurance companies, and standard policy provisions were soon recorded on the statute books of several States.

At the outset it was hard for me in the life insurance business to view, in a temperate frame of mind, the enactment of such laws. I had myself been too busy, perhaps, to observe the effects of unfettered ambition and untrammeled competition in other lines of business, or to consider the changing conditions which were creeping into Life Insurance.

I should like to be able to say that my own change of base was due solely to the intrinsic merit of the new laws; but I must confess that the chief influence in my case was the hope that in regulation might be found a way to enforce a settlement of the questions upon which we have never been able to agree amongst ourselves. I could not recall a single conference called for the general good that had effected a lasting reform, or many that had led even to a temporary benefit. It was always the old story. You are all familiar with it,—so long as a competitive advantage could be secured by adhering to methods in vogue, some one objected to any change or urged postponement of action. The futility of co-operation having been forcibly impressed on my mind, I passed to the conclusion that in life insurance, at least, State regulation is the only practical check on self-interest and ambition, and the only efficacious curb on unwise practices and over-liberal concessions.

With this preliminary statement, which is intended to set forth in outline the rapid growth of the business and the competition incident thereto, and also to point out how regulation may serve a useful purpose not originally contemplated, I will endeavor to trace the influence of some of the competitive concessions made between 1880 and 1905, and of the practices of the period, upon certain of the Laws of 1906; and to suggest wherein it may be possible now to amend such laws, to the benefit and advantage of the companies and their policyholders.

The concessions took the form chiefly of Loan and Surrender Values frequently increased, and of plans for appealing to self-interest by so-called investment benefits, depending for their attractiveness on the accumulation of surplus earnings over a period of years, usually fifteen or twenty, the normal annual earnings being supplemented by interest accumulations and by the forfeiture of the surplus on policies which did not continue in force until the end of the period.

To check these large accumulations and to compel an annual distribution of surplus, Sections No. 87 and No. 83 of the New York Insurance Law were passed. Section No. 83 requires annual dividend distributions to policyholders. Section No. 87 limits the contingency reserve, or surplus, of the companies to a percentage of the net values of their contracts, which percentage, in the case of companies with net values in excess of $75,000,000, is 5 per cent thereof.

At the time this Section was under consideration at Albany, competent and experienced officials represented that the requirement of annual dividends, as per Section No. 83, and the competition between the companies to make a good showing in this respect, would be an adequate check upon undue accumulations of surplus, and that a limitation of surplus funds, especially to such a low ratio as 5 per cent, might in the course of time invite some problems. In the few years which have passed since this law went into force we have experienced financial disturbances and economic phenomena which have proven the wisdom of the advice then given.

The world-wide decline in security values, which is part of the phenomena, has found a partial compensation in an increase in the rates of interest. In consequence of this increase, it is probable that the new investments of the companies in the last five or six years have been made at an average rate of three-quarters of 1 per cent over the average rate for several years prior to 1907. Pending the return of security values to former quotations, no company in which the surplus exceeds the 5 per cent limitation should be compelled to distribute in dividends such additional interest earnings; especially if the company is compelled to value its bonds on the amortized plan. It would be safer and in better keeping with sound practice to permit the company to set aside in a Securities Fluctuation (or similar) Fund, that part of its interest earnings which are due to the increase in the rate of interest, in order that by such savings it might gradually replace any decline in values. Then, if the decline should be recovered

*A paper read before the Association of Life Insurance Presidents, at New York City, December 11, 1914.

solely by an improvement in general conditions, it would not be difficult to distribute such special fund amongst the policyholders. I, for one, would advocate the entire repeal of this Section; but if it be decided to retain it, then I would urge its being made very much more elastic.

Next I come to Section No. 83, which requires the ascertainment and annual distribution of surplus. This law was aimed at policies with so-called "investment" features, and under which the surplus earnings were distributed on the deferred dividend plan. After this lapse of time, let us admit in all fairness that the fault of this method of paying dividends was not in the plan itself, but in the abuses to which the plan was subjected. If a law had been framed correcting the abuses and requiring an annual accounting of surplus, I believe there would have been no further cause for complaint. Nevertheless, I would not advocate a change in this Section, except in one respect; and that is in the case of one particular class of policies, small in relative volume but possessing very special importance,—namely, the policies issued on sub-standard lives. At the present time, not less than thirty millions of new insurance of this kind is issued in the United States each year. It constitutes, on this and other grounds, a volume of insurance worthy of special consideration and of special treatment.

In a general way, sub-standard lives, for life insurance purposes, may be divided into two groups: The first, those amongst whom the extra mortality increases with time,—that is, with the duration of the policies, the heaviest death rate proportionately occurring in the later policy years; and the second, those amongst whom the extra mortality diminishes or improves with time,—the heaviest death rate proportionately occurring in the early policy years.

Under the law, as it now reads, the only practicable method of finding compensation for this extra mortality is to charge an extra premium, usually obtained by rating up the age of the insured. It does not follow, however, that this is the best method or the most scientific. Those who have had the longest experience in the conduct of sub-standard business would hold, I believe almost unanimously, that the benefits of this class could be extended and advantages gained for the policyholders, if the law were amended so as to allow the companies to find compensation for the extra deaths by the use of liens and the establishment of separate surplus funds, as formerly. By the use of these "offsets" to extra mortality, used separately or together, it would be possible to issue a large percentage of the policies at regular tabular rates, besides automatically providing a way of rewarding those who outlive their expectancy.

Let us now turn to Section No. 88, defining the surrender values of lapsed and forfeited policies, and to that part of Section No. 101 which relates to policy loans. In these statutes we find evidence of an intention, not only to protect the interests of policyholders, but to confirm in the law the practices of the companies at the time the laws were drafted.

Although, prior to 1906, the New York statutes contained a provision which had been enacted as early as 1879, requiring a surrender value in the form of paid-up or extended insurance, this was inadequate to express the measure of liberality which had become practice by 1906. Hence the old law was amended into the present Section No. 88. This provides that, in the case of a policy issued on and after January 1, 1907, the entire reserve, less one-fifth, or the sum of two and fifty one-hundredths dollars for each one hundred dollars of insurance shall, upon demand not later than three months after the date of lapse with surrender of the policy, be applied as a Surrender Value, as agreed upon in the policy. While the law defines the minimum of the reserve which shall be paid or applied to Surrender Values (which consist of cash values, paid-up insurance or extended insurance), in practice this minimum is exceeded. Nearly every company allows the entire reserve as a Surrender Value in cash, or its equivalent in paid-up insurance, after the tenth year of insurance, and deducts less than the surrender charge allowed by law in the early policy years. It is perhaps in the increase of cash surrender values and in reducing the intervals, or periods, at which they may be taken that the competitive concessions, to which I have referred, found their most questionable expression during what I have called the Era of Expansion. In 1880, very few companies guaranteed cash values at all—only one company, so far as I can determine, guaranteeing annual cash values. Later, certain companies adopted values payable at the end of each fifth year of insurance; but by degrees, under the force of competition, annual values became general, and then the amounts of the values were gradually increased, until guaranties equal to the full reserve were reached and competition could go no further. The effect of this was to emphasize the importance of the individual policy—displacing the principle which regarded the interests of the whole body of the insured to be paramount to those of the individual.

The old-fashioned notion was that each retiring policyholder,—each deserter from the ranks, as it were,—should pay a proper surrender charge as a *quid pro quo* for the loss sustained by the whole body of policyholders through his retirement. While the present law allows a surrender charge, there is nothing in the law forbidding the companies to waive such charge; hence we find that certain companies are paying the full reserve after the policy has been in force a few years,—in two or three companies, after only three years. In other words, the law protects the deserter by stipulating that he must be paid certain minimum values, but fails utterly to act in the interests of the whole body of policyholders by prohibiting larger payments to the deserter than he is in equity entitled to receive.

Herein is the defect in the law. It should define a surrender charge adjusted to the kind and age of the policy; and then it should provide that no company shall guarantee in its policies, or pay in practice, a larger cash value than the reserve, less such surrender charge. If a surrender charge should be imposed in all cases when cash is taken, the amount of such charge could be used to replace the retiring policyholder, without casting the burden of cost on the persistent policyholders. If need be, it could be used as a compensation for a decline in values, an unexpectedly high mortality or other contingencies.

Undoubtedly, cash values are a great help to policyholders in times of emergency. We must never forget that sometimes it is of more importance to protect the insured and his family, while the insured is living, than it is to protect his family alone after he is dead. But no policyholder should be permitted to retire and withdraw his entire equity in reserves, thereby transferring his share of any depreciation or other unfavorable contingency to those who remain.

In Section No. 101 of the New York law, which specifies certain standard policy provisions, is found a requirement that after three full years' premiums have been paid the company must, at any time while the policy is in force, advance, on proper assignment or pledge of the policy, and on the sole security thereof, at a specified rate of interest, a sum equal to the reserve at the end of the current policy year on the policy and on any dividend additions thereto, less a sum not more than 2½ per cent of the amount insured by the policy.

The Policy Loan thus provided is the offspring of the Cash

Value; and, like its parent, is has strayed into tracks divergent from the old main road. As in the case of Cash Values, Loan Values have been carried to extremes,— the general practice being to loan, as well as to give as a cash value, the full reserve upon the policy after the tenth year of insurance.

Of the two concessions, the cash value is the more defensible, on the theory that it is wiser for a man to sell his house than to risk its loss by excessive mortgaging. No concession ever granted has caused graver disappointment to beneficiaries than Policy Loans. This is particularly true when the loans taken with the assistance of the Change of Beneficiary Clause, whereby the wife of the insured is too frequently denied a knowledge of the transaction. In two companies at least, in the case of policies drawn in favor of the wife, unless the insured insists upon his privileges under the Change of Beneficiary Clause, an effort is made to obtain the wife's signature to the loan papers. It is surprising how often the mortgage of a policy is thus avoided. One class of loans,—those taken out on policies issued for the protection of business ventures or for surety commercial purposes,—are always justifiable; they are serving a purpose for which the contract was entered into. But one cannot view with equanimity the taking of loans on policies issued for family protection; and, unfortunately, the greater number of loans are taken on this class of policies, thereby lessening the protective benefits of life insurance. If those who have it within their power to make and amend laws could know the disappointment incident to policy loans and the hardships which are often inflicted on the insured himself, they would find sufficient reason in these disappointments alone to amend this Section, so that loans would be mandatory only for the purpose of paying premiums, leaving the question of an additional loan to the judgment of the officers of the companies, but stipulating that it shall in no case exceed the Cash Value, which, as I have pointed out, should be on a reduced basis.

There are many here to-day who were engaged in Life Insurance in the days when Cash Values were paid and Cash Loans made by voluntary concession only, no guaranties being embodied in the policies. I do not believe that any person present can recall a complaint by a policyholder of injustice or even of embarrassment, excepting, possibly in the case of one or two companies which declined to make loans on any pretext, even for the purpose of paying premiums.

In foreign countries, where life insurance has been practiced longer than here, underwriters have prudently abstained from following our lead with respect to maximum cash values, although they have adopted several of our American innovations. In a review of the cash surrender values offered by the English companies, I find that in the case of thirty-nine, the cash values range from 25 per cent to 50 per cent of the premiums paid. The values for all ordinary [illegible] of insurance are very much below the reserve held [illegible]. In no case, so far as I can discover, is more than [illegible] reserve guaranteed; and in general the values are [illegible] per cent lower than in this country.

The English companies also [illegible] policy loans and usually some reference thereto is made in the policy contracts; but, as a rule, the amount of loan procurable is not stated. The prospectuses of the companies show that in practice loans are limited to the cash surrender values, which, as above noted, are always well within the reserves. The policy of one company contains a further unique provision, to the effect that, if [illegible] the rate of discount at the Bank of England is 7 per cent or more at the time the Cash Value is applied for, the Directors may either pay a reduced value or defer payment until the rate falls below 7 per cent. That the person who drafted this condition possesses, amongst his other traits, that of perspicacity, is only too well evidenced by the present distressing conditions on the other side of the sea.

I have also inquired into the practice of the French companies with respect to Cash Values. I find that the policies of the leading companies provide for Cash Values; but the amounts, instead of being specified in the contracts, are subject to the rules of the Board of Directors at the time of surrender. Except in the case of one company, the values do not exceed 85 per cent of the reserves, closely following the English practice. Again, in France, as in England, the policies mention that Loans will be granted; but only one of the leading companies enters tables of amounts. In practice, loans are made up to an amount not exceeding 95 per cent of the Cash Value. One of the French companies checks against declining values in securities by providing that, in case French rentes are quoted below 90, the Cash Value may be reduced.

From this statement of foreign practice, it will be seen that, both in the granting of the Cash Values and in the granting of Policy Loans, the English and the French companies are far more conservative and prudent than the American companies, avoiding extreme liberality and safeguarding their policyholders by keeping their payments fairly within the reserves.

Another point with respect to Cash Values and Policy Loans which we must consider is that the investments of the life insurance companies are made with regard to the maturity of the policy contracts and the continuance of the business under normal conditions. The two most common forms of investment, therefore, are mortgages and long-time bonds. When money is easy and there is an active investment market, it is possible to realize upon bonds, or to collect a part at least of the mortgages which mature. On the other hand, under unfavorable conditions these two classes of securities are anything but liquid. Consequently, it follows that if unduly liberal Cash Values and Policy Loans are to continue to be a feature of policy contracts, the life insurance companies will eventually be required to make short-time or "call" loans. These forms of investment are now practically denied to life insurance companies.

At present, there are apparently only two ways by which the companies can protect themselves against the possibility of a long continued drain upon their resources, if one should occur in the years to come. One is by carrying large cash balances, which is obviously objectionable; and the other is by purchasing short-time bonds, of which there are comparatively few in the market. And if life insurance should develop competition therefor, the price would be raised on high-grade securities of this character to such a point as to make the returns inadequate.

In my opinion, the question of the possible ultimate effect of cash guaranties on investments is one of the most important before us to-day, and especially as such guaranties are gradually converting each company, to the extent of its reserves, into a sort of a combination of a life insurance company and a savings bank.

It is difficult to make an estimate of the proportion of present reserves which are subject to cash demands, but it is a considerable percentage of the whole. As the old policies, which do not provide for cash, are becoming less in number each year, we may look forward to the time,—perhaps only fifteen or twenty years hence,—when nearly the entire reserves will be subject to demand payments, unless the tenor of things is changed in the meantime. We already know that the introduction of cash guaranties in our policies has produced some interesting problems; but whether, like the prudent English manager who bases the cash values of his company on the interest rate of the Bank of England, we are

endeavoring to forecast the future with the help of the economic phenomena of recent years, is another question.

To my way of thinking, the defects of the present situation are fundamental. Our cash values and loan values need to be brought down to the level that will not be an inducement to the easy forfeiture of the insurance, but which will tend rather to permanence in the carrying of the policy. I am aware that there is a body of opinion which believes that three or six months' notice of intention to borrow or to demand the cash value is a sufficient corrective. Believing, as I do, that the defects are fundamental, I cannot help feeling that a three or six months' notice is but a superficial remedy. Faults which are basic and have within them the possibilities of becoming a menace cannot be cured by postponement.

It is possible that a comparison of conditions as they existed at the beginning and end of my so-called Era of Expansion might lead to the conclusion that life insurance, as conducted twenty-five or thirty years ago, was not such a bad thing for the public after all. We may have been somewhat straightlaced in our views and less inclined to take risks at that time, as we were certainly more thoughtful with respect to the ultimate effect of concessions granted.

With the assistance of our State insurance officials and our legislative bodies, it appears entirely possible to happily compromise by legislative corrections, so as to find the golden mean between the practices and benefits which obtained at the beginning of our era and those obtaining at its close. And let us not forget that the practices and concessions which are now forcing us more or less away from life insurance and into banking functions are the result, not so much of the enactment of legislation or of the recommendations of the State insurance officials (as is sometimes implied), as of our own voluntary acts.

PARENTS' RIGHT OF RECOVERY UNDER WORKMEN'S COMPENSATION ACTS

By Malcolm J. Coan,* of the Baltimore Bar

THE following memorandum is presented in order to call the attention of the Bar to the fact that an additional recovery or compensation may be had in a certain class of cases contrary to the apparent scope of the Workmen's Compensation Act as set out in Section 35 of the same, which reads: * * * "and except as in this Act otherwise provided, such payments shall be in lieu of any and all rights of action whatsoever against any person whomsoever."

Similar provisions are contained in the Acts of the other States having Workmen's Compensation Laws.

In spite of the sweeping exclusion of the language of the Act, it is respectfully submitted that whenever the injured workman is a minor, employed without the parent's knowledge or consent, then in addition to the compensation allowed under the Act, there yet remains the right of an action and recovery by the parent.

It is not necessary to emphasize the causes which led up to this character of legislation. Every well read layman as well as every lawyer knows of the frequent miscarriage of justice heretofore resulting through the recognition and application of the outgrown doctrines of contributory negligence, assumption of risk and the fellow servant rule. To remedy that obnoxious condition, so deeply rooted in our jurisprudence, is the purpose and justification of such enactments; yet it is in the philosophy underlying those very rules thus sought to be avoided that we find the basis and reason for the exception, so to speak, to which attention is called. The very reasoning which prevented the application of the rules mentioned in a suit by the parent, while they were vigorously and almost relentlessly applied as against the individual claim of the child, now in the face of the Act prevents it from destroying the right of action accruing to the parent as here referred to.

Parents, as a correlative right to the duties imposed upon them of the maintenance and education of their children, have a right to the custody and welfare of those children. It has been universally held that anyone who employs a child at dangerous work without the knowledge of the parent or against his wishes, commits a breach of that right. And if while so employed the child is injured, the parent can recover for whatever loss of services result therefrom.

In such an action by the parent the doctrines of contributory negligence, assumption of risk and the fellow servant rule would have no application, and the negligence *vel non* of the employer toward such minor employe would be immaterial.

The gist of the offense is the breach of the parent's right to the custody and welfare of the child.

The parent's right to recover in such a suit would not depend on whether or not the child could also recover for his injury in an action by himself against his employer. As in this latter suit by the child the defensive doctrines above enumerated would be applicable if borne out by the facts. And in every such case he would have to show some negligence of the master to himself.

Labatt on Master and Servant, section 21, page 41, says:

"The controlling principle in these cases is that a person who hires an unemancipated minor and puts him at hazardous work is accountable to the non-assenting parent for all the consequences following directly from the employment, in so far as they entail a loss of the minor's services. * * * In such cases the wrong consists essentially in the employment of the minor servant without the permission or against the wishes of the parent. The parent is therefore entitled to recover irrespective of whether the master was negligent. And as the contract of employment is made without his consent, he is a stranger to it and not bound by any of its terms. Not having agreed that his child shall assume the risks incident to the employment, he can recover, although the injury may have been caused by the negligence of the child's fellow servant. Nor is his action barred by the fact that the child was guilty of contributory negligence."

"The case of one who engages from a parent a minor child for the purpose of a particular service is so similar in basal consideration to the case of one who hires a slave, a horse, a chattel or any other thing of value from another for one purpose, and then employs it for another, as to make the general principle applicable in the familiar class of cases last mentioned likewise applicable to the case of the father, when injury has resulted to him from the fact that the son's services were diverted from what the original intention of the contracting parties was that they should be." Braswell v. Garfield Cotton Oil Mill Co., 66 S. E. 539.

"If one knowingly hire a minor and require him to perform dangerous service in opposition to the parent's will, he will be liable to the parent if injury befall such minor while engaged in such service. In such a case it is not a question of negligence that gives rise to the liability, but the wrong consists in opposing the will of the parent." Toledo St. R. Co. v. Trimble, 35 N. E. 716. See also Taylor v. Chesapeake & Ohio R. Co., 41 W. Va. 704; Woodward Iron Co. v. Curl, 153 Ala. 205; Ft. Wayne C. L. R. Co. v. Byerle, 110 Ind. 100.

"If a person puts a minor to work at a dangerous place without the consent of the parent having him in charge, and he is injured, the person is responsible in damages to the parent, without regard to negligence on the one part or contributory negligence on the

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other." Marbury Lumber Co. v. Westbrook, 121 Ala. 179. See also L. & N. R. Co. v. Willis, 4 Am. St. Rep. 124; Union News Co. v. Morrow, 46 S. W. 6.

In Garfield Cotton Oil Mill Co. v. Braswell, 66 S. E. 539, the Court said at page 540: "Even in a case where the maxim *volenti non fit injuria* would bar the minor himself from recovering, the defense under the maxim cannot be set up against the father, for the reason that his consent to the risk had not been given."

See also Hendrickson v. L. & N. R. Co., 126 S. W. 117; L. & N. R. Co. v. Willis, 4 Am. St. Rep. 124; Railroad Co. v. Brick, 18 S. W. 947.

Texas & P. Ry. Co. v. Hervey, 89 S. W. 1095, reads: If defendant in employing plaintiff's son without plaintiff's consent, knew that the son was a minor and the service was a dangerous one, and the son was injured thereby, plaintiff could recover, though the proximate cause of the injury was negligence of a fellow servant.

See also Grand Rapids and I. R. Co. v. Showers, 71 Ind. 451; Railroad Co. v. Brick, 18 S. W. 947.

Consent to One Kind of Risk and Child Employed at Different Risk.

Labatt on Master and Servant, Vol. 1, section 21, recognizes the rule.

"The consent of the parent is not available as a justification except so far as it has regard to the particular work to which it applies."

Labatt on Master and Servant, section 21, page 41.

Thus a contract to employment in sacking cotton seeds in a cotton mill is not consent to employment in oiling machinery: Garfield Cotton Oil Mill Co. v. Braswell, 66 S. E. 539; Dimick Pipe Works v. Wood, 35 So. 885; Hillsboro Cotton Mills v. King, 112 S. W. 132.

Conclusion.

Prior to the Act, whenever a child, employed with the parent's consent, was injured through the negligence of the employer, the damages recoverable were twofold. First, the damages recoverable by the child himself for his pain and suffering and permanent impairment and earning capacity after reaching his majority; and, secondly, the damages recoverable by the parent for medical services and attendance and for loss of services until the child reached the age of 21.

The compensation allowed under the Workmen's Compensation Act is intended to be in lieu of both kinds of damages described above. They were damages resulting where an infant were rightfully employed at dangerous work. Any suit that formerly might have been instituted would involve merely the law of Master and Servant, and it would be requisite to show in such suits some breach of duty from the master to the servant, and the defensive doctrines which had arisen under the law of master and servant would be applicable thereto.

The Act, however, was never intended to exempt one employing a child at dangerous work against the parent's wishes or without his knowledge, from the consequences of that wrongful act. Suits of this character were not subject to the defensive doctrines of contributory negligence, assumption of risk and the fellow servant rule, nor was it necessary to show any negligence on the part of the master toward such minor employe. All that was requisite to a recovery in such suits was that the child had been employed at such dangerous work without the parent's knowledge or against his wishes. Hence as to this class of cases the reason for the Act fails.

Surely this Act was never intended to destroy the parent's right to the custoy and welfare of the child. Yet if it be held that a parent cannot in the future sue for a breach of that right this would be the effect of so ruling, because one who places a child at dangerous work against the parent's expressed wishes, would be subject to no more liability than one employing a child at such work with the parent's consent. In other words, employers could violate and infringe upon the parent's common law right to the custody and welfare of their children with impunity, because if the child is injured while so employed the employer could not be sued by the parent, and he would be liable only for the compensation allowed by the Act, to which amount he would have been liable anyway, even if he had obtained the parent's consent to such employment of the child.

Illustration.

If a railroad company against the expressed wishes of a parent places his 19-year-old boy to work as a brakeman and pays him $10 per week, the parent remaining ignorant of the nature of the boy's work, and while so employed an accident occurs in which the boy loses his arm, could the railroad company by paying the sum allowed under the Act, namely, one-half of his wages, or $5 per week, for a period of 200 weeks, escape the further liability to the parent for the loss of services of that child? If the answer is yes, then the parent's common law rights to the custody and welfare of that child have been destroyed by this Act. The payment of that $5 per week is not to compensate that parent for the breach of his common law rights, because if there had been no such breach of his rights and the child had been employed with his consent, that sum would have been allowed anyway.

If, therefore, the Act is held to destroy the parent's right of action, then employers in the future could say: "Don't bother about getting the consent of parent to the employment of children at dangerous work; employ them anyway, for even if the parent protest against the employment of his children at dangerous work, the cost is no greater."

Therefore it is contended that in this class of cases an action at law by the parent can be maintained for loss of services of the minor child in addition to the compensation allowed under the Act.

FIRE INSURANCE AS A BUSINESS NECESSITY

THOSE who are in any way associated with the business of insurance could not but be interested at the rapid spread, during the past year, of the federation movement among insurance men. State after State has been touched by this spirit of the times, and it is worthy of note that in some cases at least the new organization has not merely meant another organization overlapping in its efforts the work of some already formed. The Insurance Federation of Missouri, for example, has, through its secretary, Mr. O. P. Rutledge, undertaken a campaign of common-sense publicity in regard to the necessity for insurance as an adjunct to business. Mr. Rutledge has already issued three letters to the newspapers of Missouri, and these are of such general interest and value that we give two of them in full below.

* * *

First Letter.

Excessive Fire Losses—Insurance Legislation Needed.

In submitting this letter, the first of a series treating various phases of insurance as a business necessity, it is proper to say that The Insurance Federation of Missouri seeks to bring the policyholder, the insurance agent and the insurance company to a fuller realization of the fact that they have a mutual interest in any activity which has for its object the advancement of the general cause of insurance and the protection of that cause against destructive acts or measures, public or private.

A long and interesting story could be written covering the

struggle to pass and repeal laws affecting insurance during the twenty years,—the causes therefor and the consequences thereof, but really "All this water is over the dam" and the culmination last summer in the withdrawal of the fire companies from the State has brought us all to the point where we are intensely interested in the contemplated rearrangement of insurance legislation by the next legislature.

The return of the fire companies to the State was largely brought about by the promise of the Governor and his associates to overhaul the laws affecting insurance and make the situation in Missouri inviting to underwriters instead of uncomfortable and repulsive as it now is. The Governor's attitude is wise. He sees that the way to get cheap insurance in Missouri is to stop the present alarming increase in the fire losses and through fire prevention agitation improve the actual fire risk of the State, thus reducing losses and inevitably bringing cheap insurance. As it is now underwriters are really indifferent to Missouri business because it has been disastrous. Fire and tornado premiums in Missouri in 1912 amounted to $8,636,060. The losses were $6,106,487. Adding the expenses paid in Missouri, such as taxes, agents' commissions, and all administration expense, the companies put into Missouri in 1912 about $800,000 more than they took out. Nor is this exceptional; it has rather been the rule for many years.

Fire insurance men, both managers and agents, look with confidence for a well considered and valuable report from the Governor's commission known as the "Goltra Commission." This commission is composed of men well qualified to understand the problem and to recommend remedies, men who possess the confidence of their State and men who appear disposed to make necessary sacrifice of their time and labor. The citizens of Missouri should feel grateful to them for this service and should see to it that the legislature compensates them for their expenses, at least. When it comes to prophesying what that commission will recommend, of course, one man's opinion is as good as another's. The writer thinks that the commission will be inevitably brought to the same conclusions which have been reached in New York State by a joint committee of the Senate and Assembly, headed by Honorable Edwin A. Merritt, Jr., transmitted to the New York legislature, February 11, 1911, and since then tested and proved by other investigations of the New York Insurance Department. The writer is the more disposed to think this because our own Superintendent Revelle sat in the meetings of the Insurance Commissioners' Association last Fall, where practically the same conclusions were reached. New York State spends about $45,000,000 per year in fire insurance premiums. Missouri spent in 1912, $8,636,060. There is a strong presumption that the laws which have been found wise in a State which is such a large user of insurance will be the best for Missouri.

Large buyers of fire insurance in Missouri, such as merchants, manufacturers, grain men, lumber men, etc., may well take time to appear before the next legislature and express the hope that its enactments may make such changes in the Missouri laws as will take Missouri out of the group of States which try experiments on the insurance business. Unquestionably the best interest of all buyers of insurance lies in securing insurance laws that will place the business on a solid basis of well tried ideas,—tested by experience in the oldest communities where the working of the laws can be studied and the public contentment measured without difficulty. Let us put Missouri high in national estimation as regards insurance legislation. Such approval affects the inflow of capital as well as the comfortable and economical transaction of the insurance business in our State. Don't let us be afraid of going too far in this direction. We have some adverse opinions to erase. Succeeding legislatures can easily make any changes which may appear advisable after trying out the new body of law.

third. Fire losses increased one-half, and that, too, in spite of In the last ten years insurance values have increased about one-third. Fire losses increase one-half, and that, too, in spite of the fact that the fire loss in the City of St. Louis has remained practically stationary for twenty-five years, though its insurable values have doubled, and in some instances trebled. The non-burning, careful business man pays for the careless, indifferent, reckless builder and occupant. Get this truth in the minds of Missourians and they will demand to have a State fire marshal set at work with ample powers to control the man who insists on imperiling the savings of his careful neighbors. If insurance rates are made by a just and sensible schedule based on actual facts and elements of hazard, applied impartially to everyone, entirely open to the public view and under the general care and supervision of the Missouri Insurance Department (which should be charged with authority to abate unjust discriminations) then the good risks would be rewarded by the low rates and the bad risks would have to make themselves into good risks or pay their fair proportion of contribution to the common insurance fund of the citizens of Missouri. No monopoly need ever be feared. Too many forms of competing fire insurance, such as Farm Mutuals, Town Mutuals, Mill, Factory, Lumber Mutuals and Indemnity Exchanges will always be available to the public. In general what the insurance reform needs is a changed opinion on the part of the premium payer. Fire insurance is not external to the premium payers. It is their own mutual machinery for taking care of the loss of each by the contribution of all. Spread this opinion among Missouri premium payers and they will not view with favor any unwise legislative tampering with the citizens' interest in this, their own business.

Second Letter.

Fire Insurance—Its Relation to Incendiarism; the Need of a Fire Marshal.

Until the early years of the nineteenth century the fire insurance companies maintained at their own expense trained fire departments and salvage corps in all large centres, whose sole duty it was to guard against and extinguish fires and protect property from damage by fire, water and smoke. This service gradually became specialized and eventuality the municipalities absorbed the expense of maintaining the fire departments, and the companies relinquished the control of them. The companies still maintain in large cities well organized salvage corps.

These trained fire fighters have on their own account devoted years of study and observation to the various causes and motives originating fires and the influence which fire insurance may have upon such causes and motives. It has been learned definitely that there are three factors which enter into all fires connected with human agency, and the extent of loss resulting therefrom, which are defined as:

First—Physical Hazard.

Second—Moral Hazard.

Third—Temperamental Hazard.

By the term "Physical Hazard" is meant all causes which are inherent to inflammable property and its use, such as construction, chemical hazards, hazards of machinery, heating, lightning and all other causes, the origin of which is not easily preventable or readily discerned.

By "Moral Hazard" we mean the production or increase of loss from intentional causes, including fires induced from motives of revenge, insanity or to conceal crime or secure unlawful gain.

By "Temperamental Hazard" we mean that state of mind which excuses carelessness as respects the causes which produce fire, indifference as to the effects which follow or the remedy which may be applied for the prevention of fires. Between those fires which with reasonable care can scarcely be avoided and those which are intentionally caused from various motives we place that enormous volume of fire losses not purposely caused but which could be prevented. It is this class of fires which are classified under "Temperamental Hazard."

The relation of fire insurance to incendiarism is usually found in connection with the second cause referred to above, that is, "Moral Hazard"—as regards its influence upon the production of fires for unlawful gain. Our investigation of this subject has led us to conclude that there are a great number of losses charged up in the popular mind as incendiary which should not be so classified, and our conclusions are based upon a study of the following motives from which spring all intentionally produced fires, namely:

First—Motives of revenge or spite.

Second—Insanity, weakmindedneess, drunkenness or mania for excitement.

Third—To cover up evidence of crime, theft or murder.

Fourth—To collect insurance money.

It will be noted that out of the four motives enumerated only one, the last, has any bearing upon the subject under discussion. This is the only motive that has any relation to fire insurance. It is to be regretted that it has been impossible to determine with accuracy how many fires in a given period of time are chargeable to "physical hazard"—how many to recklessness and indifference and how many to criminal intention. Could we do this we would soon have conclusions of great value, but this information is practically impossible of tabulation, as the successful demonstration of the causes of all fires is rendered futile because generally the fire destroys the history of its origin.

The public has been impressed in various ways that from 25 per cent to 50 per cent of the fires in the State are of incendiary origin. It is extremely difficult to prove such charges, but it is comparatively easy to disprove such estimates, as the following will show. Few States publish in detail specific information as to the total number of fires, the number reported as "cause unknown" and as "incendiary," which, please bear in mind, is divisible into four motives, only one of which has any reference to fire insurance. Such fragmentary information as we have enables us to group:

Massachusetts for the years 1908-1912, inclusive;
West Virginia for the years 1911-1912, inclusive;
Michigan for the year 1911;
Ohio for the years 1908-1911;
Kentucky for the years 1907-1908, inclusive;
Wisconsin for the years 1910-1911, inclusive;
Lousiana for the year 1912;
Illinois for the year 1912;
Nebraska for the year 1912.

These States have tabulated the fires occurring within their bounds for the years mentioned, and we find a total of 76,997 fires, of which number 2,283 (a ratio of total 2.97 per cent) are classified as "suspicious" or "incendiary," and 10,467 (ratio of total 13.59 per cent) are classified as "cause unknown." In these figures all fires reported as suspicious are classified as incendiary. This tabulation of all fire losses suggests the advisability of Missouri having some officer of the State empowered to investigate all fires.

New York State, including Greater New York City, is the heaviest patron of insurance in this country, and it is to be regretted that we have no figures showing the number of fires in the State, but the figures of Greater New York City are available. We find that in the years 1910, 1911 and 1912 there were 43,906 fires in that great city, of which 1946 (ratio of total 4.42 per cent) are classified as "suspicious," or "incendiary," while 12,020 (ratio of total 27.37 per cent) are entered as "cause unknown"—including Greater New York, the published number of fires for 1914, covering the entire United States and Canada, is 120,903. Of this number 4,229 (ratio total 3.49 per cent) are classified as "suspicious," or "incendiary," and 22,487 (ratio of total 18.59 per cent) are classified as "cause unknown."

From the foregoing we are justified in assuming that the number of suspicious or incendiary fires of all kinds does not exceed at this time a percentage of 5 per cent of the whole, if we add half of the "cause unknown" fires and class them as "incendiary," which comes very near the truth. The year 1912, according to the "Journal of Commerce," of New York, showed a total fire loss in the United States and Canada amounting to $225,321,000; of this amount 13 per cent, or $29,291,430, is shown to be due to incendiarism, but this figure embraces the four motives of revenge, insanity, crime and wrongful gain from insurance, as the exciting cause. Now, what proportion of the 13 per cent of the total fire loss owes its origin to fire insurance? So far as known the only States which undertake to tabulate the motives of incendiary losses are Massachusetts, West Virginia and Ohio. In 1912 there were 1,320 incendiary fires recorded in the three States named, classified as follows: Revenge, 351; unknown cause, 508; insanity, 167; crime or drink, 36; for insurance, 258. It will be seen that 38.5 per cent of all incendiary fires are from unknown causes and 19.5 per cent have insurance imputed as the motive. If we add half of the motive "unknown," or 19.5 per cent more, we have 38.5 per cent as a fairly correct factor to be applied in computing incendiary fires within the States named. We have shown that $29,291,430 is approximately the total sum of incendiary loss in the United States and Canada. If now we take 38.5 per cent of that sum we have $11,277,200 as the probable incendiary fire loss, or a ratio of 5 per cent of the total estimates for all losses for the year 1912 in this country and Canada.

We are unable to estimate the incendiary fires in Missouri for the reason that the State does not keep a record of fire losses and their cause, but we can safely figure purely incendiary fires as amounting to $1,125,000 per year. Incendiarism is sporadic and occasional rather than universally epidemic. The crime is largely confined to large cities, which offer the greatest opportunites at the hand of a mixed population gathered from the four corners of the earth, a great number of whom are criminal. In States having a fire marshal clothed with police powers, who conduct their office with a view to real efficiency in the enforcement of the law, great numbers of the population are found to be heavily overinsured. Overinsurance is very common, but it is not always to be construed as having been effected from sinister motives, but rather, the motives may be:

First—Honest overvaluation of property from failure to understand the effects of age, depreciation, wear and tear.

Second—Fluctuations in quantities of merchandise or from changes in market value.

Third—Intentional overvaluation for criminal ends.

In the light of modern analysis by insurance experts and fire marshals, the sober opinion has been formed and published that in a large number of cases of loss the amount of insurance was within the values insured. There are enough incendiary and unknown causes of fires, however, in Missouri, to justify the creation

of the office of fire marshal, as his duties will not be confined to the investigation of suspicious fires only, but to all fires, and the promulgation of acts respecting the construction and care of property—practical fire prevention.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Report of War Risk Bureau.—The report of Mr. W. C. De Lanoy, Director of the Bureau of War Risk Insurance of the Treasury Department, contains a financial statement covering the operations of the Bureau from the date of its organization up to December 1. It is as follows:

Total amount of insurance written, Sept. 2 to Dec. 1, 1914..	$15,251,261.00
Premiums for which were	298,759.39
Losses paid to date	None
All expenses of bureau, including organization and salaries	3,874.17
Net receipts in excess of expenditures	$294,885.22
Appropriation for expenses of bureau	100,000.00
Expenses as above	3,874.17
Amount of appropriation remaining	$96,125.83
Appropriation for payment of losses	5,000,000.00
Claims for losses reported, estimated	5,000.00

* * *

Common Sense and the Cost of Fire Insurance.—Commissioner Epsteen, of Colorado, has recently issued a pamphlet entitled "Fire Waste." In it he has undertaken to put the figures of fire waste and fire insurance cost in the United States on a truly comparative basis with the much quoted figures of several European countries. His results are so striking that they are quoted below:

"The fire waste in the United States is about $500,000 a day. It is extraordinarily high compared with that of any other civilized nation. The following table shows the fire loss per $100 of insurance:

	Cents.
United States	64
England	27½
Norway	24
Sweden	21
Austria-Hungary	16
Germany	12

"From this one can see that the fire loss in the United States per $100 of insured property is more than twice that of England and more than five times that of Germany.

"If the fire waste of the United States were as low as that of Germany, our insurance rates would be lower than theirs. As the foregoing table shows, the fire loss in Germany is 12 cents per $100 of insurance. To take care of this 12-cent loss, the German rate is 22½ cents; to take care of the 64-cent loss in the United States, the rate charged is $1.11. Now, to get a proper comparison of these rates, it is necessary to multiply the German loss and rate by 5⅓ to have it upon the United States basis of 64 cents of loss. This makes the German rate $1.20, as against the $1.11 in the United States. Plainly, therefore, the rate in the United States is 9 cents lower than in Germany, if the losses are put upon the same basis.

"We may look at the same situation from a different angle. In Germany it costs 10½ cents to take care of the 22½-cent rate; the expense ratio is therefore 47 per cent. In the United States it costs 47 cents to take care of the $1.11; the expense ratio is therefore 42 per cent. Thus we see that, taken as a whole, the fire insurance business is more economically managed in the United States than in Germany, the difference being 5 per cent in our favor.

"Indeed, considering all the facts, fire insurance rates cannot be said to be unreasonably high. Some companies make money and some companies lose money; some States are profitable and some States are unprofitable. Taken as a whole, the experience in the United States shows that the average annual underwriting profit is only about 2½ per cent. I know of no other line of business which contents itself with such a modest return.

"Fair play and common sense demand that we face the facts squarely, even if they are distasteful. It should therefore be frankly acknowledged that the chief reason for high rates at the present time is the enormous fire waste which exists throughout the country. In Colorado alone we destroyed last year $1,000,000 worth of property by fires; a considerable portion of this was due to negligence and was entirely avoidable. Therefore, if we want the rate reduced, we should begin by exercising greater care, and thus reducing the number of fires and the amount of property needlessly burned."

* * *

Valuation of Insurance Companies' Securities.—The Committee on Valuation of Securities of the National Convention of Insurance Commissioners has been successful in securing the consent of the convention to have June 30, 1914, security valuations accepted in all States as the basis which insurance companies other than life shall use in compiling their annual statements.

In its report, submitted to the convention, the committee gave the following outline of the reasons which led to the adoption of this plan:

"When the expert employed by the National Convention, and the representatives of the New York department co-operating with him, began making preparations for the valuation pamphlet they found themselves facing an unprecedented condition. On July 24, when the ultimatum to Servia was sent, market values were as high, if not higher, than at any other time during the year. On July 30, less than a week later, values had fallen so low and the market had become so demoralized that a panic of unknown proportions was only averted by closing the Stock Exchanges of the country and the world. The liquidation, coming suddenly, only active securities dropped. Inactive stocks and bonds, since they were only occasionally dealt in, failed to reflect the violent decline. To add to the complications, out of this stagnation of the stock and bond market arose unofficial and unprotected markets dealing in securities, both listed and unlisted, at materially lower levels than the closing prices.

"If the committee should undertake to value as of December 31, 1914, the quotations of municipal and inactive securities, failing as they did to reflect the decline of the last week of the Exchange, would actually be valuations as of July 24. The quotations of listed securities would be as of July 30, the closing day of the Exchange. On the other hand, the quotations of other securities that happened to be dealt in after July 30 would be as of various dates subsequent thereto. Here also would arise a complication. How could the committee recognize transactions in these unlisted securities subsequent to July 30 while declining to recognize the many unofficial transactions in listed securities that it is common knowledge are continually occurring? It was obviously impossible to undertake valuing as of December 31, 1914. It also was evident that valuations as of July 30, the closing day of the Exchange, would not be uniform, but would discriminate against active securities, recording in such cases abnormally low quotations that fail to represent actual values while recording for municipal and inactive securities the higher valuation as of July 24.

"It became evident that we were facing a situation similar although more serious and complicated than that of 1907, when

the 'average of 13' was adopted. To delay action until the adjourned meeting of the convention was impossible, since it was necessary for Mr. Scudder to know what information to solicit before he could begin work on the form letters to be sent to numerous brokers, bankers and other correspondents. The feasible and also the conservative proposition appeared to be to adopt June 30 valuations, the midyear date, when conditions were still normal. Accordingly a circular letter under date of September 30, 1914, a copy of which is attached, was sent to the officers of the convention, members of the Committee on Valuation of Securities and members of the Executive Committee, calling attention to the fact that in view of existing conditions in the financial world it was impracticable, if not impossible, to obtain quotations as of December 31, 1914."

INSURANCE NEWS IN THE WEST

Decision on the Constitutionality of the Kentucky Compensation Act.—The decision of the Kentucky Court of Appeals last Friday declaring the Workmen's Compensation Act unconstitutional has upset the casualty situation in the State very badly. The court divided four to three on the question. The majority, in effect, ruled that the elective features penalized the employer and the employe who elected not to come under the law so severely as virtually to compel them to come under the law, and, that this being true the agreement they made as to compensation was not a free contract. A large amount of business had been written, much of it on employers who had not previously carried liability insurance. Most of this now goes for naught. There can be little question that until Kentucky does get a valid compensation law it will be a bad State in which to do liability insurance, as the employes now expect compensation for all injuries and juries will regard it as the policy of the State that all injuries should be compensated, although a court decision or peculiar constitutional provisions prevented the carrying out of this policy.

* * *

Report on Potts' Investigation of Fire Insurance.—Insurance Superintendent Rufus M. Potts of Illinois last week released for publication his report to the Governor of his investigation of fire insurance rates and conditions in the State. It was about what was to be expected from the hostile attitude toward the companies that Judge Potts has assumed for some months past.

The report shows a large amount of work—investigation into insurance history, plans of insurance abroad, inquiry into rates and rating systems, marshalling of all material that could be used to make fire insurance companies look like robbers and undesirable citizens generally. The recommendations are that Illinois establish a system of State insurance, or at least that it take strict supervision over rates.

If the report were not so venomous, one might infer that Judge Potts' investigations had convinced him of the desirability or necessity of State insurance. As it is, the impression left by reading the report is that he started with a desire to get State insurance and sought material which might assist in converting the public to his view.

It would be entirely unfair not to give the Superinendent credit for presenting valuable information and pointing out abuses that need correction, which, in fact, will keep the companies in a stew until they are corrected. For example, the old iniquity of preferred rates in Chicago is shown up in figures. No living man can justify the difference between a 75-cent rate in Cook County and a 40-cent rate outside on similar risks. One or the other is wrong; perhaps both are. There are statistics of the business in Illinois and comparisons of rates in Illinois and other States which certainly do not prove that Illinois has been a poor State for the companies, as compared with its neighbors.

But Judge Potts' desire to make a case against the companies has led him at times into inconsistencies, to say nothing of unfair assertions. He attributes the low rates in Continental Europe largely to the existence of State fire insurance and refers to the small use of wood in buildings as the "excuse alleged by the insurance companies." Yet, elsewehere in the report, he belittles the danger of another conflagration in Chicago. He says that when the conflagration of 1871 occurred a great majority of the buildings were of wooden construction in congested areas, while, in contrast, he says, "Fires will occur, but they cannot spread among brick and stone buildings of modern construction with modern fire protection." He condemns the companies for the evil of overinsurance, and says that State insurance tends to the enactment of laws to curtail this evil. Yet he proposes that if the companies are to be permitted to do business in Illinois they should "be required to grant insurance at regular rates for the class to which the risk belongs to any applicant in the same way that a common carrier must transport, or a hotelkeeper must give lodgings to any decent person." He would, however, allow companies to refuse risks for "substantial reasons proven in court." He would also forbid cancellation except for reasons proven in court. Thus either to avoid writing overinsurance, if one demanded it, the companies would have to go into court; or, if they found that property was overinsured, they would have to go to court to secure the right to cancel.

Judge Potts would not permit coinsurance. He believes that the citizen who helps support the Fire Department and wants to take a chance by insuring his property for only part of its value, and trust to the Fire Department to extinguish the fire before the uninsured fraction is burned, should be permitted to do so without being penalized by a coinsurance clause.

The comments on agents' qualification requirements are thoroughly sound. He says that the absence of any requirements of qualifications in Illinois has as a natural result "that a certain proportion of insurance agents are incompetent and their work perilous to the insuring public." He recommends enactment of the salient features of recommendations on agency qualifications made by the Illinois Association of Insurance Agents. Judge Potts' criticisms of the practice of writing large lines and reinsuring in foreign companies is in line with what some of the best underwriters have said on the same subject. His charge of insincerity on the part of the companies in their fire prevention work is unjust. The question of what constitutes a fair profit is one on which good men differ. Judge Potts is probably as near right in holding that profits should be based upon the capital stock regardless of the volume of business done as some underwriters have been in claiming that rates should be so adjusted as to return a 10 per cent underwriting profit besides the banking profit.

If in his eagerness to make a case against the companies, Judge Potts had not acted as a special pleader but had presented the calm result of a judicial investigation of a big subject, he would have presented a more convincing paper to the thinking public. Possibly, however, such a report would not have been given the scare head publicity this one has received, nor created as much demand for legislation of some sort as this one may prove to have created. Some of the alleged abuses he has pointed out are not abuses at all, but are real advantages to the public. Some are the children of a vivid imagination. Some, however, are real, such as rate discriminations, overinsurance and unfit agents, and their correction or elimination is needed.

Chicago, December 18, 1914.

FINANCE AND COMMERCE

Financial and Commercial Review
Banking Situation at Home and Abroad
Statistics of Cotton and Coffee
Market Prices of Securities and Commodities

WHETHER or not it was the prelude to important naval operations, the spectacular raid on the English coast made by German warships was the signal event of the past week from the business and financial viewpoint. A succession of events is required in order to place any one of them in its proper relation, but this particular exploit seemed to add to the reasons for believing that the European War may terminate sooner than the most optimistic have dared to hope. Something may be going on beneath the surface of the political world which warrants such expectations, for a striking feature of the advices from foreign financial centres lately has been the suggestion of a growing opinion that military operations would not long survive the winter, however protracted the peace negotiations thereafter.

It is not safe to trust such suggestions just now because of the unconscious logic of hope which smuggles itself into the realm of the intellect, but if one were to admit facts to the reckoning some support for an argument based on the desperation of Germany's position would be furnished. Certainly the naval raid on British shores had all the characteristics of a most desperate undertaking. From a military point of view, it could by itself accomplish nothing of any advantage to Germany. Indeed, it has been already disadvantageous in the stimulus which it has administered to recruiting for the British army. The raid effectually angered John Bull and insures larger reinforcements for the huge forces with which the Allies will be ready to engage in active operations next Spring. Regarded as a venture of desperation, it fits in with other things which imply that Germany is wildly trying every expedient which can be devised for the advancement of German interests, but resort to which only exposes the extremity of the German situation.

The effort to arouse the Moslem world to arms falls in this category. So does the new line of German diplomatic negotiations with Italy. So also does the latest shift of the German campaign in this country. Could anything be more illuminating than the mevement openly started and fostered under the so-called German-American auspices to secure legislation at Washington placing an embargo on what is called war business? The pretense that this movement is guided solely by pacific considerations and in accordance with the ideal of American neutrality is utterly flimsy. It aims to apply to Congress the political pressure represented by the large German-American vote, but the attempt to place the United States in the ranks of Germany's allies is too thinly veiled to promise for it any success. What is of more consequence is the disclosure which it makes of the impulses which are guiding German action, impulses which must derive from an unacknowledged appreciation of the losing character of the German cause in the war.

Possibly it was this which prevented the German naval raid from reflecting itself in any apprehensive excitement of the only important securities markets now open in the world,—that conducted on the New York Stock Exchange. The market turned dull, but no more satisfactory assurance could have been given of the extent to which the financial community here and abroad has recovered from panic or tendencies to panic. The restoration of the full Stock Exchange list to open trading was one of the major financial developments of the week, and the outcomes have been wholly gratifying. There appears to be no great desire to sell securities, and the market has all the signs of being excessively sold out on the speculative side. Bankers are preaching the utmost conservatism and no sanction is lent for speculative campaigning to advance prices, but the portents of quoted values are auspicious for general business. The deduction to which they lend themselves is that affairs are in excellent shape for improvement if an important impetus is supplied.

This may come from happenings in the war. It may come from the Interstate Commerce Commission's decision in the Eastern railroad rate case. This is the big factor to which Wall Street has been looking forward for many weeks. According to the nature of the decision a great deal of harm may be done, or a great deal of help given to a financial and commercial situation which is sensitive to occurrences of a sentiment-making sort. If the decision can be favorably interpreted by corporate finance, it is likely that widespread wage reductions may be averted and a large increase of unemployment prevented. In its negative bearings a decision favorable to the railroads will save much trouble. In its positive bearings it can hardly fail to be beneficial. Railroad credit will be strengthened and much imperative new financing and refinancing will be facilitated, while at the same time a large amount of railroad contracts for equipment and materials will be placed and communicate recovering influences to all branches of business.

The money market is propitious for any better movement in trade and industry as well as for the betterment of values. The ample supply of credit in sight can be made to do very effective duty as a temporary substitute for ample supplies of capital in the building up of enterprise, and while commerce is in a state of severe contraction business is not altogether prostrated. The foreign trade which the country is doing continues to expand, and November yielded an export balance of $79,000,000, compared with an export balance of $57,000,000 in October.

Of all the questions made more or less academic by current conditions, but having a momentous forward bearing, none are more interesting than those raised by the establishment of the new Federal Reserve banking system. It still remains to be proved how this system is going to get itself into business and how business is going to get into the Federal Reserve Banks, and how all this is going to be achieved without constructive or actual amendment of the statutory law of the Federal Reserve system's being. The advent of the Federal Reserve institutions inaugurated a brief honeymoon season of rejoicing over the insurance afforded against panic and the potentialities of inflation contained in the new organization, but the honeymoon is ended.

Discerning observers are already beginning to ask how the Reserve Banks are going to work to earn enough to pay expenses, and how their workings are to be reconciled with prevailing customs and conditions. The note of criticism, which had been very much suppressed since the passage of the Federal Reserve Act a year ago, is being struck again, and it is worth while to bear in mind that the Act itself contained numerous defects which Congress and the Administration stubbornly refused to recognize.

The Federal Reserve system was designed to cope with panic and deal with strain. It was not designed to assist and control the normal functions of finance. One of the tasks of the Federal Reserve Board and of the Federal Reserve Bank Directors and Governors and of the Federal Advisory Council will be to promulgate policies which in practice are sufficiently amendatory of the Federal Reserve Act to correct this inherent and fundamental defect. Their task is not made any easier by the difficulty of avoiding a clash, on the one hand, with the political power denoted by the Treasury influence in the system, and, on the other, with

25,000 and more National and State banking institutions, which will resent anything resembling Federal Reserve competition in their business. A grotesque uniformity of rediscount rates has already been aimed at, but this is not immediately disturbing because the real money market is easier than the official market, but it is not hard to perceive in the manipulation of rediscount rates to date what a pernicious effect the Treasury is likely to have upon the Federal Reserve system as a result of the Congressional refusal to direct the deposit of Government funds in the new reserve banks and make them the fiscal agents of the United States. Thanks to the paramountcy accorded to it, the Treasury has the same power which Andrew Jackson had to break the United States Bank, for the Treasury can distribute and withdraw public funds in a manner absolutely destructive of sound administration of the reserve banking system.

About as significant a test of the policies which are to control the Federal Reserve Board is likely to be made by the solution of the problem presented by the relation of State banking institutions to the Federal Reserve organization. The Federal Reserve Act provides for the admission of membership of banks with State charters, but so far State bankers have been unable to see that membership in the system would confer compensating gains to offset the loss of advantages which they would be compelled to forego by compliance with the Act. The danger is that political dictates will be heeded and that a lead will be taken from the successful coercion practiced by Congress in forcing the National banks to subscribe to the provisions of the revised National banking law.

Assuming that the Federal Reserve Banks are gradually able to get into business in the course of the next few months, certain features of the system might give the National banks a competitive upperhand over State banks and trust companies, as, for example, in the free collection of checks for member banks by the Federal Reserve Banks. If the privilege of such collections is refused to State banks, which might avail themselves of it through connections with member banks, such a refusal would be distinctly an effort to coerce State banks into becoming Federal Reserve members. Now precisely some such coercion has already been intimated as possible, and State banks have begun to take alarm over the prospect, so much so that in New York an inquiry has been started among bankers doing business under State charter with a view to forming a combination to resist Federal aggression.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

The third weekly statement of the New York Clearing House banks and trust companies, under the new form adopted upon the establishment of the Federal Reserve System, showed a further decline in the amount of excess reserve of $7,689,900.

Clearing House Members (In Millions of Dollars).

Week Ending.	Average Status.		Actual Status.	
	[illegible]	[illegible] 12.	[illegible]	Dec. 12
Loans, etc.	[illegible]	[illegible]	[illegible]	$2,182.7
Reserve in own vaults	[illegible]	[illegible]	[illegible]	[illegible]
Res. in Fed. Res. B'k	[illegible]	[illegible]	[illegible]	[illegible]
Res., other depositries	[illegible]	[illegible]	[illegible]	[illegible]
Net demand deposits	[illegible]	[illegible]	[illegible]	[illegible]
Net time deposits	[illegible]	[illegible]	[illegible]	[illegible]
Circulation	[illegible]	[illegible]	[illegible]	[illegible]
Aggregate reserve	[illegible]	[illegible]	[illegible]	[illegible]
Excess reserve	[illegible]	[illegible]	[illegible]	[illegible]

Actual Status Non-Member Institutions.

Week Ending.	1914			
	[illegible]	[illegible]	[illegible]	[illegible]
Loans	[illegible]	[illegible]	[illegible]	[illegible]
Deposits (net)	[illegible]	[illegible]	[illegible]	[illegible]
Cash reserves	[illegible]	[illegible]	[illegible]	[illegible]
Reserves	[illegible]	[illegible]	[illegible]	[illegible]
Reserve ratio (%)	26.8	26.7	27.2	27.1

FEDERAL RESERVE BANKS.

The statement issued on December 11 by the Federal Reserve Board showed loans and discounts during the previous week by all of the twelve reserve banks. An increase of approximately $1,600,000 was shown in circulation, though the net liability of the reserve banks theeron decreased owing to the substitution of gold for paper previously in the hands of the reserve agents. Bills discounted showed an increase of slightly more than $400,000. Of the paper in the hands of the banks, 63 per cent had a thirty-day maturity.

CONSOLIDATED STATEMENT OF REGIONAL RESERVE BANKS.

Assets.

	Dec. 4.	Dec. 11.
Gold coin and certificates	$230,912,000	$232,073,000
Legal tender notes, silver certificates and subsidiary coin	32,020,000	28,170,000
Total cash	$262,932,000	$260,243,000
Rediscounts and loans	9,844,000	10,257,000
All other resources	308,000	1,976,000
Total resources	$273,084,000	$272,476,000

Liabilities.

Capital paid in	18,047,000	18,047,000
Reserve deposits	251,067,000	250,937,000
Federal Reserve notes in circulation	3,970,000	3,492,000
Total liabilities	$273,084,000	$272,476,000
Gold reserve against all liabilities	90%	91.6%
Cash reserve against all liabilities	103%	102.3%
Cash reserve against all liabilities after setting aside 40% gold reserve against Federal Reserve notes in circulation	104%	103.1%

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914			
	Jan. 13.	Mar. 4.	June 30.	Sept. 12.
Loans	6,175.4	6,357.5	6,430.0	6,400.7
Deposits (individual)	6,072.0	6,111.3	6,268.6	6,139.0
Cash reserves	981.9	968.0	969.0	903.7
Other reserves	588.8	572.5	577.1	526.6
Reserve ratio (%)	21.74	20.62	20.68	23.2

CLEARING HOUSE EXCHANGES, UNITED STATES.

Week Ending	1913			1914		
	New York.	Outside.	Total.	New York.	Outside.	Total.
December 12	1,384	1,777	3,161	1,131	1,592	2,723
December 5	1,719	1,943	3,662	1,325	1,711	3,034
November 28	1,631	1,258	2,890	1,149	1,164	2,314

MONEY.

The steady relaxation in money conditions continued during the week. On Thursday a new low mark for the present movement was set for call money, at 3 per cent.

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

Week Ending.	1913			1914		
	Call money.	60-day loans.	Merc. paper.	Call money.	60-day loans.	Merc. paper.
December 18	4	5½	5½	3½	4	4½
December 11	6	5¼	5½	3½	4	5
December 4	8	5½	5¾	4	4½	5

THE PRICE OF SILVER.

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	49⅞	49⅞	49¾	49⅝	49½	48⅞
London	23 1-16	23 1-16	23	22 15-16	22⅞	22⅝

THE COUNTRY'S COMMERCE.

	October	
Merchandise.	1913.	1914.
Imports	$122,949,302	$137,978,778
Exports	271,861,464	195,283,852
Specie.		
Gold—Imports	5,391,085	5,934,866
Exports	483,780	50,341,972
Silver—Imports	2,538,446	2,549,117
Exports	4,878,349	3,972,446

RAILROAD EARNINGS.

The following compilation of railroad gross earnings in November is taken from the "Commercial and Financial Chronicle," and

comprises all roads both in the United States and Canada, which have made reports for November.

RAILROAD GROSS EARNINGS IN NOVEMBER.

(Forty-five Roads.)

	1914.	1913.
Gross earnings	$65,353,898	$81,461,551
Net decrease (%)	19.77	.....
Mileage	89,275	87,724

FOREIGN BANK STATEMENTS.

The weekly bank statements of both England and Germany indicate that, for the present at least, the best position possible under the circumstances has been reached in both countries. The slight increase of gold in the Bank of England which was reported for the week of December 10, following three weeks of gradual decline in gold, was continued during the week ending December 17. The increase reported was £961,328. The slight decrease in circulation, noted during the previous fortnight was also continued during the week of December 17.

The Imperial Bank of Germany reported a slight decrease in gold and silver holdings, and a small increase in circulation. Detailed statements follow:

BANK OF ENGLAND (In Thousands of £).

	1914			
	Nov. 27.	Dec. 3.	Dec. 10.	Dec. 17.
Deposits	170,344	180,547	165,906	165,903
Circulation	35,314	35,926	35,751	35,592
Gold	72,222	71,409	71,452	72,414
Securities	137,601	144,410	129,559	128,421
Reserve ratio (%)	31.60	29.90	32.60	33.31
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 16.	July 23.	July 30.	Oct. 1.
Deposits	1,218.9	1,343.5	1,331.0	2,117.0
Circulation	6,067.0	5,911.9	6,683.1	9,299.0
Gold	4,092.6	4,104.3	4,141.3	4,092.6
Silver	639.7	664.6	625.3	319.0
Discounts, etc.	1,606.8	1,611.8	2,444.2	4,476.0
Coin to notes (%)	77.9	80.6	71.0	58.1
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	Nov. 14.	Nov. 27.	Dec. 5.	Dec. 10.
Gold and silver	1,956.6	1,988.6	2,031.2	2,021.5
Loans and discounts	2,800.6	2,922.6	2,968.2	3,091.4
Circulation	4,060.0	4,009.1	4,205.3	4,230.9
Discount rate (%)	6	6	6	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	July.	August.	September.	October.
Loans on call	193.9	166.7	159.5	151.4
Loans, current	927.0	883.8	867.8	858.6
Deposits, demand	346.8	338.9	348.2	348.7
Deposits, other	766.9	755.1	759.3	750.6
Circulation	94.8	114.5	120.3	123.7
Cash reserves	113.3	159.7	176.2	183.2

FOREIGN EXCHANGE.

The increased supply of cotton bills is generally assigned as the reason for the weaker tendency of sterling exchange at the close of the week. The "Journal of Commerce" reported on Friday a movement of 107,311 bales from all ports for the previous day, the largest total for the season.

A steady downward movement in francs is reported to have been due to the establishment of additional credits in this country by the French Government. Reichsmarks continued their steady decline throughout the week.

British Trade in November.—The British Board of Trade has issued its monthly summary of foreign trade. Imports for the month amounted to nearly £56,000,000, an increase of approximately £4,500,000 over the imports during October of this year. While this total is £12,000,000 below the import total of November, 1913, it nevertheless continues the steady progress in volume of British imports which has taken place since the low water mark for this year, £42,000,000, was reached in August, 1914.

Exports did not make so good a showing. They amounted to slightly more than £32,500,000, a falling off of £5,500,000 from the value of October exports, and of £1,000,000 from the value of September exports, although they were £4,000,000 in excess of the value for August. The export figure for the corresponding month in 1913 was £20,000,000 in excess of the value of November, 1914, exports.

The following table shows the British 1914 trade movement for six months with comparisons with the same months of 1913 and 1912, together with the totals for the first eleven months of each year:

Imports.	1914.	1913.	1912.
November	£55,900,918	£68,480,918	£70,995,218
October	51,562,000	71,732,893	71,022,511
September	45,056,086	61,359,086	57,184,788
August	42,362,034	55,975,704	59,686,976
July	59,383,792	61,783,683	58,304,351
June	58,272,042	58,309,519	54,629,817
Exports.			
November	32,606,807	52,756,807	48,820,620
October	38,158,000	56,178,843	58,378,706
September	33,527,877	49,277,877	51,239,257
August	28,631,104	52,261,228	53,736,481
July	52,231,296	55,475,551	49,080,029
June	48,626,410	51,377,685	40,710,880
Eleven Months.			
Imports	629,915,395	697,931,963	670,875,028
Exports	495,933,048	582,061,691	548,570,962

* * *

Immigration in October.—The Bureau of Immigration has issued its monthly bulletin covering immigration and emigration for the month of October, 1914. The total passenger movement for the month showed a net balance in favor of immigration of 5,831, as against 9,867 for September. The number of immigrant aliens admitted was 30,416, as against 29,143 in September; while emigrant aliens numbered 20,046 in October, as against 18,212 during the previous month. Non-immigrant aliens numbered 14,825, as against 15,481 in September, while non-emigrant aliens reached the total of 19,364 in October, as against 16,545 in September.

The following table shows the numbers of immigrant aliens admitted by months since July of the current year, with comparisons with corresponding months in 1913 and 1912:

	1914.	1913.	1912.
October	30,416	134,140	108,300
September	29,143	136,247	105,611
August	37,706	126,180	82,377
July	60,377	138,244	78,101

FOREIGN EXCHANGE QUOTATIONS.

Sterling—	Saturday	Monday.	Tuesday	Wednesday	Thursday.	Friday
Cables	4.88	4.87¾	4.88⅛	4.88	4.87⅞	4.87⅝
Demand	4.87½	4.87⅛	4.87½	4.87½	4.87⅛	4.87⅛
Sixty days sight	4.84½	4.84½	4.84¼	4.84⅜	4.84½	4.83⅞
Ninety days sight	4.83¼	4.83¼	4.83	4.83¼	4.83¼	4.83
Francs—						
Cables	5.12½	5.13¼	5.13¾	5.13¾	5.15	5.15¼
Demand	5.13½	5.14½	5.14¾	5.14¾	5.16	5.16
Reichsmarks—						
Cables	90¾	89	89	88⅝	88⅛	88
Demand	90½	89¼	89¼	88½	88	88

COTTON

December 19, 1914.

BELIEF in present prices for cotton, as representative of what both the producers and the cotton trade generally conceive to be its worth with all the existing price-making factors taken into account, has been greatly strengthened by the action of the markets during the past week. The estimate of the season's yield issued last week by the Department of Agriculture, by reason of its overwhelming size, decidedly shook the faith of not a few, not merely in any possible advance in prices this year, but even in the maintenance of the present level of prices. Many who had commitments on the long side promptly liquidated them, and for several days the impression produced by the markets was one of uncertainty and possible top-heaviness. Naturally there was some decline; but this extended less than one-half a cent per pound at the most. Early this week signs of recovering tone began to show themselves, and it was not long before the lost ground was beginning to be regained and prices were once more returning to the level of just before the issue of the Government report. Yesterday, decided strength obtained in all the contract markets, despite the news of the operations of the German fleet against the East coast of England, and the resulting tie-up of British shipping on instructions from the British Admiralty. The closing prices of future contracts in New York yesterday were higher than those of Friday, a week ago, by about $1.50 per bale for the old crop positions and by nearly $2.50 per bale for October, 1915. More important still, they were about $2.00 per bale higher than on the corresponding date in 1904, when there was a bumper crop (though 3,000,000 bales smaller than the present one), but no war, no present or prospective reduction in consumption, no restriction of the free movement of cotton for export to all the cotton-consuming countries of the world. Gratifying and encouraging as all this is, it must be admitted that for no inconsiderable number of persons there is a certain amount of puzzlement about it. These persons grant that that there are some reasons why owners of cotton should feel that the turning point of anxiety has been passed and that they can count upon at least a reasonable market for their cotton in the not distant future. The export movement, for instance, has during the past fortnight assumed almost its normal proportions for the time of year. Then, reports from Lancashire are losing the extreme pessimism, which characterized them in September and October. More business is doing among the English spinners, more enquiry for goods for future months is noted, more cotton is being taken from the the Liverpool stock, and there is every appearance that things are on the mend. Similarly, American manufacturers are beginning to take a less gloomy view of their situation, as they gradually work off their high-priced ante-bellum cotton and have less vividly impressed upon their minds the losses they have had to bear. The demand for their goods is not what they would like and prices for goods are by no means highly remunerative; yet they are getting down to the new low level of values, both for raw material and for goods, and are seeing some chance of moderate profit upon the season's run as a whole. As the Census Bureau's report on consumption, issued on Monday, shows the rate of consumption in the United States since August 1 has declined suprisingly little, in view of all the conditions. The difference between the 1,843,064 bales consumed between August 1 and December 1, 1913, and the 1,671,663 bales consumed in the same period this year is too small to be indicative of a real set-back to the consumption of cotton goods in this country. On the contrary, it would appear far from impossible that the gradual restoration of business activity will make the consumption of the last eight months of the season of 1914-1915 more than make good the loss of the first four months. There is no doubt that all these things are substantial grounds for encouragement about the future course of prices for cotton. Nevertheless, as suggested above, there are not a few persons who cannot rid their minds of apprehension lest the bases of present market calculations should in the end prove to be unwarranted. To these persons the fact appears inescapable that, whoever holds the cotton and wherever it is held, there is an enormously superabundant supply of it in the United States. This is the certainty, while improving business, a coming decrease of acreage, the continued resolution of farmers, the world's financial ability to finance for a long period an unwieldy surplus, the prospective readiness of spinners to contract largely for future needs, etc., are all uncertainties, unlikely in the long run to determine the course of events. That there is weight in these considerations cannot be denied. And yet there may be something in the situation, a hidden influence or force, which is not dreamed of in the philosophy of such doubters. It is a strange fact that wars and their after-effects have almost without exception confounded the prognostications of the infirm of heart. It is not the rule that wars, however great for their time, are followed by world-wide economic prostration. On the contrary, they are followed by world-wide economic activity and expansion, even though an element of fallacy be subsequently disclosed in the apparent swift recovery and advance. And those strange things, markets, have a way of foreshadowing what is to come. The collective whole of a market seems to have a prescience of the future which is denied to the individual member of the market. Perehaps some such phenomenon is manifesting itself in the cotton markets to-day, and is over-riding all the arguments derived from the visible facts.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	6.78	6.90	6.95	6.97	7.05	7.11
Low	6.73	6.85	6.88	6.89	6.92	7.05
Close	6.80	6.93	6.88	6.97	7.05	7.10
January (Old Contract)—						
High	6.75	6.85	6.88	6.85	7.05	....
Low	6.75	6.85	6.88	6.84	7.05	....
Close	6.80	6.94	6.85	6.95	7.05	7.10
January (New Contract)—						
High	....	7.05	7.14	7.17	7.25	7.36
Low	....	7.04	7.09	7.06	7.12	7.25
Close	6.98	7.10	7.07	7.16	7.26	7.31
March (Old Contract)—						
High	....	....	....	....	....	7.28
Low	....	....	....	....	....	7.27
Close	....	....	....	7.14	....	7.28
March (New Contract)—						
High	7.20	7.32	7.34	7.38	7.46	7.52
Low	7.10	7.21	7.28	7.24	7.32	7.42
Close	7.19	7.31	7.27	7.35	7.46	7.50
May (Old Contract)—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	7.38	....	7.51
May (New Contract)—						
High	7.37	7.50	7.53	7.54	7.67	7.70
Low	7.28	7.37	7.44	7.42	7.46	7.57
Close	7.36	7.49	7.45	7.52	7.66	7.66
June—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
July—						
High	7.52	7.65	7.67	7.71	7.82	7.86
Low	7.43	7.51	7.58	7.59	7.64	7.74
Close	7.51	7.64	7.60	7.68	7.81	7.83
August—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
October—						
High	7.81	7.94	7.96	7.97	8.09	8.12
Low	7.72	7.80	7.89	7.88	7.91	8.01
Close	7.80	7.92	7.89	7.96	8.08	8.10
November—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	6.85	6.72	6.90	6.97	7.04	7.00
January—						
High	6.95	6.98	7.04	7.13	7.12	7.14
Low	6.88	6.92	6.99	7.02	7.11	7.08
Close	6.95	7.02	6.98	7.07	7.13	7.12
February—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
March—						
High	7.04	7.14	7.17	7.22	7.27	7.32
Low	6.95	7.03	7.09	7.09	7.13	7.22
Close	7.03	7.15	7.10	7.18	7.26	7.28
April—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
May—						
High	7.21	7.34	7.33	7.40	7.47	7.52
Low	7.14	7.22	7.28	7.20	7.33	7.41
Close	7.21	7.33	7.28	7.36	7.46	7.47
July—						
High	7.38	7.52	7.50	7.59	7.67	7.70
Low	7.35	7.41	7.48	7.47	7.54	7.66
Close	7.39	7.51	7.47	7.56	7.66	7.66

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
September—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
October—						
High	7.65	7.81	7.79	7.87	7.95	8.00
Low	7.65	7.69	7.77	7.75	7.88	7.93
Close	7.68	7.81	7.77	7.85	7.93	7.95
November—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery on each day of the past week, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May-June—						
Opening	4.04	4.06	4.12	4.12	4.16	4.18
12:30 p. m.	....	4.07½	4.14	4.11½	4.15	4.20½
Close	4.03	4.08½	4.14	4.15½	4.14	4.20½
June-July—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
July-Aug.—						
Opening	4.09½	4.12	4.19	4.18½	4.22	4.24½
12:30 p. m.	....	4.13	4.20½	4.18	4.21½	4.26½
Close	4.09	4.14½	4.20	4.21½	4.21½	4.27½
Aug.-Sept.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Sept.-Oct.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Oct.-Nov.—						
Opening	4.20	4.22½	4.28½	4.29	4.33	4.35
12:30 p. m.	....	4.24	4.29½	4.28½	4.32	4.37½
Close	4.19½	4.25	4.30½	4.32	4.31	4.37½
Nov.-Dec.—						
Opening	....	....	4.32½	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Dec.-Jan.						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Jan.-Feb.—						
Opening	4.26	4.29	4.34½	4.35	4.38½	4.40
12:30 p. m.	....	4.30	4.35½	4.34	4.38½	4.42½
Close	4.25½	4.30½	4.36	4.37½	4.36½	4.43
Feb.-Mar.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Mar.-Apr —						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Apr.-May—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri
New York	7.30	7.35	7.35	7.35	7.10	7.40
New Orleans	7	7	7	7	7 1-16	7⅛
Galveston	7¼	7¼	7¼	7¼	7⅜	7½
Mobile	6 13-16	6 13-16	6 13-16	6 13-16	6 13-16	7
Savannah	6⅞	6⅞	7 1-16	7⅛	7⅛	7⅛
Charleston	6¾	6¾	6⅞	7	7	7
Wilmington	6¾	6¾	6⅞	7	7	7
Norfolk	6¾	6⅞	6⅞	6⅞	7	7
Baltimore	7¼	7¼	7¼	7¼	7¼	7¼
Augusta	6⅞	7	7	7 1-16	7⅛	7¼
Memphis	7	7	7	7	7	7
St. Louis	7⅛	7⅛	7⅛	7⅛	7⅛	7⅛
Houston	7⅛	7⅛	7¼	7⅛	7 7-16	7 7-16
Little Rock	6⅞	6⅞	6⅝	6⅞	6⅞	6⅞

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	5.11	5.15	5.24	5.22	5.25	5.30
Good middling	4.49	4.53	4.62	4.60	4.63	4.68
Middling	4.25	4.29	4.38	4.36	4.39	4.44
Low middling	3.78	3.82	3.91	3.89	3.92	3.97
Good ordinary	3.16	3.20	3.29	3.27	3.30	3.35
Estimated spot sales..	4,000	8,000	6,000	6,000	6,000	6,000

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs	Fri.
Fully good middling...	....	....	....	.....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	507,876	364,772	341,924	424,264
Overland to mills and Canada	48,775	52,670	51,475	49,073
So. mill takings, est., exclusive of takings from Southern ports.	100,000	100,000	105,000	90,000
Gain of stocks at interior towns	11,688	26,841	27,966	39,315
Brought into sight for week	668,339	544,283	526,365	602,652
Total Movement—				
Port receipts	7,107,192	6,891,075	6,616,297	3,896,504
Overland to mills and Canada	415,677	490,864	559,128	381,659
Southern mill takings..	1,332,032	1,305,873	1,369,796	937,887
Stocks at interior towns in excess of Sept. 1..	772,085	640,248	710,326	1,049,196
Brought into sight thus far this season	9,656,986	9,328,060	9,255,547	6,265,246

The total crop movement is respectively for 144 days, 142 days, 141 days and 140 days.

PORT RECEIPTS AND STOCKS.

	This week last year— R'c'ts. Week.	R'c'ts. Season.	Stocks.	This week— R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	50,379	2,145,863	237,465	171,308	1,685,159	396,017
New Orleans	90,788	879,241	281,217	65,088	560,103	291,091
Mobile	24,860	274,206	49,562	7,779	77,994	45,482
Savannah	52,394	1,337,771	150,374	88,097	687,962	275,746
Charleston	13,041	374,257	77,990	22,674	188,137	119,334
Wilmington	10,822	314,472	33,733	7,657	82,869	47,157
Norfolk	27,802	341,512	61,537	24,695	184,981	72,142
Baltimore	2,631	64,682	6,092	2,025	25,109	7,133
New York	200	1,537	69,994	.....	2,250	77,056
Boston	591	8,610	1,647	638	7,793	7,388
Philadelphia	.....	164	3,436	513	1,481	6,048
Newport News	5,835	33,465	.....	.....	54,841	.....
Brunswick	9,500	212,350	9,222	7,580	48,147	7,025
Pensacola	2,150	104,559	.....	.....	3,925	.....
Port Arthur	7,892	20,386	.....	.....	400	.....
Pacific ports	30,942	163,969	.....	4,906	100,125	.....
Texas City, etc.	9,552	315,631	26,418	19,619	162,461	37,294
Jacksonville, etc.	2,245	23,634	2,645	1,685	22,767	1,878
Georgetown	.....	.....	.....	.....	.....	.....
Totals	341,924	6,616,299	1,014,971	424,264	3,896,504	1,390,791

MOVEMENT AT INTERIOR TOWNS.

	This week last year — R'c'ts. Week.	R'c'ts Season.	Ship'ts. Week.	Stocks.	This week — R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Stocks.
Brenham	267	25,245	200	1,893	609	11,331	655	3,147
Dallas	3,355	60,816	3,317	11,232	6,760	70,549	5,469	6,945
Shreveport	7,505	135,102	5,888	37,938	3,505	101,030	2,253	78,248
Little Rock	9,533	121,109	7,878	54,579	8,365	106,566	6,187	54,693
Helena	3,580	45,814	3,363	20,494	2,292	43,824	1,047	24,268
Vicksburg	2,386	22,125	1,181	12,062	2,975	26,399	1,130	19,051
Columbus, Miss.	2,043	32,183	2,363	7,571	2,049	20,661	1,364	13,040
Natchez	1,519	16,168	959	5,998	1,040	16,265	500	12,071
Memphis	61,226	705,028	45,017	253,093	10,847	568,657	28,874	267,815
Nashville	389	7,913	172	845	385	2,072	225	1,275
Selma	3,011	115,391	2,996	20,926	5,106	94,380	4,273	32,562
Montgomery	4,354	137,043	4,218	36,640	7,681	140,251	5,117	88,182
Eufaula	1,236	20,669	953	5,108	1,038	18,090	631	11,474
Columbus, Ga.	4,199	48,852	1,535	19,073	6,080	70,875	2,110	52,640
Macon	2,393	40,587	1,787	5,134	115	30,736	872	22,941
Albany	858	28,662	797	4,371	1,159	27,635	1,002	19,086
Atlanta	8,265	170,861	8,385	20,465	12,516	142,117	11,170	20,151
Rome	2,096	50,637	2,550	7,943	3,028	42,916	2,384	11,381
Augusta	15,241	280,464	8,505	85,270	16,591	286,050	13,657	157,140
Columbia	1,338	45,298	1,338	.....	1,505	61,120	1,505	.....
Newberry	1,341	20,266	1,311	.....	871	9,518	874	.....
Charlotte	719	10,530	719	.....	560	6,242	560	.....
Raleigh	456	10,831	500	443	230	3,630	225	290
St. Louis	24,328	244,533	21,692	25,238	20,199	230,971	22,915	33,511
Houston	46,015	1,900,496	52,195	170,651	117,507	1,553,638	139,069	167,184
Meridian	1,913	20,134	686	10,619	2,120	18,850	138	16,161
Cincinnati	8,578	88,222	7,263	18,524	9,258	80,375	8,183	4,450
Yazoo City	2,681	30,421	1,957	16,197	2,201	32,568	1,095	24,055
Totals	220,970	4,435,773	193,118	852,177	309,799	3,777,259	267,384	1,161,803

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	77,478	101,83.	149,427
France	20,715	23,018	34,273
Continent	138,784	115,003	100,983
Mexico	1,100	1,225	.....
Japan	25,243	32,042	8,906
Totals	263,320	273,121	293,589
Great Britain	2,256,885	1,764,125	981,438
France	746,029	748,535	116,179
Continent	1,927,918	2,187,596	787,440
Mexico	2,653	22,980	24,629
Japan	112,137	195,808	191,434
Totals	5,045,122	4,919,844	2,021,120

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	450,000	320,000	314,000
Since September 1	5,156,640	5,257,918	1,134,086

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	10,250	11,300	9,000	105,915	6,000	20,687
To Manchester	8,750	115,551	.....	93,968	5,000	14,266
To Continent	12,000	134,161	13,000	156,606	14,000	40,671
To America	7,500	47,868	3,250	15,414	3,000	18,720
Total exports	38,500	408,880	25,250	371,933	28,000	94,344

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	95,000	717,000	.....	.....
Exports to Great Britain	.....	7,000	.....	.....
Exports to Continent	14,000	252,000	.....	.....
Exports to Japan and China	18,000	155,000	.....	.....
Afloat in harbor	9,000	.....	.....	.....

Exchange, 1s. 4 3-32d.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply
Liverpool	889,000	682,000	768,000	445,000
London	8,000	.....	10,000	.....
Manchester, in warehouses	108,000	79,000	50,000	26,000
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	3,000	15,000	3,000
Bremen	465,000	460,000	165,000	160,000
Havre	382,000	376,000	177,000	143,000
Other ports Continent	62,000	46,000	59,000	44,000
Alexandria	379,000	.....	160,000	.....
Bombay	104,000	.....	.....	.....
U. S. interior towns	852,177	852,177	1,161,803	1,161,803
U. S. ports	1,014,971	1,014,971	1,390,791	1,390,791
Afloat for—				
Liverpool	393,000	311,000	499,000	439,000
London	.....	.....	.....	.....
Continent	697,000	576,000	496,000	405,000
Afloat in Bombay harbor	9,000	.....	.....	.....
Coastwise to New York	21,000	21,000	13,000	13,000
Exports to-day	.....	.....	8,000	8,000
Total	5,609,148	4,421,148	.....	4,238,594

Decrease in total visible supply for the week, ——, against increase in corresponding week, 133,770. Increase in American visible supply for the week, 183,446, against 89,720 last year.

*Of the Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,322,140	1,691,808
Crop in sight to date	9,265,547	6,265,246
Total supply	10,587,687	7,957,054
Less visible supply, American, to-day	1,121,152	4,238,886
World's takings, American, to date	9,466,535	3,718,186
Afloat in Takings.		
Stocks at United States ports July 31	161,289	253,201
Returned from foreign ports	.....	819
Receipts at United States ports to-day	6,971,215	3,896,504
Total supply at ports	7,132,504	4,150,554
Deduct.		
Stocks at ports to-day	1,121,152	1,390,791
*Exports to date	5,011,353	2,761,190
Southern mill takings from ports	96,000	96,374
Burnt at ports	.....	292
Total	6,228,505	4,248,647
To Northern mills from ports	903,999	1,852,077
Overland to Northern mills	2,000	50,679
Total Northern mill takings	905,999	1,902,756
Southern mill takings	1,000,000	1,000,751
Total American mill takings, including Canada	1,905,999	2,903,507

*Includes 1,000 bales in transit between Southern mills and New York, against 1,000 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	202,524	2,750,691	294,599	2,044,897
Great Britain	34,833	1,236,725	64,427	731,458
Continent	166,021	1,960,331	69,256	725,350
Mexico	1,225	22,980	.....	25,029
Japan and China	32,042	195,808	8,906	191,434
Totals	136,645	6,166,535	337,188	3,718,168

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	75,000	54,000	37,000	36,000
Sales, American	47,000	45,000	26,000	25,000
Sales, speculation	5,000	3,000	2,000	2,000
Sales, exports	4,000	1,000	5,000	3,000
Forwarded	106,000	84,000	92,000	82,000
Imports, all kinds	214,000	173,000	64,000	101,000
Imports, American	176,000	130,000	35,000	85,000
Actual exports, all kinds	12,000	7,000	15,000	5,000
Stock, all kinds	1,179,000	889,000	694,000	708,000
Stock, American	1,016,000	682,000	423,000	445,000
Afloat for Great Britain, all kinds	561,000	393,000	438,000	499,000
Afloat for Great Britain, American	468,000	311,000	380,000	439,000

CENSUS BUREAU REPORT ON CONSUMPTION AND DISTRIBUTION OF COTTON IN NOVEMBER.

On Monday, December 14, the United States Census Bureau issued its monthly cotton supply report, giving the consumption, distribution and supply of cotton in the United States for November, 1914. The figures, with comparisons for November, 1913, are given in the following tables,—round bales being counted as half-bales and bales imported from foreign countries being reduced to equivalent 500-pound bales (net weight):

CONSUMPTION AND ACTIVE SPINDLES IN OCTOBER.

	Consumption		Active Spindles	
	1913, Bales.	1914, Bales.	1913, No.	1914, No.
In mills in the Cotton States	244,546	236,367	12,090,701	12,337,142
In mills in all other States	211,810	184,296	18,858,636	18,104,173
Totals	456,356	*420,663	30,949,337	30,441,315

*Includes 13,515 bales of foreign cotton.

STOCKS OF COTTON IN MILLS AND IN WAREHOUSES ON NOV. 30.

	In Manufacturers' Establishments		In Independent Warehouses	
	1913, Bales.	1914, Bales.	1913, Bales.	1914, Bales.
In the Cotton States	816,337	558,812	3,171,570	4,871,276
In all other States	610,301	501,953	94,144	131,098
Totals for United States	1,4326,638	†1,060,765	3,262,714	‡5,008,374

†Includes 47,577 bales of foreign cotton.
‡Includes 8,862 bales of foreign cotton.

Figures for the consumption of cotton in the United States for the four months ended November 30, 1914, with comparisons for the same period in 1913, are as follows:

CONSUMPTION OF COTTON IN THE UNITED STATES FOR THREE MONTHS ENDED NOVEMBER 30.

	1913, Bales.	1914, Bales.
In mills in the Cotton States	979,517	905,517
In mills in all other States	863,547	765,861
Totals for United States	1,843,064	1,671,378

Linters, not included above, were 25,739 bales consumed in November, 1914 (vs. 26,242 in November, 1913). Stocks of linters on November 30, 1914, were 78,353 bales in manufacturers' establishments (vs. 58,823 on November 30, 1913) and 56,809 bales in independent warehouses (vs. 34,541 bales on November 30, 1913). The domestic consumption of linters for the four months ended

WILLIAM RAY & CO.
Successors to Geo. Copeland & Co.
COTTON BROKERS
3 Cotton Exchange Building, New York
Members of New York Cotton Exchange
Associate Members of Liverpool Cotton Ass'n
Cotton for Spinners' Use.

November 30, 1914, was 107,509 bales, compared with 111,961 bales for the same period of 1913.

The imports and exports of cotton during the month of November were as follows:

IMPORTS.

From	1913, Bales.	1914. Bales.
Egypt	2,404	7,360
Peru	1,523	981
China	282	1,156
All other countries..	3,072	3,777
Total imports	7,281	13,274

§Includes 7,267 bales of linters.

EXPORTS.

To	1913. Bales.	1914. Bales.
United Kingdom...	530,355	333,700
Germany	516,853	1,000
France	183,494	42,290
Italy	67,994	117,398
All others	202,563	266,541
Total exports ...	1,501,259	760,929

* * *

BRITISH BOARD OF TRADE OFFICIAL EXPORT FIGURES

The preliminary figures for the November exports of cotton yarns and cloths from Great Britain have been received by cable by the New York Cotton Exchange. We give them below, with the completed figures of the months since January 1, 1914:

	1913. Yarns, Pounds. Month.	Yarns, Pounds. Since Jan. 1.	Cloth, Yards. Month.	Cloth, Yards. Since Jan. 1.
1914—January	19,056,000	19,056,000	688,105,100	688,105,100
1913—January	19,093,300	19,093,300	648,912,700	648,912,700
1914—February	18,074,100	37,130,100	583,451,600	1,271,556,700
1913—February	16,761,100	35,854,400	563,606,400	1,212,519,100
1914—March	19,824,300	56,954,400	590,375,000	1,861,931,700
1913—March	17,212,600	53,067,000	560,905,000	1,773,424,100
1914—April	18,992,500	75,946,900	531,908,600	2,393,840,300
1913—April	18,578,600	71,645,600	587,552,800	2,360,976,900
1914—May	20,234,300	96,181,200	572,913,100	2,966,753,400
1913—May	17,776,700	89,422,300	606,254,300	2,967,231,200
1914—June	17,233,000	113,414,200	498,504,800	3,465,258,200
1913—June	16,986,700	106,409,000	615,557,600	3,582,788,800
1914—July	19,866,300	133,280,500	628,770,100	4,095,028,400
1913—July	16,620,200	123,029,200	638,971,100	4,221,759,900
1914—August	8,046,800	141,327,300	313,074,600	4,408,103,000
1913—August	15,998,100	139,027,300	579,546,500	4,801,306,400
1914—September	9,668,100	150,995,400	374,358,500	4,782,461,500
1913—September	15,734,400	154,761,700	648,972,500	5,350,278,900
1914—October	8,018,500	159,013,900	370,711,500	5,153,173,000
1913—October	19,959,100	174,720,800	630,927,100	5,981,216,000
1914—November	10,000,000	169,013,900	307,000,000	5,460,173,000
1913—November	18,247,600	192,968,400	563,650,100	6,544,866,100

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	2 7/8	2 7/8
Gray goods, 38 in., standard	3 7/8-4	3 3/4
Brown sheetings, Southern standard	6 1/4-6 1/2	6 1/4-6 1/2
Denims, 9-ounce	12 15-16	12 1/2-16
Tickings, 8-ounce	12 1/2	12 1/2
Standard prints	5 1/4	4 1/2
Standard staple ginghams	6 1/4	6 1/4
Yarns.		
Southern 2-ply skeins, 30s	18-18 1/2	18-18 1/2
Southern 2-ply skeins, 60s	42	42
Southern single skeins, 20s	16	16
Southern single chain warps, 20s	15 1/2	15 1/2
Southern 2-ply chain warps, 20s	16	16
Southern frame cones, 20s	16 1/2-16 3/4	16 1/2-16 3/4
Southern frame cones, 30s	18-18 1/2	18-18 1/2
Eastern carded cops, 20s	18	18
Eastern carded cops, 30s	22 1/2	22 1/2
Eastern carded peeler warps, 30s	24 1/2	24 1/2
Eastern carded peeler warps, 56s	40	40

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December High.	December Low.	December Close.	May High.	May Low.	May Close.	High.	Low.	Close.
Dec. 12..	1.18 1/8	1.16 3/8	1.18 1/8	1.22 1/8	1.20 5/8	1.22 1/8	....	....	....
Dec. 14..	1.19 1/4	1.18	1.18	1.23	1.21 1/2	1.21 3/4	1.15 7/8	1.15 1/8	1.15 1/8
Dec. 15..	1.18 3/4	1.17 3/4	1.18 3/4	1.22 7/8	1.21 5/8	1.22 3/4	1.16 5/8	1.15 1/8	1.16 1/4
Dec. 16..	1.19 1/4	1.18 3/4	1.18 7/8	1.22 7/8	1.22	1.22 3/8	1.16 3/8	1.15 5/8	1.15 5/8
Dec. 17..	1.20 1/8	1.18 1/2	1.20 1/8	1.23 5/8	1.22 1/4	1.23 1/2	1.16 5/8	1.15 3/4	1.16 3/8
Dec. 18..	1.21 1/4	1.20	1.2 1/2	1.24 1/2	1.23 1/4	1.23 5/8	1.17 1/8	1.16 1/4	1.16 5/8

CORN (New Contract).

	December High.	December Low.	December Close.	May High.	May Low.	May Close.	High.	Low.	Close.
Dec. 12..	63 3/8	62 7/8	63 1/4	69 1/2	69	69 3/8	....	....	....
Dec. 14..	63 5/8	62 7/8	63	69 3/4	69 1/8	69 1/4	70 1/4	69 3/4	69 3/4
Dec. 15..	63 1/4	62 3/4	63 1/8	69 1/2	69	69 1/2	70	69 1/2	70
Dec. 16..	63 1/4	62 7/8	63	69 7/8	69 1/4	69 3/8	70 1/4	69 3/4	69 7/8
Dec. 17..	64	62 3/4	64	70 1/4	69 1/4	70 1/8	70 3/4	69 7/8	70 3/4
Dec. 18..	64 1/2	61 1/8	64 1/8	70 1/2	69 3/4	69 7/8	71 1/4	70 5/8	70 3/4

OATS.

	December High.	December Low.	December Close.	May High.	May Low.	May Close.	High.	Low.	Close.
Dec. 12..	47 5/8	47 1/4	47 5/8	51 7/8	51 1/2	51 7/8	....	....	....
Dec. 14..	48	47 3/8	47 5/8	52 1/4	51 7/8	51 7/8	....	....	....
Dec. 15..	47 7/8	47 1/4	47 7/8	52 1/8	51 3/4	52 1/8	....	....	....
Dec. 16..	48	47 3/4	47 3/4	52 1/4	51 3/4	51 7/8	....	....	....
Dec. 17..	48 1/2	48	48 1/2	52 5/8	51 3/4	52 3/8	....	....	....
Dec. 18..	48 3/8	48 1/4	48 1/2	52 3/8	52	52 1/4	....	....	....

LARD.

	November High.	November Low.	November Close.	January High.	January Low.	January Close.	May High.	May Low.	May Close.
Dec. 12..	....	....	....	9.75	9.72	9.75	10.05	10.00	10.02
Dec. 14..	....	....	....	9.85	9.80	9.80	10.12	10.05	10.07
Dec. 15..	....	....	....	10.00	9.92	9.97	10.25	10.12	10.22
Dec. 16..	....	....	....	10.07	10.00	10.05	10.32	10.22	10.27
Dec. 17..	....	....	....	10.12	10.00	10.12	10.37	10.22	10.37
Dec. 18..	....	....	....	10.17	10.10	10.10	10.37	10.27	10.27

RIBS.

	November High.	November Low.	November Close.	January High.	January Low.	January Close.	May High.	May Low.	May Close.
Dec. 12..	....	....	....	9.80	9.75	9.77	10.12	10.10	10.12
Dec. 14..	....	....	....	9.90	9.85	9.87	10.22	10.12	10.20
Dec. 15..	....	....	....	10.02	9.97	10.02	10.37	10.20	10.30
Dec. 16..	....	....	....	10.00	9.97	9.97	10.32	10.27	10.27
Dec. 17..	....	....	....	10.02	10.00	10.02	10.37	10.25	10.32
Dec. 18..	....	....	....	10.02	9.95	9.95	10.35	10.25	10.27

PORK.

	November High.	November Low.	November Close.	January High.	January Low.	January Close.	May High.	May Low.	May Close.
Dec. 12..	....	....	....	18.02	18.00	18.02	18.52	18.47	18.50
Dec. 14..	....	....	....	18.15	18.10	18.10	18.70	18.57	18.60
Dec. 15..	....	....	....	18.40	18.35	18.35	18.95	18.72	18.80
Dec. 16..	....	....	....	18.37	18.25	18.30	18.85	18.72	18.77
Dec. 17..	....	....	....	18.40	18.30	18.40	18.90	18.70	18.87
Dec. 18..	....	....	....	18.22	18.20	18.20	18.87	18.65	18.65

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Spot	5.80	5.76	5.65	5.65	5.70	5.60
December	5.80	5.75	5.68	5.65	5.73	5.62
January	5.87	5.81	5.77	5.75	5.79	5.75
February	5.98	5.97	5.85	5.85	5.87	5.84
March	6.08	6.08	5.97	6.00	6.05	6.00
April	6.16	6.16	6.05	6.10	6.13	6.08
May	6.28	6.28	6.21	6.24	6.28	6.25
June	6.38	6.37	6.30	6.30	6.35	6.32
July	6.49	6.51	6.44	6.45	6.50	6.45

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
December	6.45	6.50	6.43	6.38	6.42	6.25
January	6.52	6.53	6.45	6.41	6.43	6.25
February	6.59	6.60	6.53	6.47	6.52	6.35
March	6.66	6.66	6.61	6.54	6.51	6.45
April	6.75	6.71	6.40	6.62	6.59	6.53
May	6.85	6.83	6.78	6.71	6.68	6.62
June	6.75	6.73	6.58	6.61	6.37	6.52
July	7.60	7.60	7.55	7.49	7.48	7.42
August	7.65	7.66	7.61	7.56	7.53	7.49
September	7.70	7.73	7.68	7.63	7.59	7.55
October	7.77	7.79	7.74	7.70	7.46	7.62
November	7.83	7.85	7.80	7.77	7.53	7.69
Spot Rio 7s	7 5/8	7 3/4	7 3/4	7 3/4	7 1/2	7 1/2

Quoted Prices of Active Bonds on the New York Stock Exchange

Range Jan. 1 to July, 1914. High.	Low.	July 30. Close.	Bonds.	Maturity.	Interest Payable.	Saturday. Dec. 12. High.	Low.	Monday. Dec. 14. High.	Low.	Tuesday. Dec. 15. High.	Low.	Wednesday. Dec. 16. High.	Low.	Thursday. Dec. 17. High.	Low.	Friday. Dec. 18. High.	Low.
80¾	73½	79	Adams Express 4s	1948	*M-S											72¼	72¼
87	84½	85	Albany & Susque 3½s	1946	*A-O												
			Allis-Chalmers 5s	1936	J-J*												
102	97¾	99	Am Ag Chemical cvt 5s	1928	*A-O												
93⅛	97½	98⅞	Am Cotton Oil 4½s	No 1 1915 Q Feb										99	99		
			Am Hide & Leather 6s	1919	M-S*					101	101			100	100		
			Am Ice deb 6s	1925	*A-O							83¼	83¼	83¼	83¼		
100	93½	95½	Am Tel & Tel conv 4s	1936	*M-S												
			Am Tobacco Co 4s	1951	F-A*												
123	117½	122	Am Tobacco 6s	1944	A-O*			120¼	120¼								
74	62½	64	Ann Arbor 4s	July 1995	Q Jan	68½	68½	68	68					66	66		
93⅛	89⅞	90	Armour & Co R E 4½s	1939	*J-D			90½	90½	91	90½	91	91			91	90½
96¼	91½	91½	A T & S F gen 4s	1995	A-O*	91⅜	91⅜	91	91	91	91⅛	91¼	91⅛	91¼	90¾	91⅛	90⅝
88⅛	84⅜	85½	A T & S F adj 4s stamp	July 1995	Nov	82	81¾	82	82					82	82	82	82
102½	100	100⅜	A T & S F conv 5s	1917	*J-D			100¼	100¼	100¼	100¼			100¼	100¼	100¼	100¼
100	90½	90½	A T & S F conv 4s	1955	*J-D	91⅞	91⅞	93⅞	93⅝	93½	93½	93⅛	93⅛			93	93
95	91	93¾	Atlantic Coast Line 4s	July 1952	M-S	86	86	86	86	86½	86½	86½	86½	86½	86½	86¼	86¼
95	87	87¼	Atl C L L & N col 4s	Oct 1952	M-N			85½	85½			85⅛	85⅛			85½	85¼
93	89½	89½	Balt & Ohio prior 3½s	1925	J-J*	88⅛	88⅛	88⅛	88⅛	88⅛	88			88¼	88⅛	88⅜	88¼
			Balt & Ohio gold 4s	July 1 1948	A-O	89½	88½	89½	89	89¾	89¼	89½	89¼	88¾	88⅜	88½	88½
			B & O P L E & W V 4s	1941	M-N*					80	80						
91½	87¼	87⅞	B & O S W Div 3½s	1925	*J-J	86½	86½	87	87								
100¼	93¾	98	Bethlehem Steel 1st 5s	1926	*J-J	98	97⅞	98	98					99	99		
101	100	100¼	Brooklyn Rap Tran cvt 4s	2002	J-J*							86	86				
100	96⅜	97	Brooklyn Rap Tran 5s	1945	A-O*	101	101			101¼	101¼			101¼	101	101¼	101
98¼	99½	99¾	Brooklyn Union El 1st 5s	1950	*F-A	98½	98½	98½	98½	100	99½	99⅝	99½				
			Brooklyn Union Gas 5s	1945	*M-N									103¼	103¼	103¼	103¼
			Buff Roch & Pitts gen 5s	1937	*M-S												
108	107¼	107¼	Central of Ga con 5s	1945	M-N*			100⅜	100⅛	100⅛	100⅛			100⅛	100⅛	100⅛	100⅛
99⅞	96½	96	Central Leather 5s	1925	*A-O	96⅞	96⅛	96⅜	96½	96⅝	96⅝	96⅜	96⅛	96¾	96½	96¾	96¾
118	114	116⅝	Central of N J gen 5s	1987	J-J*	114	113	113	113					113	113		
			Central New England 4s	1961	*J-J												
94½	89½	89½	Central Pacific 1st 4s	1949	F-A*					86⅝	86¼	86⅝	86¼			86½	86¼
			Ches & Ohio con 5s	1939	*M-N							102½	102½			102½	102½
98½	90½	90½	Ches & Ohio gen 4½s	1992	*M-S	86½	86½			87	87						
86½	70	70	Ches & Ohio conv 4½s	1930	*F-A	70½	70¼	72¼	71⅛	72½	71⅝	72	71¼	71¾	71½	72½	71½
			Chicago & Alton 3s	1949	A-O*												
55½	35	37⅛	Chicago & Alton 3½s	1950	J-J*												
91½	91½	91½	Chi Bur & Quincy gen 4s	1958	*M-S	89⅜	89¼			89¾	89¼					89¾	89¾
98	94¾	94¾	Chi Bur & Quincy joint 4s	1921	*J-J	95	94⅞	97	94⅞	94⅜	94⅜	94⅝	94½	94¾	94⅝	94⅞	94⅝
85⅞	82	83	Chi Bur & Quincy Ill Div 3½s	1949	J-J*												
96	93	95	Chi Bur & Quincy Ill Div 4s	1922	*F-A	94	94					94	94				
			Chi Bur & Quincy Neb ext 4s	1927	*M-N												
108	105⅝	107	Chicago & Erie 1st 5s	1982	*M-N												
75¼	67	68	Chicago Great Western 4s	1959	M-S*	68½	68¼	68⅛	68¼	69	68¾	69	69	69	69		
96¾	92	91¾	C M & St P gen 4s Series A	May 1989	J-J*							90½	90½				
93	88	90	C M & St P deb 4s	1934	J-J*									90	88½		
104½	102½	103¾	C M & St P C P & W 5s	1921	*J-J			101⅛	101⅛	101⅜	101¾					101¾	101¾
84	80	81	Chicago & N W gen 3½s	1987	M N*	78⅜	78⅜			79¼	78¼	77⅞	77⅞	78	78		
97⅛	93¾	95½	Chicago & N W gen 4s	1926	F-A*	90	89	90	89⅞			90	90	90	89¾		
90	81⅛	81⅛	C R I & P gen 4s	1988	J-J*	83⅜	83⅛					82	82	82	82		
53	18¾	18⅞	C R I & P col trust 4s	2002	M-N*	27¼	26	26¾	25½	26¼	26	25½	25½	25½	25½	25¾	25½
81	65	65	C R I & P ref 4s	1934	*A-O	69¼	69	69	69	69	69	69	68½	69	68¾		
120⅝	118	119⅞	C St P M & O 6s	1930	*J-D												
			C C C & St L gen 4s	1993	*J-D					72	72			73	73		
			C C C & St L S L Div 4s	1990	M-N*									83	83		
82	71	71	Col Industrial 5s	1934	F-A*												
			Col Midland 1st 4s	1947	J-J*			15	15								
93	89	89½	Col Southern 1st 4s	1929	*F-A	86⅞	86⅝										
83¼	81	81	Col South ref & ext 4½s	1935	*M-N							78	78			79½	79½
			Con Tobacco 4s	1951	*F-A												
99¼	97½	98	Del & Hudson conv 4s	1916	*J-D	98⅜	98¼	99	98⅜	99	99	99⅛	99	99	99	99	99
97½	93½	95	Del & Hudson ref 4s	1943	*M-N	90⅞	90⅞	91¼	91¼			91¼	91⅛	91¼	91¼	91¼	91¼
77	73	75½	Den & Rio Grande con 4s	1936	*J-J												
48⅜	43⅜	45⅜	Den & Rio G 1st ref 5s	1955	F-A*					44	43⅝						
56	52½	52½	Distillers' Securities 5s	1927	*A-O	57	57	57	57	56⅞	56⅞	56½	56½	56½	56½	56	56
104¾	103¼	107½	E T V & G con 5s	1956	M-N*											103¼	103¼
			E T V & G Div 5s	1930	J-J*												
82¼	80	82	Erie prior lien 4s	1996	*J-J	80	80			80	80	82	82			81¼	81¼
68¼	66⅜	67½	Erie general lien 4s	1996	*J-J			67	66⅜	66⅜	66⅜	66⅜	66⅜	67	67	67	67
64	61	61	Erie conv 4s A	1953	*A-O	63¼	62	66	65½	65½	64⅞	63½	63½	62¾	62½	63¾	63
66	62½	62½	Erie conv 4s B	1953	*A-O	66	63½	65½	66	65½	65			65	63½	65	64¼
90	86	88	Erie (1st) col 4s	1971	*F-A									88	88		
			P & T H 1st gen 5s	1942	*A-O												
			Ft W & D C 1st 6s	1921	J-D*												
			Ft W & R G 1st 4s	1928	J-I*												
100¼	100	102¾	Gen Electric deb 5s	1917	*J-D	101½	100½			102⅛	102⅛						
			G R & W ext deb B		Ann.-Feb.			11	11								
			Genesee Valley 4½s	1999	*J-J												
			L & T Central gen 4s	1921	*A-O												
			Gulf Coast Central 5s	1952	*A-O												
97¼	94½	95	Gulf Mobile Central 5s	1953	M-N*												
91	90⅞	90⅞	Gulf Mobile & Ohio gen 5s	1975	M-N*	87½	87½					85¼	85¼	85½	85½	86	86
44	43	43	Hock Val Mid Ohio 4½s	1959	A-O*	30	30	30	30			29¾	29¾	29¾	29¾	29¾	29¾
73	72	72	Hous Belt & Term 5s	1937	A-O	74	74	74½	74½	74⅝	74½	74⅝	74½	74½	74½	74¾	74½
97	96½	97	Illinois Central 4s	1952	M-N*	96⅞	96⅞	96⅞	96⅞	96⅞	96⅞	96⅞	96⅝	96⅞	96½	96⅝	96½
104	100	100½	Interboro Rap Tran 5s	1966	F-A					100⅜	100⅛	100⅛	100⅛	100⅛	100⅛	100⅜	100
			Int Mercantile Marine 6s	1941	J-J	84½	84½	84½	84½	84½	84½	84	84	84	84	83	83
	41	41	Int Paper 5s	1947	M-S	40	40					39	39	38⅞	38⅞	38⅞	38⅞
			Iowa Central 5s	1938	J-D												
			Iron Cloverdale 5s	1951	M-S	40	40					41½	41½	41½	41½	40	40
71	71	71	Kan City Sou 3s		A-O*			68½	68½	68½	68½						
67	63½	66	Kan City Sou con 5s		A-O												
94¼	91	94⅞	Kan City Sou ref 5s		J J			88½	88½	89	89	90	90				
			Kan & M Ry & Bge 4s		A-O							91	91				
102	100	102	Lake Erie & West 5s		J-F	100	100	100	100							100¼	100¼
			Lake Erie & W 2d 5s		J-J												
			Lake Shore 1st g 4s		J-D									82	82		
91⅞	89¾	90	Lake Shore deb g 4s	1928	M-S*	90½	90⅜	90⅜	90⅜	90⅛	90	90⅛	90⅛				

Range Jan.-July, 1914. High.	Range Jan.-July, 1914. Low.	July 30. Close.	Bonds.	Ma- turity.	Interest Payable.	Saturday. Dec. 12. High. Low.	Monday. Dec. 14. High. Low.	Tuesday. Dec. 15. High. Low.	Wednesday. Dec. 16. High. Low.	Thursday. Dec. 17. High. Low.	Friday. Dec. 18. High. Low.
93 7/8	88 3/4	90 3/4	Lake Shore deb g 4s	1931	*M-N	....	89 3/4 - 89 3/4	90 - 89 3/4	....	....	....
.....	.....	.....	Long Island unified 4s	1949	*M-S	....	....	....	....	....	....
.....	.....	.....	Long Island gen 4s	1938	*J-D	....	....	....	....	....	....
.....	.....	.....	Long Island ref 4s	1949	*M-S	....	....	....	....	....	....
96 3/8	92 1/4	92 7/8	Louis & Nash unified 4s	1940	J-J*	92 - 92	91 5/8 - 91 5/8	....	....	92 - 91 1/2	....
.....	.....	.....	Manhattan con 4s	1990	*A-O	....	....	....	87 - 87	87 - 87	....
93	89 1/2	91	Man Ry 4s stpd tax exempt.	....	....	....	....	88 3/4 - 88 3/4	....	....	....
91 7/8	81 1/2	82 1/2	M K & T 1st 4s	1990	*J-D	....	....	....	78 - 78	....	....
77	57	57	M K & T 2d 4s	June 1990	F-A	....	60 - 60	....	....	60 - 60	....
.....	.....	.....	M K & T ext g 5s	1944	M-N*	....	....	....	....	....	....
71	51	51	M K & T ref 4s	2004	M-S*	....	....	....	....	....	....
.....	.....	.....	M K & T gen 4 1/2s	1936	*J-J	....	....	....	....	....	....
.....	.....	.....	M K & T of Tex 5s	1942	M-S*	....	....	....	....	....	....
98 1/8	89	89	Mo Pac col tr 5s	Jan 1917	M-S	....	....	90 - 90	91 - 91	....	....
95 1/2	85 1/2	85 1/2	Mo Pac col tr 5s	1920	F-A*	....	....	86 - 86	85 - 85	....	....
63 3/8	39 1/2	39 1/2	Mo Pac 4s	1945	*M-S	43 3/4 - 43 3/4	44 1/2 - 43	41 - 42 7/8	....	42 1/2 - 42 1/4	42 1/4 - 42 1/8
.....	.....	.....	Mobile & Ohio gen 4s	1938	M-S*	....	....	....	....	....	75 - 75
.....	.....	.....	Nassau Electric 4s	1951	*J-J	....	....	....	....	....	....
.....	.....	.....	Nat Rys of M per lien 4 1/2s.	1957	J-J*	....	....	....	....	....	....
.....	.....	.....	Nat Rys of M con 4s	1977	A-O*	....	....	....	....	....	....
108 1/8	105 1/2	107 1/2	Nash Chatt & St L con 5s	1928	*A-O	....	103 1/4 - 103 1/4	....	....	....	....
99 1/2	97	97	N Y Air Brake con 6s	1928	*M-N	....	....	96 1/2 - 96	....	....	....
84	79 1/2	79 3/4	N Y Central ref 3 1/2s	1997	J-J*	....	80 - 80	80 - 80	....	....	....
.....	.....	.....	N Y Central deb 4s	1934	*M-N	....	....	....	....	....	....
.....	.....	.....	N Y Central L S 3 1/2s	1997	J-J*	....	73 1/4 - 73 1/8	73 - 73	73 1/4 - 73 1/8	73 1/2 - 73 1/2	....
.....	.....	.....	N Y Central M C col 3 1/2s	1998	*F-A	....	....	....	....	....	....
97	93 1/2	93 1/2	N Y C & St L 1st 4s	1937	A-O*	....	....	....	....	....	....
87 3/4	83	86 1/4	N Y G E L H & P 4s	1949	*F-A	....	....	....	....	....	....
105 1/8	102 1/4	104	N Y G E L H & P col tr 5s	1948	J-D*	....	100 1/2 - 100 1/2	....	101 1/4 - 101 1/4	....	101 1/4 - 101 1/4
117 1/4	98 3/4	98 3/4	N Y N H & H con deb 6s	1948	*J-J	....	....	103 1/4 - 103	104 - 104	104 1/4 - 104	104 - 103 1/2
75	61	61 1/2	N Y N H & H deb 3 1/2s	1956	*J-J	....	....	....	....	....	....
88	79 7/8	81	N Y Ont & W 1st ref 4s	June 1992	M-S	....	....	....	....	....	....
79 1/8	72	72	N Y Rys ref 4s	1942	J-D	....	71 3/8 - 70 3/4	71 3/4 - 71 3/4	71 3/4 - 71 1/4	71 3/8 - 71 1/4	71 1/2 - 71
63 3/8	45	45	N Y Rys adj 5s	1942	J-D	51 1/4 - 51	52 - 51 1/4	51 5/8 - 51 1/4	51 1/4 - 51 1/4	51 3/8 - 51 1/4	51 1/4 - 50 3/4
96	94 1/4	94 1/2	N & W con 4s	1996	A-O*	....	....	92 1/4 - 92 1/4	....	....	92 1/4 - 92 1/4
91 3/4	88 1/2	90	N & W div 1st lien 4s	1944	J-J*	....	....	87 - 87	....	....	86 3/4 - 86 3/4
105 1/4	101	101	N & W conv 4s	1932	*J-D	....	....	92 1/4 - 92 1/4	....	....	....
.....	.....	.....	N & W P C & C joint 4s	1941	J-D*	....	....	88 - 88	....	....	....
96	92	92	North Pac prior 4s	Jan 1997	Q-J	89 3/4 - 89 3/4	90 - 89 3/4	90 - 89 7/8	90 - 89 7/8	89 7/8 - 89 3/4	89 3/4 - 89 1/2
68 5/8	64 1/4	67 1/4	North Pac gen 3s	Jan 2047	Q-F	....	63 1/8 - 63 1/8	63 1/2 - 63 1/4	63 1/4 - 63 1/8	63 1/4 - 63 1/4	63 1/4 - 63
.....	.....	.....	Oregon Ry & Nav 4s	1946	*J-D	....	....	....	....	....	....
110 3/4	109 1/8	110	Oregon Short Line 1st 6s	1922	*F-A	107 - 107	....	....	....	....	....
108	105 3/4	107	Oregon Short Line cons 5s	1946	J-J*	....	....	....	....	....	....
94 1/2	89 1/2	89 1/2	Oregon Short Line ref 4s	1929	J-D*	....	86 5/8 - 86 5/8	87 - 87	87 1/2 - 87 1/2	87 - 86 5/8	....
.....	.....	.....	Pacific Coast 1st 5s	1946	*J-D	....	....	....	....	....	....
99 3/4	95	95 1/2	Pacific Tel & Tel 5s	1922	*J-J	94 1/2 - 94 1/2	94 3/4 - 94 3/4	95 - 94 1/2	....	95 - 94 3/4	....
102 1/8	99	99	Penn con 4s	1948	M-N*	....	....	99 1/4 - 99 1/4	....	99 - 99	99 - 99
99 1/4	97 3/8	97 7/8	Penn con 3 1/2s	Oct 1 1915	J-D	99 1/8 - 99 1/8	99 1/8 - 99 1/8	99 1/8 - 99 1/8	99 1/8 - 99 1/8	99 1/8 - 99 1/8	99 1/4 - 99 1/8
.....	.....	.....	Peoria & E 1st 4s	1940	*A-O	....	....	....	....	....	....
28	20	21	Peoria & E income 4s	Apr 1990	Ann.	....	....	....	....	....	....
95 5/8	92 3/4	93	Reading gen 4s	1997	*J-J	92 1/4 - 92 1/4	92 1/2 - 92 1/2	92 1/2 - 92 1/2	92 3/4 - 92 5/8	92 3/4 - 92 1/2	92 1/2 - 92 1/2
.....	.....	.....	Reading Jersey Cent col 4s	1951	*A-O	....	....	....	....	....	....
94 5/8	91	91 1/4	Rep Iron & Steel col 5s	1934	A-O*	90 1/4 - 90 1/8	....	....	....	....	....
.....	.....	.....	Rio Grande W 1st 4s	1939	J-J*	....	....	....	....	....	....
.....	.....	.....	Rio Grande W col tr 4s	1949	*A-O	....	....	....	....	....	....
.....	.....	.....	St J & G I 1st 4s	1947	*J-J	....	....	....	....	....	....
105	100 5/8	101	St L & I M gen 5s	1931	*A-O	....	....	98 1/2 - 98 1/2	....	....	....
.....	.....	.....	St L & I M ref 4s	1929	J-J*	....	65 - 65	66 - 66	66 - 65 3/4	....	65 3/4 - 65 3/4
81 3/4	65	65	St L & I M Riv & G Div 4s	1933	*M-N	....	66 - 66	66 1/4 - 66 1/4	....	....	....
78 1/4	63 5/8	63	St L & S F R R ref 4s	1951	J-J*	....	....	....	....	60 - 60	60 - 60
54	35	35	St L & S F R R gen 5s	1927	*M-N	28 1/2 - 28 1/2	....	....	....	....	....
88	81 1/8	81 1/8	St L S W 1st 4s	1989	M-N*	....	....	....	....	....	....
.....	.....	.....	St L S W 2d income 4s	Nov 1989	J-J	....	....	....	....	....	....
78 1/2	68	68	St L S W consol 4s	1932	*J-D	....	....	....	....	....	....
.....	.....	.....	St P M & M con 4 1/2s	1933	J-J*	....	100 - 100	100 - 100	....	....	....
95 7/8	93	95 1/4	St P M & M Mont ext 4s	1937	*J-D	....	....	....	....	....	....
.....	.....	.....	San Antonio & A P 4s	1943	*J-J	....	....	....	....	....	....
78 1/4	66	66	Seaboard A L ref 4s	1950	A-O*	....	....	....	....	....	....
86	83 1/2	84 1/2	Seaboard A L stamped 4s	1950	A-O*	....	....	....	....	....	....
80 3/4	71	71	Seaboard A L adj 5s	1949	F-A*	64 1/4 - 64 1/4	....	66 1/4 - 65	64 3/4 - 64 3/4	65 - 64 3/4	....
93 5/8	88 3/4	89	So Pac ref 4s	1955	*J-J	84 1/2 - 84 1/2	85 - 84 3/4	85 - 85	84 3/4 - 84 3/4	84 3/4 - 84	84 - 84
94	85	85	So Pac col 4s	Aug 1949	J-D	....	84 - 84	84 1/4 - 84	84 - 84	....	84 - 84
92	80	80	So Pac conv 4s	June 1929	M-S	80 1/4 - 80 1/4	81 3/4 - 80 5/8	81 - 80 3/4	81 - 80 3/4	80 7/8 - 80 3/4	80 1/2 - 80 1/4
106	102	102	So Ry 5s	1944	J-J*	98 5/8 - 98 1/2	98 3/4 - 98 3/4	98 7/8 - 98 5/8	98 3/4 - 98 5/8	98 3/4 - 98 3/4	98 3/4 - 98 1/2
76 1/4	66 3/4	68	So Ry col tr 4s	1956	*A-O	65 3/8 - 65	66 - 65 1/4	65 1/2 - 65 1/2	65 5/8 - 65 3/8	65 1/2 - 65 1/2	65 1/2 - 65 1/2
83 1/2	77	77	So Ry M & O Div 4s	1938	M-S*	....	....	....	....	....	....
86 1/2	83 3/8	86 1/2	So Ry St L Div 4s	1951	*J-J	....	....	....	....	....	....
103 1/8	98 1/8	102 1/2	Tenn Coal & Iron gen 5s	1951	*J-J	....	....	....	....	....	99 - 99
.....	.....	.....	Term Ass'n St L ref 4s	1953	*J-J	....	....	....	....	....	....
104	99 1/4	99 7/8	Texas Pac 1st 5s	2000	*J-D	....	....	95 - 95	95 - 95	94 1/2 - 94 1/2	....
85	80 5/8	93 1/4	Third Av ref 4s T R ctfs std	2000	*J-J	79 1/2 - 79 1/2	79 1/2 - 79 1/2	79 3/4 - 79 1/2	80 - 80	80 - 80	80 - 79 3/4
.....	.....	.....	Tol St L & W 3 1/2s	1925	J-J*	....	....	....	....	....	....
60	44 1/8	44 1/8	Tol St L & W 1st 4s	1950	*A-O	45 1/2 - 45 1/2	46 - 46	45 1/2 - 45	45 - 43 1/2	43 - 42 3/4	....
.....	.....	.....	Underground London 4s	1947	J-J*	....	....	....	....	....	....
98 3/4	95 1/2	96 3/4	Union Pacific 1st 4s	1933	*J-J	95 1/4 - 95	95 - 95	95 1/2 - 95	95 3/8 - 91 7/8	95 1/8 - 95	95 1/4 - 95 1/8
93 1/4	86	86	Union Pacific conv 4s	1927	J-J*	....	87 1/2 - 87	87 3/4 - 87 1/2	87 1/4 - 87 1/4	87 1/2 - 87 1/2	87 3/4 - 87 1/2
95	91 1/4	93 1/2	Union Pacific ref 4s	June 2008	M-S	....	....	89 1/4 - 89	89 1/2 - 89 1/2	....	89 1/2 - 89 1/2
61 1/8	49	49 1/2	United Rys San Fran 4s	1927	*A-O	51 1/4 - 51 1/4	....	52 1/4 - 52 1/4	52 3/4 - 52 3/4	....	....
.....	.....	.....	U S Realty & Imp 5s	1924	J-J*	....	....	....	....	....	....
.....	.....	.....	U S Reduc & Ref 6s	1931	J-J*	....	....	....	....	....	....
104	101 1/4	102	U S Rubber 6s	1930	*M-N	....	101 1/2 - 101 1/4	101 1/2 - 101 1/4	101 5/8 - 101 1/2	101 5/8 - 101 1/2	101 5/8 - 101 1/2
103 1/4	100	101	U S Steel 5s	1939	*F-A	100 - 99 7/8	100 - 99 7/8	100 1/8 - 99 7/8	100 1/8 - 99 7/8	100 - 99 7/8	100 - 99 7/8
98	91 3/8	96 1/4	Va-Car Chemical 1st 5s	1918	J-D*	....	....	....	....	....	....
.....	.....	.....	Wabash 1st 5s	Apr 1936	M-N	....	99 1/4 - 99 1/4	99 - 99	99 - 99	....	98 7/8 - 98 3/4
.....	.....	.....	Wabash 2d 5s	1939	J-D*	....	....	....	87 - 87	....	....
57 1/2	40	41	Wabash ref & ext 4s	1956	J-J*	37 1/4 - 37 1/4	....	36 - 36	35 - 33 1/2	34 1/2 - 33 1/2	34 1/2 - 33 1/2
14 1/2	6 3/4	6 3/4	Wab-Pitts T 1st Cen tr c	1954	*J-D	....	9 - 9	8 1/2 - 8 1/2	....	9 - 9	8 - 7 1/2
.....	.....	.....	Wabash-Pitts T 2d tr c	1954	*J-D	....	....	....	3/8 - 3/8	3/8 - 3/8	....
80	55	56	West Maryland 4s	1952	A-O*	58 - 58	58 - 58	58 - 58	58 - 58	....	....
.....	.....	.....	West N Y & P 1st 5s	1937	*J-J	....	....	....	....	....	....
99 1/8	93	97 7/8	West Union col tr 5s	1938	*J-J	....	....	....	....	....	....
93	86 7/8	91 1/2	West Union R E 4 1/2s	1950	*M-N	....	....	88 1/4 - 88 1/4	....	....	....
95	91 1/4	92 1/2	West Shore 4s	2361	*J-J	....	....	....	....	....	....
96 1/2	89 3/8	93	Westinghouse E & M 5s	1931	*J-J	90 3/8 - 90	90 3/8 - 90 1/4	91 - 91	91 - 91	91 - 90 3/4	91 - 91
.....	.....	.....	Wheeling & L E con 4s	1949	M-S*	....	....	....	....	....	68 - 68
89 1/2	83 5/8	86	Wisconsin Central 4s	1949	J-J*	....	....	....	....	....	84 - 84

Quoted Prices of Active Stocks on the New York Stock Exchange

Range Jan.-July, 1914. High.	Low.	July 30. Close.	Stocks.	Annual Div. Rate.	When Payable.	Saturday. Dec. 12. High. Low.	Monday. Dec. 14. High. Low.	Tuesday. Dec. 15. High. Low.	Wednesday. Dec. 16. High. Low.	Thursday. Dec. 17. High. Low.	Friday. Dec. 18. High. Low.
108	91	91 7/8	Adams Express	..	.....	....	....	....	....	....	....
28 7/8	19 1/2	19 5/8	Alaska Gold Mines	..	.....	26 - 25 7/8	25 7/8- 25 3/8	25 - 24 1/4	24 5/8- 24 1/2	24 5/8- 24 1/2	24 5/8- 24 1/8
14 1/4	6	6	Allis-Chalmers	..	.....	8 - 8	8 - 8	....	....	....	....
49	32 1/2	32 1/2	Allis-Chalmers pfd	..	.....	34 - 34	34 - 34	35 1/2- 35 1/2	....	....	....
78 1/8	49	49 1/2	Amalgamated Copper	..	.....	52 1/8- 49 5/8	51 3/8- 49 3/8	53 3/4- 51 1/4	54 3/8- 54 3/8	55 1/8- 54	55 - 53
59 1/2	17 3/4	50 1/8	Am Agricultural Chemical	..	.....	....	....	49 1/4- 49 1/4	49 - 49	....	....
97 1/2	91	93 1/2	Am Ag Chemical pfd	..	.....	....	....	....	....	....	....
29 3/8	19	19	Am Beet Sugar	..	.....	30 - 29	30 1/4- 29 1/2	30 1/4- 29 1/4	31 1/2- 29	31 1/2- 30	31 1/8- 30 1/2
.....	.....	.....	Am Beet Sugar pfd	..	.....	....	80 - 80	....	....	....	....
97 1/2	80	89 7/8	Am Brake Shoe & Fdy	..	.....	....	....	....	....	....	....
.....	.....	.....	Am Brake Shoe & Fdy pfd	..	.....	....	....	....	....	....	....
35 1/8	19 1/4	19 1/2	Am Can	..	.....	27 3/8- 27 1/4	27 3/8- 26	27 3/8- 26	26 1/2- 26	26 1/4- 26	26 1/4- 24 3/4
96	80	80	Am Can pfd	..	.....	91 3/8- 91 1/4	92 1/2- 92	92 3/8- 91 3/4	90 -90	90 7/8- 90 7/8	90 3/4- 89 1/2
53 1/2	44	44 1/8	Am Car & Fdy	..	.....	17 - 16 1/2	16 - 14	15 1/2- 14 3/4	17 - 44 1/2	....	45 1/2- 45
118 7/8	112	112	Am Car & Fdy pfd	..	.....	....	....	114 -114	....	....	....
.....	.....	.....	American Chicle	..	.....	....	....	....	....	....	....
68	59 1/2	59 1/2	American Cities pfd	..	.....	....	....	....	....	....	....
46 1/2	32	32	Am Cotton Oil	..	.....	34 - 33 3/4	4 - 36	41 - 39 7/8	40 1/2- 39 1/2	40 1/2- 40	40 - 39
.....	.....	.....	Am Cotton Oil pfd	..	.....	....	....	....	....	....	96 1/2- 96 1/2
110 1/4	99 7/8	100	Am Express	..	.....	....	....	....	....	....	....
5 1/4	3 1/4	3 1/4	Am Hide & Leather	..	.....	4 1/8- 4	4 1/8- 4	4 1/4- 4	4 - 4	4 5/8- 4 3/8	4 1/2- 4 1/2
25 1/4	17	17	Am Hide & Leather pfd	..	.....	....	19 1/2- 19 1/2	....	....	....	19 1/2- 19 1/2
23 1/4	19 7/8	19 7/8	Am Ice Securities	..	.....	23 - 22	23 3/8- 23	23 3/8- 23	23 - 22 3/4	....	23 - 23
11 5/8	7 1/2	7 1/2	Am Linseed	..	.....	....	....	....	....	....	....
31 1/4	25	25	Am Linseed pfd	..	.....	....	....	....	24 - 24	....	....
37 1/4	30 1/4	20 1/4	Am Locomotive	..	.....	....	....	25 - 25	....	23 3/8- 23 3/8	23 - 23
102 1/2	96	97	Am Locomotive pfd	..	.....	....	....	....	96 3/8- 96 3/8	....	....
.....	.....	.....	Am Malt	..	.....	....	....	4 3/8- 4 3/8	4 1/4- 4 1/4	....	....
50 1/8	32	32	Am Malt pfd	..	.....	....	....	....	30 - 30	....	....
85	79 1/4	79 1/4	Am Smelting pfd B	..	.....	....	....	....	....	....	....
71 1/8	50 1/4	52 1/2	Am Smelting & Refin	..	.....	56 1/2- 54 1/2	60 1/2- 57 1/2	61 1/2- 58 1/4	58 5/8- 58 1/4	58 5/8- 58 1/2	58 1/4- 57 1/2
105	97 1/2	97 1/2	Am Smelting & Ref pfd	..	.....	....	100 1/2-100	100 1/8-100 1/8	....	100 -100	100 - 99 1/2
172	153	153	Am Snuff	..	.....	....	....	148 -148	149 -149	149 -149	....
.....	.....	.....	Am Snuff pfd	..	.....	....	....	....	....	....	....
27 1/2	27 1/2	27 1/2	Am Steel Foundries	..	.....	....	....	....	....	....	....
109 7/8	97	109	Am Sugar Ref	..	.....	104 1/4-104 1/4	107 -107	107 7/8-107	....	107 1/2-107 1/2	107 -107
113 7/8	107 7/8	108	Am Sugar Ref pfd	..	.....	....	113 1/2-113 1/2	....	115 -115	....	....
.....	.....	.....	Am Tel & Cable	..	.....	....	....	....	....	....	....
124 1/4	114	114	Am Tel & Tel	..	.....	114 1/4-116 5/8	117 3/4-117	119 -117 1/2	118 -118	118 3/8-118 3/8	118 1/4-118
256	215	215	Am Tobacco Co	..	.....	217 1/2-217	221 -217	221 5/8-221 5/8	221 -221	....	218 3/8-218 1/4
109	101 3/4	104	Am Tobacco pfd new	..	.....	....	....	....	104 -103 1/4	....	....
20 7/8	12	12	Am Woolen	..	.....	....	....	....	....	....	....
82	72 1/2	73 1/4	Am Woolen pfd	..	.....	....	....	....	....	77 - 77	....
17 3/8	10	11	Am Writing Paper pfd	..	.....	....	....	....	....	....	....
28 1/4	25	25	Anaconda Copper	..	.....	....	....	26 1/2- 26 1/2	26 3/4- 26 3/8	27 - 26 1/2	26 1/2- 26 1/4
.....	.....	.....	Assets Realization Co	..	.....	....	....	....	....	....	....
.....	.....	.....	Associated Oil	..	.....	....	....	....	....	....	....
100 3/8	89 1/2	89 3/8	Atch Top & Santa Fe	..	.....	94 - 91 3/8	93 1/2- 92 1/2	93 5/8- 93 1/4	93 3/4- 93 1/4	93 3/4- 93 3/8	94 - 92 1/2
101 3/4	97 1/4	97 3/4	Atch Top & Santa Fe pfd	..	.....	98 1/2- 98 1/2	98 1/2- 98 1/2	98 1/2- 98 1/2	98 1/4- 98 1/4	....	98 7/8- 98 7/8
126	114	114	Atlantic Coast Line	..	.....	....	....	....	....	....	....
52 1/8	38 1/4	41	Baldwin Locomotive Co	..	.....	....	....	....	....	40 3/4- 40 1/2	....
110	102 1/2	105 3/4	Baldwin Locomo Co pfd	..	.....	....	....	....	....	....	....
98 3/8	72	72	Baltimore & Ohio	..	.....	....	....	74 - 69 1/2	70 1/4- 69 1/2	70 1/2- 69 1/2	70 3/8- 68
82 3/4	71 3/8	72 1/2	Baltimore & Ohio pfd	..	.....	....	....	70 1/4- 69 7/8	69 1/2- 69 1/2	69 3/4- 69 1/8	69 7/8- 69 1/8
41 1/2	29 1/2	30	Bethlehem Steel	..	.....	42 - 42	42 - 41 1/2	41 5/8- 40 3/4	41 1/8- 40	40 1/4- 40 1/4	41 - 40 3/4
86	68	81	Bethlehem Steel pfd	..	.....	87 - 87	....	85 1/4- 85 1/4	85 - 85	84 3/4- 84 3/4	85 - 85
94 1/4	79	79 1/2	Brooklyn Rapid Transit	..	.....	86 1/4- 85 1/4	87 - 86 1/2	87 - 85 1/2	86 1/8- 85 7/8	86 - 85 1/2	86 - 85 3/8
.....	.....	.....	Brooklyn Union Gas	..	.....	....	....	....	....	....	....
108 3/8	90	90	Buffalo Roch & Pitts	..	.....	....	....	....	....	....	....
29 1/2	26	29	Butterick Co	..	.....	....	....	....	....	....	....
20 3/8	16 1/8	16 1/4	California Petroleum	..	.....	19 3/4- 19	19 3/4- 19	19 - 17	17 1/4- 17 1/4	16 1/2- 15 3/4	15 1/8- 15 1/8
58	50	50	California Petroleum pfd	..	.....	55 - 54	57 - 55 1/2	....	54 3/4- 54	....	....
.....	.....	.....	Canada Southern	..	.....	....	....	....	....	....	....
160 1/2	157 1/8	157 1/8	Canadian Pacific	..	.....	....	....	161 1/2-158	158 1/2-157 1/2	158 1/2-157 3/4	157 3/4-155 3/4
.....	.....	.....	Central & So Am Tel	..	.....	....	....	....	....	....	....
38	28	28	Central Leather	..	.....	37 - 35 3/8	36 - 35 7/8	36 1/8- 35 1/4	37 1/8 35 7/8	38 1/8- 36 1/2	38 1/4- 37 1/4
103	93 1/4	93 1/4	Central Leather pfd	..	.....	100 3/8-100 1/4	100 1/2-100	10 1/2-100 1/2	101 1/8-100 3/4	....	100 1/2-100 1/2
.....	.....	.....	Central R R of N J	..	.....	....	....	....	....	....	....
46	34 1/2	34 1/2	Chesapeake & Ohio	..	.....	....	....	45 1/2- 43 3/4	43 3/4- 43 3/4	44 - 43	43 5/8- 43 1/8
.....	.....	.....	Chicago & Alton	..	.....	....	....	....	....	....	....
17	11	11	Chicago & Alton pfd	..	.....	....	....	....	....	....	....
15 1/4	9 1/4	9 1/4	Chicago Great Western	..	.....	10 - 9 7/8	11 - 10	11 1/4- 11	11 - 11	11 1/4- 11	....
31 1/2	22	22	Chicago Ind & L pfd	..	.....	....	29 1/2- 29	31 - 29 1/2	29 1/4- 29 1/8	29 - 29	29 - 28 1/2
104 1/4	87	87	Chicago Milw & St Paul	..	.....	91 - 87	92 7/8- 91 1/4	92 3/4- 90 3/4	91 5/8- 90 5/8	90 1/4- 89 7/8	90 1/8- 88
137	120	120	Chicago R I & Pac pfd	..	.....	130 -127	130 -130	129 -129	129 1/2-129 1/2	....	....
136 1/2	126	126	Chicago & N W	..	.....	....	....	126 1/2-126	....	....	126 -125
.....	.....	.....	Chicago St P M & O	..	.....	....	....	....	....	....	....
.....	.....	.....	C St P M & O pfd	..	.....	....	....	....	....	....	....
44	30	30	Chicago Term	..	.....	....	....	35 7/8- 35	c34 1/4-c34	35 - 34 1/4	34 3/4- 33 7/8
.....	.....	.....	Chicago Term pfd	..	.....	....	....	....	....	....	....
40	40	40	Chicago Union Trac	..	.....	....	....	....	....	....	....
30 1/2	20 1/2	20 1/2	Chicago Union Trac pfd	..	.....	....	....	25 1/2- 25	....	24 1/2- 24 7/8	....
.....	.....	.....	Chile Copper	..	.....	....	....	....	....	....	....
21	20	20	Chino Copper	..	.....	....	....	....	....	....	20 - 20
.....	.....	.....	Colorado Fuel & Iron	..	.....	....	....	....	....	....	....
.....	.....	.....	Colorado & Southern	..	.....	....	....	....	....	....	....
130	116	116	Columbia Gas & Elec	..	.....	116 -115	120 -119	121 1/2-120	....	119 1/4-119 1/2	117 -116
23 1/4	7 1/2	7 1/2	Comput'g-Tab'g-Rec	..	.....	....	9 1/4- 9	9 5/8- 9	8 7/8- 8 7/8	....	8 3/4- 8 3/4
.....	.....	.....	Consolidated Gas	..	.....	....	....	67 1/2- 65 1/2	....	....	....
89 1/2	80	82 1/2	Consolidated Gas pfd	..	.....	....	....	....	....	....	....
17 3/4	10	10	Continental Can	..	.....	....	....	....	....	....	....
46	40	40	Continental Can pfd	..	.....	....	....	....	....	....	....
4	4	4	Corn Products Ref	..	.....	....	....	5 7/8- 5 1/2	5 - 5	....	5 - 5
9 1/2	5 3/4	5 3/4	Crucible Steel	..	.....	10 - 9	10 - 9	9 1/4- 9 1/4	9 1/4- 9 1/4	....	....
21	10	10	Cuba Cane Sugar	..	.....	14 1/2- 14	14 - 14	14 - 13 3/4	13 3/4- 13 1/2	13 1/4- 13	12 1/2- 12 1/2

July 1 1914, due to the war, dividend rates will be omit-
for the present.

Range Jan.-July, 1914. High.	Range Jan.-July, 1914. Low.	July 30. Close.	Stocks.	Annual Div. Rate.	When Payable.	Saturday. Dec. 12. High.	Saturday. Dec. 12. Low.	Monday. Dec. 14. High.	Monday. Dec. 14. Low.	Tuesday. Dec. 15. High.	Tuesday. Dec. 15. Low.	Wednesday. Dec. 16. High.	Wednesday. Dec. 16. Low.	Thursday. Dec. 17. High.	Thursday. Dec. 17. Low.	Friday. Dec. 18. High.	Friday. Dec. 18. Low.
6	3	3	Duluth S S & Atl.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11	8	8	Duluth S S & Atl pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
32½	20⅛	20½	Erie	..	.....	22¾ - 2 3/8		24 - 23⅛		23¾ - 22		22⅜ - 22		22⅜ - 22		22⅜ - 21⅝	
49¾	32	32	Erie 1st pfd	..	.....	36 - 34¾		36¾ - 36		36⅞ - 34½		35 - 34½		....		36½ - 35⅛	
40¼	26¼	26¼	Erie 2nd pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
15	7¼	10	Federal Min & Smelt.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	29½	29½	Federal Min & Smelt pfd..	..	.....	.....	.....	29 - 29		29½ - 29½		.. ..		.....	.....	.....	.....
.....	.....	.....	General Chemical	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	General Chemical pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
150⅝	138¾	139	General Electric	..	.....	139¼-138		141 -140		141 -140		....		140 -140		140 -140	
99	37⅜	58⅞	General Motors	..	.....	86½- 85		87 - 85¾		86¼- 86¼		85 - 84¾		....		80¼- 80	
95	70	79¾	General Motors pfd	..	.....	90¼- 90		91 - 90		91 - 91		92 - 91⅛		91 - 91		....	
.....	.....	.....	Geo W Helme Co.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28⅞	19⅝	20	Goodrich (B F) Co.....	..	.....	26 - 25		26⅞- 26¼		25¾- 25¾		25½- 25½		25 - 25		24½- 24½	
91	79⅞	88	Goodrich (B F) Co pfd....	..	.....	.....	.....	.....	.....	.....	.....	95 - 95		....		....	
134¾	113	114	Great Northern pfd	..	.....	.....	.....	.....	.....	119¼-116		116½-115⅛		115½-115		115½-113½	
39¼	22½	23	Great Northern Ore subs..	..	.....	.....	.....	.....	.....	29 - 27¼		27 - 26		26⅜- 26¾		27 - 26	
57½	40½	40½	Guggenheim Exploration ..	..	.....	.....	.....	.....	.....	48¾- 46½		46½- 46½		....		c45⅝-c45⅝	
.....	.....	.....	Havana Electric Ry	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Havana Electric Ry pfd...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Hocking Valley	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
120¼	109¾	110	Homestake Mining	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
115	105⅜	106	Illinois Central	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	110 -110	
10	4	10	Inter Agricultural Corp...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36	20	20¾	Inter Agricultural Corp pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
16⅜	10¾	11	Interborough-Met	..	.....	13 - 12⅛		13½- 13		13½- 12½		12⅞- 12½		12¾- 12¾		12⅝- 12½	
65⅜	52	52	Interborough-Met pfd	..	.....	52½- 51		53¾- 52⅝		53½- 52		52¼- 52		51⅝- 51⅝		51½- 50¼	
112	84	84	International Harv	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
118	114¼	117	International Harv pfd...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3¾	1¾	2	Int Mercantile Marine.....	..	.....	1 - 1		1¾- 1¾		1¾- 1⅜		1⅜- 1⅜		....		1¼- 1	
15¼	6¼	7	Int Mercantile Marine pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10⅞	6¾	6¾	International Paper	..	.....	8 - 8		9 - 9		....		8 - 8		....		7⅝- 7⅝	
41	30½	30½	International Paper pfd ..	..	.....	34 - 33½		....		35½- 35½		....		34¾- 34¾		....	
.....	.....	.....	Inter Steam Pump	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Inter Steam Pump pfd ..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Iowa Central	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Iowa Central pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Kan City Ft S & M pfd..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28½	20¼	20¼	Kansas City Southern....	..	.....	20¾- 20¼		23¾- 21		22¾- 22½		22½- 22½		22¼- 22		22 - 21½	
62	50⅛	50⅜	Kansas City Southern pfd	..	.....	.....	.....	.....	.....	.....	.....	59½- 59½		....		....	
.....	.....	.....	Kayser (Julius) & Co.....	..	.....	.....	.....	.....	.....	84 - 84		....		....		....	
108¾	106	107½	Kayser (Julius) & Co pfd.	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105	81	92	Kresge (S S) Co.....	..	.....	.....	.....	.....	.....	95¼- 95¼		....		93 - 93		....	
106	90	100¼	Kresge (S S) Co pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
40	26½	26½	Lackawanna Steel	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101	85	85	Laclede Gas	..	.....	.....	.....	.....	.....	91 - 91		....		....		....	
.....	.....	.....	Lake Erie & Western.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Lake Erie & Western pfd.	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
156¼	118	122	Lehigh Valley	..	.....	134 -131¾		138 -134½		....		135⅜-135		135½-134¾		135½-133⅞	
231	208	208	Liggett & Myers.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	210 -210	
118½	111⅜	114	Liggett & Myers pfd.....	..	.....	.....	.....	.....	.....	.....	.....	112⅞-112⅞		113¾-113¾		....	
36	28	31	Long Island	..	.....	.....	.....	.....	.....	30 - 30		....		....		....	
190	160	160	Lorillard (P) Co.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
117⅞	110	115	Lorillard (P) Co pfd.....	..	.....	.....	.....	.....	.....	.....	.....	112 -112		112¼-112¼		....	
141⅞	127	127	Louisville & Nashville	..	.....	125 -125		126 -125		125½-125		125 -125		125 -125		....	
87⅜	61	61	Mackay Companies	..	.....	.....	.....	.....	.....	70½- 70½		....		....		....	
.....	.....	.....	Mackay Companies pfd..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
133	128	128¼	Manhattan Elevated	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	May Department Stores ..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101¾	97½	99½	May Dept Stores pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
73½	46½	53	Mexican Petroleum	..	.....	.....	.....	.....	.....	56 - 52		51¼- 51		....		51 - 51	
.....	.....	.....	Mexican Petroleum pfd ..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
24⅜	17½	17½	Miami Con Copper	..	.....	17 - 16½		18⅝- 18¼		18¾- 18		18½- 18½		18⅛- 18⅛		18⅞- 18¾	
.....	.....	.....	Minn & St Louis.....	..	.....	11½- 11½		11½- 11½		....		....		11 - 11		....	
.....	.....	.....	Minn & St Louis pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
137	102	102	M St P & S S M.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	107 -105	
.....	.....	.....	M St P & S S M pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	M St P & S S M 1'd line..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
24	9	10¼	Missouri Kan & Tex.....	..	.....	8⅞- 8⅞		12 - 9⅜		11⅜- 9½		10⅛- 9⅝		....		10¼- 9¾	
60	27⅛	27⅛	Missouri Kan & Tex pfd..	..	.....	.....	.....	.....	.....	.....	.....	30 - 30		30 - 30		30 - 30	
30	8	8	Missouri Pacific	..	.....	10½- 10⅛		11⅛- 10⅛		10½- 9½		10¼- 9⅝		10½- 9⅞		10¼- 9⅞	
52⅞	42½	42½	Montana Power	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	43 - 42½		42⅜- 41½	
.....	.....	.....	Montana Power pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
144	135	135	Nashville Chatt & St L....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
139	120	120	National Biscuit Co.....	..	.....	125 -125		....		125 -125		124 -124		....		....	
128	119¼	125	National Biscuit Co pfd..	..	.....	125 -125		....		....		123¼-123¼		....		....	
14	9	9½	National Enameling	..	.....	.....	.....	10⅜- 10⅜		11⅛- 11⅛		10⅜- 10⅜		....		....	
.....	.....	.....	National Enameling pfd..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
52	40	41⅝	National Lead Co.....	..	.....	.....	.....	.....	.....	.....	.....	46 - 46		46 - 45		....	
109	105	106½	National Lead Co pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nat Rys of Mex 1st pfd...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
14	7⅛	7⅛	Nat Rys of Mex 2nd pfd...	..	.....	.....	.....	5 - 5		....		....		....		....	
16½	10¼	10¼	Nevada Con Copper	..	.....	12⅛- 10¾		14⅛- 12¼		13⅜- 13		c12⅝-c12¼		12¼ 12⅛		12¼- 12	
69	58	58	New York Air Brake.....	..	.....	.....	.....	.....	.....	85½- 83		....		....		....	
96⅝	77	80	New York Central	..	.....	.....	.....	.....	.....	.....	.....	83¾- 82		83 - 82½		82⅞- 81½	
.....	.....	.....	N Y Chicago & St L.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	New York Dock.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	49⅝	51	N Y N H & Hartford....	..	.....	53¾- 51½		57 - 56		57 - 55		56 - 54½		55⅞- 54¾		59 - 55⅞	
31⅝	17¼	18¼	N Y Ontario & West.....	..	.....	20¼- 20		21½- 20½		21¼- 20½		21 - 20		21 - 21		22½ 21	
43	25⅛	25⅛	Norfolk & Southern	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105¾	97½	97½	Norfolk & Western	..	.....	.....	.....	.....	.....	102¼-102¼		....		101½ 101½		102 -100½	
.....	.....	.....	Norfolk & Western pfd ..	..	.....	.....	.....	.....	.....	85 - 85		85 - 85		....		....	
79¼	64⅛	64⅛	North American	..	.....	.....	.....	70 - 69½		....		68⅜- 68¼		....		....	
.....	.....	.....	Northern O Tr & Light..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
118½	97	98¾	Northern Pacific	..	.....	101¼- 97½		104⅞-101		104½-102¾		103 -102		102⅛ 100⅛		101½- 99⅝	
29	17¼	17½	Pacific Mail	..	.....	21¼- 20¼		22½- 21		22 - 22		21½- 1		....		19⅛- 19¼	
31	20	20	Pacific Tel & Tel.....	..	.....	26 - 26		....		....		....		....		....	
.....	.....	.....	Pacific Tel & Tel pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
115½	105⅛	105⅛	Pennsylvania Railroad	..	.....	108 -106¼		109⅜-107⅞		109 -108¼		108⅛-108		108¼ 106½		108¼-107	

Range Jan.-July 1914. High.	Low.	July 30 Close	Stocks	Annual Div. Rate.	When Payable.	Saturday. Dec. 12. High. Low.	Monday. Dec. 14. High. Low.	Tuesday. Dec. 15. High. Low.	Wednesday. Dec. 16. High. Low.	Thursday. Dec. 17. High. Low.	Friday. Dec. 18. High. Low.
115	106	106	Republic Iron & Coke	..	.....	117 -117	117½-117½	117½-117½	....	....	....
.....	.....	.....	Philadelphia Co	..	.....	....	....	....	....	....	....
81	64⅛	65¼	P C C & St Louis	..	.....	....	....	. .. .	....	....	....
.....	.....	.....	P C C & St Louis pfd	..	.....	....	....	....	....	....	....
17½	16½	16½	Pittsburgh Coal	..	.....	16½- 16⅝	16⅞- 16⅞	17 - 17	....	....	16 - 16
83½	82	82	Pittsburgh Coal pfd	..	.....	....	83 - 80¾	81⅛- 81	....	....	81 - 81
93	82	85	Pittsburgh Steel pfd	..	.....	....	....	....	....	....	....
46	26¼	34	Pressed Steel Car	..	.....	....	....	37 - 37	35 - 35	34⅞- 34½	35 - 34
104	96⅜	104½	Pressed Steel Car pfd	..	.....	....	....	....	....	....	....
111	107	111½	Public Service Corp N J	..	.....	....	....	....	....	....	....
159	151½	153⅞	Pullman Co	..	.....	....	....	151¾-151¾	....	150 -150	150 -150
⅜	⅞	1	Quicksilver Co	..	.....	....	1½ 1½	1¼- 1¼	....	....	....
1	1½	1½	Quicksilver Co pfd	..	.....	....	....	....	....	....	....
195⅛	193¼	193¾	Railway Steel Spring	..	.....	24⅛- 24⅛	23½- 22	25¼ 24½	24 - 24	23¾- 23⅜	23½- 23
101	90	90	Railway Steel Spring pfd	..	.....	....	....	....	....	....	....
222½	161¼	163¼	Ray Consol Copper	..	.....	163½- 173½	171½- 164¼	171⅛- 163¾	17 - 163¼	167⅛- 165⅝	16½- 15¾
172¼	137	140	Reading	..	.....	148¼-144⅞	151⅛-148⅞	150⅞-147½	148¾-147½	149 -147½	148¼-145½
89⅜	87	87	Reading 1st pfd	..	.....	....	....	....	....	....	....
93	82	82	Reading 2nd pfd	..	.....	....	....	....	....	....	....
27	18½	18½	Republic Iron & Steel	..	.....	18⅝- 18	20 - 18¾	20¼- 19¼	19⅝- 19⅜	....	....
91¼	58	58	Republic Iron & Steel pfd	..	.....	....	76 - 75⅛	78 - 75½	75⅛- 75	....	....
1⅝	⅜	⅞	Rock Island	..	.....	1⅜ - 1⅛	1½- 1⅜	1⅜- 1¼	1¼- 1¼	1¼- 1¼	1¼- 1⅛
25	1⅜	1⅝	Rock Island pfd	..	.....	2 - 2	3½- 3⅛	3¼- 2½	2¼- 1⅞	2⅛- 2	2½- 2¼
18	6¼	8	Rumely Co	..	.....	6¾- 6¼	6½ 5¾	6⅛- 5⅞	6 - 5¾	....	5 - 5
11	2⅜	2⅜	Rumely Co pfd	..	.....	 21	21 21	2⅞ - 2⅛	21 - 21	....	....
2⅝	15	15	St Joseph Air Line	..	.....	.....	15 - 15	13½- 13½	....	....	12¾- 12¾
58	45⅛	47⅜	St Joseph Air Line pfd	..	.....	....	....	....	....	....	....
5⅜	2⅛	2⅛	St L & San Fran	..	.....	....	2 - 2	....	....	....	....
.....	.....	.....	St L & San Fran 1st pfd	..	.....	....	....	....	....	....	....
.....	.....	.....	St L & San Fran 2d pfd	..	.....	....	2¼ 2¼	....	....	....	....
.....	.....	.....	St L & S F C & T 1 pf ctf	..	.....	....	....	....	....	....	....
20⅜	17⅞	18½	St Louis S W	..	.....	....	....	....	....	....	....
.....	.....	.....	St Louis S W pfd	..	.....	....	37 37	....	....	....	....
176½	170¼	170¼	Sears-Roebuck	..	.....	....	....	174½-173½	180 -175	....	186 -185¼
123	122	122	Sears-Roebuck pfd	..	.....	....	....	c121 -c121	....	....	....
153	150½	150½	Shattuck Arizona Copper	..	.....	21 21	....	22½- 22½	....	....	....
.....	.....	.....	Shoe Mach Sec A & B	..	.....	....	....	....	....	....	....
90½	84⅞	84⅞	Shoe Mach Sec A & B pfd	..	.....	....	....	86½- 86¾	86⅜- 86	86½- 85¾	85¾- 82⅞
28¼	16¾	17¼	Southern Pacific	..	.....	16 - 16	17 - 16	17 - 16⅜	16½- 16	16⅞- 16¼	16⅛- 16
85¼	65½	67½	Southern Railway pfd	..	.....	64 - 64	64½- 64	....	....	....	....
40¼	32	33	Standard Milling	..	.....	....	....	44¾- 44¾	44½- 44½	45 - 45	45 - 45
66	61	62	Standard Milling pfd	..	.....	....	....	....	....	....	....
36¼	20	28	Studebaker	..	.....	....	....	34⅞- 34½	34¼- 33	....	33 - 32¾
92	70	82¾	Studebaker pfd	..	.....	....	....	87¼- 87⅛	87½- 87	....	87 - 87
26⅜	24¾	24¾	Tennessee Copper	..	.....	31 - 30½	32½- 31½	33⅜- 32⅝	33 - 32⅝	33 - 32½	32⅝- 32
116⅞	112	113	Texas Co	..	.....	132½-132	127½-127	131 -131	132 -132	c128⅝c128⅝	....
15¾	12	12	Texas Pacific	..	.....	13 - 12½	....	13½- 13½	....	13½- 13½	13 - 12
98	95	95	Texas Pacific Land Tr	..	.....	....	....	....	....	....	....
47⅜	33	33	Third Avenue R R	..	.....	37½- 36½	38 - 37	38 - 36¾	....	....	36½- 35
.....	.....	.....	Toledo Railways & Light	..	.....	....	....	....	....	....	....
12½	5	5	Toledo St L & W	..	.....	....	....	....	3½- 3½	....	....
.....	.....	.....	Toledo St L & W pfd	..	.....	5¾- 5¾	....	....	....	....	5⅝- 5⅝
108½	94⅞	94⅞	Twin City Rap Tran	..	.....	....	....	....	97 - 97	....	....
4	3⅜	4	Union Bag & Paper Co	..	.....	3⅝- 3⅝	5⅛- 5	....	4⅜- 4⅜	....	....
19⅜	18½	18½	Union Bag & Paper Co pfd	..	.....	....	....	....	....	....	....
.....	.....	.....	Underwood Typewriter	..	.....	....	....	....	....	....	....
.....	.....	.....	Underwood Typewriter pfd	..	.....	....	....	....	....	103 -103	....
120⅜	116	116½	Union Pacific	..	.....	....	....	122 -117¾	118½-117¼	119 -118	118¾-116⅛
81	79	79	Union Pacific pfd	..	.....	....	....	79½- 79	....	79 - 79	....
50	41	42	United Cigar Mfrs Co	..	.....	....	....	....	....	....	42 - 42
.....	.....	.....	United Cigar Mfrs Co pfd	..	.....	....	....	....	....	....	100⅛-100⅛
.....	.....	.....	United Dry Goods	..	.....	....	....	....	....	....	....
19⅜	17	17	United Dry Goods 1st pfd	..	.....	....	....	....	....	....	....
10	9	9	United Fruit Co	..	.....	....	9 - 9	....	....	....	....
28	22	22	United Ry Invest Co pfd	..	.....	26 24½	25½- 25	....	....	....	24½- 24½
47	43	43	U S Cast Iron Pipe	..	.....	....	....	....	....	....	....
50	40	40	U S Cast Iron Pipe pfd	..	.....	....	....	....	....	....	....
3	2⅜	2⅜	U S Express	..	.....	....	....	....	....	....	....
5	3⅜	3⅜	U S Industrial Alcohol	..	.....	....	....	....	....	....	....
78⅜	73¼	73¼	U S Industrial Alcohol pfd	..	.....	76 - 76	....	....	....	....	75 - 75
1	⅜	⅜	U S Realty & Improv	..	.....	....	....	53 - 51½	....	....	....
1	⅜	⅜	U S Rubber	..	.....	....	....	....	....	....	....
1	⅜	⅜	U S Rubber 1st pfd	..	.....	....	....	....	....	....	....
58	51	51	U S Steel	..	.....	56½ - 51⅞	56⅜- 53⅞	55⅜- 53⅞	54⅛- 53	....	55¼- 54
105	101	101	U S Steel pfd	..	.....	102 - 101	102⅜-101⅜	102 -101⅜	102 -101⅜	....	102 -102
1	⅜	⅜	U S Steel Corp Scrip	..	.....	....	....	15 - 10⅜	51⅛- 50½	51½- 50⅝	51⅜- 50⅛
106	104	104	U S Steel Corp pfd	..	.....	....	....	105½-104⅜	104½-104	104½-104¼	105 -104
52	47	47	Utah Copper	..	.....	48 47	51⅞- 49¼	51¼- 49⅝	c50 -c49¼	49¾- 49	49¼- 48
23	21	21	Va-Car Chem	..	.....	....	....	23½- 23½	21½- 20⅜	21 - 21	20 - 20
100	90	90	Va-Car Chem pfd	..	.....	....	....	....	....	....	....
7	3	3	Virginia Iron Coal & Coke	..	.....	....	....	....	....	....	....
.....	.....	.....	Wabash	..	.....	....	....	....	....	....	....
.....	.....	.....	Wabash pfd A	..	.....	....	....	....	....	....	....
.....	.....	.....	Wabash Deb B	..	.....	....	....	....	....	....	....
.....	.....	.....	Wabash pfd B	..	.....	....	....	....	....	....	....
1⅛	⅜	⅜	Waltham Watch	..	.....	⅞ - ⅝	1⅛ ⅝	1 - 1	⅝- ⅜	1 - ½	¾- ¾
3	2⅜	2⅜	Warwick Iron & Steel	..	.....	2⅝- 2⅜	2⅜- 2	2⅜- 2⅜	2 - 2	....	....
90	80	80	Western Maryland	..	.....	....	....	80 - 78	78 - 78	....	....
15	12	12	Western Maryland 2d pfd	..	.....	11 13⅛	....	....	14½- 14	14⅞- 14¾	15¼- 14
31	31	31	Western Union	..	.....	31 - 31	....	....	....	....	....
59⅜	58⅜	58⅜	Westinghouse Elec & Mfg	..	.....	59 - 58⅜	60 - 58½	59⅜- 58½	58⅜- 58	58 - 58	c58 -c57½
69⅜	66⅜	66⅜	Westinghouse Elec & Mfg pfd	..	.....	68½ 67⅜	69¾- 66	69¾- 68½	68⅜- 68	68 - 68	68¼- 67
6	5	5	Wheeling & L E	..	.....	....	....	....	14⅝ -14⅜	....	....
24	21	21	Wheeling & L E 2d pfd	..	.....	24 24	24¼- 21½	....	....	....	....
10	10	10	Wheeling Steel	..	.....	....	....	10 - 10	....	....	....
3	2	2	Wheeling Steel pfd	..	.....	3 3	3½- 2	3½- 3½	3½- 3½	3⅜- 3⅜	3¼- 3¼
30¼	30¼	30¼	Wisconsin Central	..	.....	....	....	....	....	....	30¼- 30¼
.....	.....	.....	Woolworth (F W) Co	..	.....	....	....	....	....	....	....
.....	.....	.....	Worthington (H R) pfd	..	.....	....	....	....	....	....	....

WILLCOX, PECK & HUGHES

Insurance Brokers

3 South William St., New York

INSURANCE IN ALL ITS BRANCHES

Established 1869 Incorporated 1906

HAGEDORN & CO.

D. Schnakenberg, President

6 Hanover Street, New York

General Insurance Brokers

Marine, Fire, Accident, Liability, Automobile and all other forms of Insurance

Especial Attention to Marine and Fire Insurance on Cotton

LIFE HEALTH
ACCIDENT LIABILITY

WORKMEN'S COMPENSATION INSURANCE

Paid Policyholders Since Organization in 1850:

$247,786,602.00

Paid Policyholders During 1913:

$14,654,951.79

An Average Payment Per Day in 1913 of

$40,150.55

Aetna Life Insurance Company

OF HARTFORD, CONN.

THE SIGN OF GOOD CASUALTY INSURANCE

LIABILITY
ACCIDENT
HEALTH
AUTOMOBILE
TEAMS
COMPENSATION

BURGLARY
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BOILER
LANDLORDS
ELEVATOR
GENERAL LIABILITY

ESTABLISHED 1869

LONDON GUARANTEE & ACCIDENT COMPANY, LTD.

OF LONDON, ENGLAND

Head Office: Chicago, Ill., F. W. LAWSON, General Manager

F. J. WALTERS, Resident Manager
55 John Street, New York

STOKES, PACKARD, HAUGHTON & SMITH,
Res. Mgrs., 434 Walnut St., Philadelphia, Pa.

HANOVER

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No. 34 Pine Street

NEW YORK

AGENCIES IN ALL THE PRINCIPAL CITIES AND TOWNS IN THE UNITED STATES

New England Mutual Life Insurance Co.

BOSTON, MASS.

CHARTERED 1835

Assets, January 1, 1914	$66,168,702.53
Liabilities	61,182,456.00
Surplus	$4,986,246.53

Seventy years of honorable dealing with its policyholders has placed the NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY in the front rank of American Life Insurance Companies.

Alfred D. Foster, Pres. D. F. Appel, Vice-Pres.
J. A. Barbey, Sec. Wm. F. Davis, Asst. Sec.
F. T. Partridge, A. Sec. M. P. Capen, Asst. Sec.

Edward W. Allen, Mgr., 220 Broadway, New York
Lathrop E. Baldwin, Manager,
141 Broadway, New York

January 1st, 1914

Atlantic Mutual Insurance Company

ATLANTIC BUILDING

51 Wall Street, New York

INSURES AGAINST MARINE AND INLAND TRANSPORTATION RISK AND WILL ISSUE POLICIES MAKING LOSS PAYABLE IN EUROPE AND ORIENTAL COUNTRIES.

Chartered by the State of New York in 1842, was preceded by a Stock Company of a similar name. The latter Company was liquidated and part of its Capital, to the extent of $100,000, was used, with consent of the stockholders, by the Atlantic Mutual Insurance Company and repaid with a bonus and interest at the expiration of two years.

During its existence the Company has insured property to the value of	$27,219,045,826.00	
Received Premiums thereon to the extent of		$282,298,429.80
Paid Losses during that period	$141,567,550.30	
Issued Certificates of Profits to dealers	$89,740,400.00	
Of which there have been redeemed	$82,497,340.00	
Leaving outstanding at present time	$7,243,060.00	
Interest paid on Certificates amounts to	$22,585,640.25	
On December 31, 1913, the Assets of the Company amounted to		$13,259,024.16

The profits of the Company revert to the assured and are divided annually upon the premiums terminated during the year, thereby reducing the cost of insurance.

For such dividends, certificates are issued subject to dividends of interest until ordered to be redeemed. In accordance with the charter.

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CORNELIUS ELDERT, Vice-President
WALTER WOOD PARSONS, 2d Vice-President
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G. STANTON FLOYD-JONES,
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20-22-24 EXCHANGE PLACE, NEW YORK
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NEW YORK, SATURDAY, DECEMBER 26, 1914

Things and actions are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?—Bishop Butler's Sermons at the Rolls.

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The Interstate Commerce Commission and its Revised Decision in the Freight Rates Increase Case

MORE than one point of view may be adopted in interpreting the significance of the decision handed down, at the end of last week, by the Interstate Commerce Commission upon the revived and re-heard application of the railroads in so-called Official Classification territory for a five per cent increase in the general body of their freight rates. Both in the public press and in the expressions of railroad men proper, as well as of bankers, large investors and others directly concerned with our railroads, no inconsiderable divergence of opinion with respect to the deductions that may be drawn from the opinion, has been apparent. Some have contented themselves with acclaiming the at last accomplished fact that the most important group of railroads in the country is to be allowed to have a material and imperatively needed addition to the revenues earned by its members. Others, and these a far larger number, have seen in the decision not only an immediate boon to the railroads affected, but also a warrantable indication or assurance that the Interstate Commerce Commission has finally been brought to see that its attitude towards the railroads has not been commending itself to the intelligent public, that its traditional policy of "all for the public and nothing for the railroads" is no longer acceptable, and that it is expected to show itself just as jealous for the strength and prosperity of the railroads as it is for the rights of users of the railroads, in respect of just and reasonable rates. Finally, a few persons have scrutinized the Commission's decision, not so much from the point of view of the immediate beneficial results it will give or from that of its inferred promise of somewhat fairer and more generous treatment of the roads by the supervising authority, as for the purpose of getting further light upon the far larger question of the competence of the Commission itself in the field wherein it has been given sway and of the general advantage or disadvantage which the community as a whole is deriving and is likely to derive from its activities. To this last class of interpreters of the decision, what is really important is less that the railroads should be tided over a financially pressing and embarrassing period or even that some allowance should be made them for costs increasing in this or that direction, than that there should be evidence on the part of the Commission itself of a sure and firm hand in dealing with large and little understood matters, of ripened knowledge of all the fundamentals of economic activity and effort in modern society and of resolute expertness in meeting the ever changing economic conditions under which railroads, like all other economic enterprises, must work, with the swiftness, flexibility and precision which are the secret of economic efficiency in the larger sense. The Interstate Commerce Commission, as it has come to be through the gradual enlargement of its powers, is the most striking embodiment we have of the doctrine, which has been creeping upon us in the past quarter century, that we cannot safely trust the working out of our vital economic and social problems to the free play and counterplay of individual activities and energies, under the restriction only of general

laws, but that we require the continual interposition of the discretionary authority of selected or elected governmental officials, charged with the duty of "protecting" social interests not in a position to protect themselves in a given department of business, and likely to be neglected and harmed on that account. For all those who urge the introduction of this kind of authority in other fields of business than that of the railroads, the Interstate Commerce Commission is the great exemplar of the beneficent and effective supervision and regulation of the naturally selfish and wayward and deleterious methods and practices of the persons engaged in such businesses. Hence students of the legitimacy of the claims asserted on behalf of the entire doctrine, which for the sake of convenience may be dubbed the regulatory commission doctrine, are deeply interested in all action of the Interstate Commerce Commission which has or appears to have fundamental economic and social importance. They judge this commission, the primate among commissions in the United States, by what it does; and they infer from what it does the kind of action that may be expected from other commissions in other fields of business.

There is instruction to be derived from examining, even with the necessary brevity of a single article, the recent decision of the Interstate Commerce Commission from the standpoint of each of the classes of persons just mentioned. In other words, it is pertinent to inquire what the Commission has actually done, first, in respect of mere relief of the immediate necessities of the railroads affected; second, in respect of a real or surmised alteration of the Commission's traditional policy with regard to the governmental supervision of the railroads on behalf of the public at large; and, third, in respect of a demonstration of the permanent advantage to the interests of the country as a whole (including the interests of the railroads themselves), to be gained from entrusting to such a body as the Commission the ultimate authority over the most vital matters in connection with the entire operation of railroads, i. e. the price they may obtain for their services and the resultant encouragement or discouragement of their activity, their initiative, and their development, intensive and extensive.

Taking up first the question of the amount of the actual financial relief which the railroads in Official Classification territory may expect to obtain from the permitted increase of their freight rates, we must of course recognize at the start that a considerable element of conjecture intrudes itself. The volume of freight traffic fluctuates extensively, and with it necessarily fluctuate the gross revenue earned and the aggregate amount yielded by any percentage increase of the rates on any or all commodities hauled. At the present time, as is well known, the railroads are suffering from the general depression in business; and nobody can predict how soon this depression will pass and freight traffic respond to the renewed activity. On the basis of the traffic in 1913-1914, of the thirty-five railroad systems covered by the Commission's decision, however, it seems probable that not far from $30,000,000 a year will be realized from the allowed five per cent increases of rates. One of the Commissioners puts the figure at $35,000,000; but it is in the nature of Commissioners to be optimistic about matters of this kind. It has also been estimated that $50,000,000 a year may be realized by the railroads from the rate increase taken together with the possible savings obtainable through the ten expedients suggested by the Commission in its earlier decision refusing the general increase of rates, provided only the railroads will resolutely adopt these expedients in the face of the protests of shippers and, to a considerable extent, of the behests State railroad commissions or even of State laws. Obviously, the only safe course here is to fall back upon the $30,000,000 which seems to be generally agreed upon as a reasonable estimate. And this $30,000,000 is somewhat less than one-half of one per cent upon the total property investment of the thirty-five railroad systems in question, this having stood on June 30, 1914, the end of the governmental fiscal year, at $6,500,000,000, in round figures. The increase, taken as additional interest upon the capital investment, represents, therefore, approximately a fourth of the advance of the world interest rate for permanent investments which has occurred during the past five years and principally during the past year; for this advance of the world interest rate, for other than temporary accommodation, has been quite two per cent.

It may be asserted, however, that the greater part of the property investment of the railroads still calls for only the older and lower rates of interest, and that the burden of the new and higher rates will only gradually come on, as earlier issues of securities are refunded, as new capital in the shape of bonds or notes, is raised at the higher rates, and as stock must promise the larger dividends which investors will demand and insist upon obtaining, if they are to advance their capital to the railroads or to any other kinds of enterprise. There is some force in this contention, though far less than appears on the surface. Yet it is well enough to approach the matter from another angle, that of the effect of the freight rate increase upon the margin left to the railroads after the compensation of the capital already invested in them at the old and now admittedly insufficient rates. In the year ended June 30, 1914, according to the statistics of the Interstate Commerce Commission itself, the aggregate net return upon the property investment of the thirty-five railroad systems was only 3.99 per cent of the amount of that investment; the roads paying dividends paid total dividends of $118,000,000 in round figures (a decrease of $12,000,000 from the previous year); and the aggregate surplus of all the roads together was drawn upon for about $8,200,000 on this account alone, while the net result of all the profit and loss accounts of the roads was a decrease in aggregate surplus of no less than $34,578,288. Thus it appears that, in default of a material improvement in the volume of freight traffic, the thirty-five railroad systems will be able, through the $30,000,000 increase of their revenue, to pay the same dividends they did last year and add $22,000,000 to their surplus, from operation; or to pay the same dividends they paid in 1912-1913 and add $10,000,000 to their surplus, from operation; but that if they have to provide for the same unfavorable outcome of their general profit and loss accounts as occurred last year, they must continue to cut into their surplus, which ever dividend scale they follow. And in this calculation no allowance is made either for the remuneration of new capital required or for increases of interest rates upon such securities as may have to be refunded. Such is the measure of the immediate relief or benefit granted to the applying roads by the recent decision. It is encouraging upon the principle that "half a loaf is better than no bread."

When, now, we turn to the ground for encouragement found by some in the Commission's decision, by reason of the fact that it indubitably does what no previous decision

of the Commission in all its history has done,—i. e. concedes that conditions may come about, and now have come about, that entitle the railroads to a higher, rather than justify the compulsion of a lower, rate of compensation for their services,—it can hardly be said that a reading of the decision itself brings conviction of the substantiality of this ground. The granted increase is, of course, substantial enough, so far as it goes; but there are also indications that it was somewhat reluctantly and ungraciously allowed even by the majority of the Commission, while it is a certainty that the Chairman, Mr. Harlan, and another Commissioner, Mr. Clements, were desperately opposed to it, for they have said so in almost acrimonious dissenting opinions. It would be unprofitable to make the attempt to ascertain, inductively or deductively, the real motives that led the majority of the Commission to depart now from the chief part of its decision rendered on July 29 last, but we do not think it can be said that there is evidence of any fundamental change of conviction on the Commission's part. Indeed, the main justification for any hope of a modified policy henceforth towards the railroads is to be found, not in the main text of the present decision, but in a quotation therein from an earlier decision,—that known as "Advances in Rates, Western, Case," (20 I. C. C. 307, p. 317). This quotation may be given here, for such significance as it may have. It reads:

"We must not regard too seriously, however, the effort of railroad counsel to establish this Commission *in loco parentis* toward the railroads. We must be conscious in our consideration of these rate questions of their effect upon the policy of the railroads and, ultimately, upon the welfare of the State. This country cannot afford to have poor railroads, insufficiently built, carelessly operated. We need the best of service. Our railroad management should be the most progressive. It should have wide latitude for experiment. It should have such encouragement as would attract the imagination of both the engineer and the investor. Nevertheless, it is likewise to be remembered that the Government has not undertaken to become the directing mind in railroad management. We are not the managers of the railroads. And no matter what the revenue they may receive there can be no control placed by us upon its expenditure, no improvements directed, no economies enforced."

We must admit that we are ourselves unable to deduce any sure intention, hopeful or the contrary, from this quotation. We do not even know exactly what it means to say. The Commission will not have it that it stands *in loco parentis* to the railroads; yet it has the power to determine, virtually without appeal, what allowance shall be granted to the railroads,—one of the most common attributes of parentage. And all the ideal qualities which the Commission would have our railroads possess depend in the last resort upon this allowance. If it be niggardly, the railroads will be none of the things which the Commission says they ought to be; if it be adequately, yet judiciously, accommodated to what is expected of the railroads, considering the part they are called upon to play in the life of the country, they can be counted upon to respond eagerly and largely. But nowhere does the Commission assert decisively that considerations of this kind will hereafter have their due weight in all its determinations of the compensation which the railroads shall be permitted to receive for the services they render.

This brings us to the third and most important aspect of the Commission's recent decision, the light it throws upon the question of the real competence of that body in the greatest of all the departments of the country's business and of the genuine advantage to the country of having it actually, if not admittedly, the ultimate arbiter of the destinies of the railroads, in respect both of the compensation their owners and managers shall receive and of the character and extent of the services they shall render. Compensation and services are correlative terms in the final analysis; what affects one affects the other. And the determination of compensation, if this is removed from the field of natural competition, is a matter of the most difficult and complicated kind. Rules of thumb are not only valueless, but destructive and ruinous, if they are allowed any place in it. Thus it may be said of all the criteria which the Interstate Commerce Commission has hitherto used in deciding whether railroad rates are "just and reasonable," that they are mere rules of thumb, and consequently incompatible with any sound conclusion in the larger sense. The traditional reasoning of the Commission upon the propriety of railroad rates is embodied in a single sentence of Commissioner Clements' dissenting opinion in this very case: "Carriers have a right to earn all they can on the business which they can secure at just and reasonable rates." And this is pure economic nonsense, absolute putting the cart before the horse. For the economic truth is that those rates are just and reasonable, whatever they may be, which are required to procure the capital and brains necessary to give the public the railroad service it needs and desires. There is no other criterion of the justice and reasonableness of railroad rates but this, precisely as there is no other criterion of the justice and reasonableness of the price of cotton other than that such or such a price must be paid to induce the production of as much cotton as the world needs to consume. Hence all the projects, for which the Commission has long shown such liking, intended to ascertain the property value of the railroads and to adjust their tariffs so that the yield upon this value may correspond to some rate of interest or return assumed to be fair and reasonable are pure economic moonshine, just as worthless as the statistical investigations of the average cost of producing cotton or wheat. The only result of them, if the action of the Commission is predicated upon what they appear to show, must be to sever the vital connection between the railroads and the economic whole to which they belong. Then the only relief will be irrational and incalculable accommodations of theory to hard fact, similar indeed to the apparent accommodation embodied in the Commission's present decision. We are forced to make this last remark, because we fail to find in the decision any sure evidence that the Commission has at last arrived at the root of the matter, or that in any fundamental way it has departed from its old false gods. It may seem strange to say it, yet it appears to us that in the present case the logic,—a bad logic with bad premises, to be sure,—is still the true traditional logic of the Commission as a whole; and that the action of the majority is quite as inharmonious with that logic as Chairman Harlan and Commissioner Clements assert it to be. Accordingly, the decision is for us slight evidence that the Commission is entering upon a new and wiser course in dealing with the railroads.

Arthur Richmond Marsh

POLITICAL AND ECONOMIC PROBLEMS BROUGHT HOME TO THE UNITED STATES BY THE EUROPEAN WAR

By John Hays Hammond*

IN discussing the Sherman law, at our meeting a year ago, I said that "it is unfortunate that the solution of great problems, purely economic in character, is not always dissociated from politics; that legislation dealing with the tariff, the currency, the trusts and other economic subjects vital to the welfare of the entire Nation is in a large measure determined on strictly political lines,—indeed, is settled by politicians upon the stump rather than by business men in boards of trade."

To-day I would reiterate that opinion with added emphasis, in view of the momentous problems affecting the welfare of our nation injected into our political, economic and social life by the great European War.

From the war we learn more clearly than before the interdependence of the nations of the world, politically and economically; that neither political neutrality nor geographic isolation makes any nation exempt from the consequences of a great international crisis. This is no time to attempt to apportion the responsibility of the belligerent nations for the war; but we must recognize the fact that preparedness for war—"the armed peace" that has been so much deprecated and yet unavailingly—during past years, not only does not preclude war but greatly augments its ravages when armed peace terminates. We learn the dreadful lesson that international treaties are but "scraps of paper," having no validity when opposed to the principle that "might makes right." We learn also that military impotency, on the other hand, is no guarantee for a nation's security, but that the best safeguard of a nation's integrity indubitably is its own ability to defend itself against foreign aggression; and that this will be so until such time as there shall be universal disarmament and the establishment of an International Court of Arbitral Justice, authorized and empowered to maintain a righteous peace among nations.

But it is the economic rather than the political aspects that I shall discuss. There can be no doubt that the most important economic lesson is the complete vindication of the policy of building up and expanding our home industries. We see more clearly than ever the interdependence of all our industries—the vital dependence, for example, of that great industry of agriculture on the prosperity of the manufacturing industry, for in the manufacturing centres it finds its best markets. We see the importance of all industries to the extensive classes employed in our great transportation systems, in our agencies of distribution, etc.; and so, too, we see more clearly than ever the indissoluble ties that bind together all the other national industries; and we must conclude, therefore, that the keynote of our economic and fiscal legislation must ever be to preserve unimpaired the "purchasing power" of our domestic markets.

We learn the importance of the diversification of our industrial products and of expanding our foreign trade. It is because of the magnitude and diversity of our home market that we have made heretofore, relatively speaking, but desultory and inadequate efforts to extend our foreign markets. Despite this fact, our export trade is to-day one-eighth of the world's total, evidencing the potentiality of our Nation as a competitor for foreign markets. The magnitude of our domestic trade ($34,000,000,000) may be best realized by stating that it is seventeen times as great as our total export trade; twice as much as the total exports of the world, and about equal to the foreign commerce of the world. The value of articles manufactured in Greater New York alone is about equal to the value of the Nation's total exports, i. e., $2,000,000,000.

While the rapid expansion of our industries is a natural and laudable ambition, we must nevertheless not lose sight of the fact that over-extension inevitably causes depression in times of business recession. Authorities agree that we are now rapidly approaching the limit,—that is to say, the point of saturation,—in our domestic markets, at least in so far as pressing demands under normal conditions are concerned. It is obvious, therefore, that we must either curtail the capacity of our factories, which would result in throwing out of employment millions of wage-earners, and the disorganization of complementary industries as well, or we must depend upon the exploitation of foreign markets for the relief of our congested home industries.

In competing for foreign markets, we are to meet our great trade rivals, who have by years of experience and by the expenditure of colossal sums obtained a foothold more or less firm in the markets we seek. Therefore, to successfully compete with these nations we must secure for ourselves every advantage that can be derived from the most efficient exploitation of our home industries, fostered by constructive legislation and promoted by able commercial diplomacy abroad. To obtain this vantage ground, the co-operation of our lawmakers is indispensable. In this regard our country has been seriously handicapped compared with the beneficent influence extended by foreign governments—notably by Germany—to their captains of industry. Here, legislation affecting our industrial developments has been too often determined by considerations of party expediency; and economics has in consequence been subordinated to politics.

The result of the vehement attacks by our Federal Government upon corporations, indiscriminately impeaching the integrity of our corporate practices and of our business men, has prejudiced our position in foreign money markets, and has consequently enhanced the difficulty of obtaining capital for our industrial needs. Our Nation has borrowed from abroad upwards of $6,000,000,000 for the development of our great industries. The term "borrowed" is misleading; and a very large part of this sum does not carry with it any obligations in the nature of a loan, but is rather the market value of American securities, and in a large measure real estate, purchased by foreign investors, which in that sense only is a lien against the capitalized wealth of the Nation. Because of the present war we cannot reasonably expect further considerable assistance in the near future. Not only is this the case, but there is, moreover, the danger of foreign exchanges dumping American securities on the market; and this is a great menace to the Nation's otherwise strong financial position.

There is to-day a revulsion of feeling throughout the country as to what should be the attitude of our legislators in respect of our national industries; and I believe the compelling force of enlightened public opinion will in the future result in legislation facilitating, rather than obstructing, the processes of industrial development, while at the same time adequately safeguarding the interests of State, community and individual.

One of the most hopeful signs of our industrial progress is the fact that no longer is the belief general that there exists fundamentally an irrepressible conflict between capital and labor. The maintenance of industrial peace is now recognized as indispensable to industrial progress, and the mutual interests of capital and labor, with the reciprocal obligations, is now accepted as an axiom in our industrial development.

There has been, coincident with the declaration of war in Eu-

*An address delivered at the Annual Meeting of the National Civic Federation, in New York, December 5, 1914.

rope, considerable enthusiasm,—verging, indeed, on hysteria,—in the agitation to build up our export trade in Latin-America. The opening of the Panama Canal has also given a stimulus to this movement; but, lest we repent at leisure, it behooves us to exercise caution and discrimination, that is, to "make haste slowly," in our efforts to obtain Latin-American trade. While the Panama Canal will undoubtedly be of great advantage to this country in the development of commerce, it will not facilitate our trade with Mexico, Central America, nor with the Northern and Eastern sections of South America, with the exception of that commerce to be developed between our Pacific Coast States and those points. In the future the bulk of our Latin-American trade will be with the South American States on the Atlantic, and not with those on the Pacific Ocean.

The immensity of the area of the Latin-American States, aggregating 9,000,000 square miles (or nearly three times that of Continental United States), with a population proportionately almost as great, appeals to the imagination of our manufacturers, merchants and exporters; but there are important problems—financial, engineering, social and economic—to be solved before the potentialities can be realized. The total imports into South America to-day from all nations are valued at $350,000,000 annually—less than the sum of our exports to the United Kingdom and Canada; less than one-half the value of the manufactured products of Greater New York, and less than one-fortieth of our own domestic trade. These figures further emphasize the magnitude of our home market.

With characteristic national strenuosity and impetuosity we began to agitate the instantaneous creation of a merchant marine, as the first step to attain this end. We did not realize that the lack of a national merchant marine was by no means the greatest obstacle to the immediate development of our trade with South America. We ignored the "absorptive power," as well as the far more important factor, the "purchasing power," of those countries. Hardly more than a cursory investigation of this subject suffices to show us that this is by no means the psycological moment for the development of the South American field,—that is to say, if we are to expect substantial returns within the near future. The financial conditions in South America at present are unfortunately decidedly adverse. This state of affairs exists likewise in China, in Central America and many other countries, not entirely due to, but greatly augmented by, the European War. As a matter of fact, many of these countries have borrowed from Europe sums far in excess of their ability to repay for some time to come. Much of this money undoubtedly has been wasted, but the greater part has been expended in industrial and commercial undertakings which have not as yet reached the period of fruition. Even before the war many of these countries were in financial distress. The war has, as I have said, greatly aggravated this condition, because of the depreciation in the value of their products, owing to lack of European markets. If we, now, are zealous to promote the extension of our Latin-American trade, we must be prepared to assist in financing the governmental necessities and also the requirements for the completion and expansion of the industries and commerce of these countries. It will be a long time undoubtedly before European capital will be available for that purpose.

Under the conditions existing before the war, our country has been able to secure comparatively cheap money from abroad for its industrial needs; and it would have been able, had those conditions lasted, to finance in a measure the development of the natural resources of Latin-America with the profits derived from the exploitation of home industries financed by European capital. These conditions, however, will not obtain again for some years, after peace is established in Europe. Under the circumstances it seems to me that the cardinal principle for the investment of American capital must be to at first amply provide for the expenditures required for the industries of our own nation. Undoubtedly the time will come when American capital will seek investment in the development of the industries of the newer countries; and from that investment will result a proportionate increase in our foreign trade. If, however, American capitalists are to assume the rôle of banker and broker for Latin-America, we must reverse our governmental policy in many respects. We must, for example, encourage and assist our manufacturers, merchants, bankers and transportation agencies in "drumming up" and building up foreign trade. To do this, we must have the cordial assistance and cooperation of the Department of State and of our Consular Service. The Government must cease to stigmatize Americans who invest their money abroad in foreign industries as unprincipled exploiters. We must, rather, emulate the example of the German government in its sympathetic and stimulating co-operation with the citizens of that country in their activities in foreign lands. Above all, we must guarantee to our citizens the same degree of protection as to life and property accorded the citizens of other nations by their governments. To obtain cheap money, which is required for proper industrial development, Latin-American nations must guarantee the security of investments of foreign capital against discriminatory laws and confiscation, especially in times of revolutionary movements.

To attain the confidence of American investors and thus to obviate the serious objections to investments in some Latin-American countries, I believe a Pan-American Supreme Court should be created, to deal specifically with and to decide disputes as to foreign investment in Latin-American States. Such a court should be composed of the leading jurists of our own and of the Latin-American nations; and it should sit in neutral territory. If inspired only by self-interests the aim of such a court would obviously be to establish confidence in the security of Latin-American investments; and for that reason foreign investors would be assured of fair treatment. Such a court might well be one of final resort. In any event, it should try cases and endeavor to adjudicate claims before appeal through diplomatic channels, which almost invariably results in friction and often, indeed, in extreme tension.

Cordial good feeling between nations is essential to advantageous commercial relations; and it is for this reason that many of us advocate the substitution of a Pan-American Defensive Alliance for the Monroe Doctrine, in South America. There no longer exists the necessity of maintaining this doctrine, as applied to the whole of South America; and the people of that continent resent what they regard as supererogation on our part. We should, I believe, restrict the application of the Monroe Doctrine to the States of Central America, to Mexico and to the countries in the Carribean Sea area.

I do not share the apprehensions of those who believe that a very long time will be required for the rehabilitation of the industries of the warring nations; for it seems incredible that the war will terminate only with the utter destruction of the industries and the material resources of those countries. It seems far more probable that the time will come—and that at no distant day—when one or the other side shall have received a defeat sufficiently decisive to place it in a position where the further continuation of hostilities would be suicidal, and, therefore, make it ready to accept the mediation of neutral nations, and to conclude terms of peace which do not involve anything suggestive of subjugation.

Owing to the ravages of war and the colossal national indebted-

ness incurred for war purposes, a long time (years, but not generations, as has been often suggested) will be required before the belligerent nations shall become again leading factors in the world's commerce. Their first aim will be, of course, to build up their home industries, to give employment to their own citizens; and the fiscal policies of some of the nations may be so modified, with respect to their tariffs, as seriously to affect our trade relations with them. It may be purely speculation, but it seems quite within the bounds of probability—certainly it is possible—that Great Britain will change her tariff to protect her own market, which has been for many years the dumping place for the products of other nations, and that she will establish, upon the basis of some kind of protective system more effective trade arrangements in the way of reciprocities with her colonies and dependencies. The importance of such a change of policy, as affecting the United States, is obvious, having regard to our export trade alone. Our exports to the United Kingdom in 1913 were $597,000,000; to Canada, $285,000,000,—together constituting over 40 per cent of our total exports.

Russia offers, in my opinion, one of the best fields for the expansion of our trade. But few countries can compare with her in undeveloped natural resources. She lacks what our country can supply in the way of engineering skill and experience in the development of new territories; because Russia has not as yet created a great middle class, which performs the executive function in a nation's industrial growth.

COMPLETE TEXT OF THE OPINION OF THE ATTORNEY GENERAL OF THE UNITED STATES DECLARING THE FEDERAL RESERVE BOARD INDEPENDENT OF THE TREASURY DEPARTMENT

OF first importance to the success of the Federal Reserve system is the opinion rendered on December 19, 1914, by Attorney General Gregory with regard to the independence of the Reserve Board from Treasury authority. There has been a growing feeling among many students of the new Federal banking system that the independent position which the Reserve Board was intended to occupy had not, in practice, been accorded it by the present Administration. While the Federal Reserve Act was in process of passage, President Wilson was quoted as saying that he considered the Board, in effect, the Supreme Court of Banking. It was naturally hoped that this point of view connoted an entire independence, on the part of the Board, of all political influence. Such a hope has not, in the opinion of many, been justified by the later attitude of the Government.

In the first place, the Act as passed provides, in a manner which indicates something in the nature of an afterthought, or a superimposition, that "the Secretary of the Treasury shall be ex-officio chairman of the Federal Reserve Board." This phrase occurs in the fourth paragraph of Section 10 of the Act, following the provision that "the first meeting of the Federal Reserve Board shall be held in Washington, District of Columbia, as soon as may be after the passage of this Act, at a date to be fixed by the Reserve Bank Organization Committee."

The first paragraph of Section 10 provides for the appointment and compensation of the Board. The second paragraph prescribes the qualifications and designations of the members. Among other things it sets forth that "of the five persons thus appointed, one shall be designated by the President as governor and one as vice-governor of the Federal Reserve Board. The governor of the Federal Reserve Board, subject to its supervision, shall be its active executive officer." No reference is made in this paragraph to the position of the Secretary of the Treasury as chairman of the Board. It is pointed out by the Attorney General in his recent opinion that the earlier draft of the Act (H. R. 7837, Section 11) made the "manager" of the Board "subject to the supervision of the Secretary of the Treasury and the Federal Reserve Board." In the Act as passed, he is made subject to the Board alone.

It would seem clear, then, that one paragraph of Section 10 of the Act, as passed, specifically established the authority of the governor of the Board, independent of Treasury supervision. It is hard to believe that the drafters of the section referred to did not originally intend that the "chief executive officer" of the Board should also be the presiding officer at its meetings. It appears, however, that the provision which makes the Secretary of the Treasury ex-officio chairman, in effect renders nugatory the provision in the earlier paragraph of the same section with regard to the powers of the governor of the Board.

It has been suggested that this later provision was inserted, in view of the newness of the organization, to insure the orderly transaction of the early business of the Board through the leadership of an official experienced in the fiscal affairs of the Government. This suggestion gains support from the context of the provision in question. The phrase quoted above, which immediately precedes it, refers to the time and place of the first meeting of the Board. The phrase which follows also refers to early organization. It provides that "no member of the Federal Reserve Board shall be an officer or director of any bank, banking institution, trust company, or Federal reserve bank, nor hold stock in any bank, banking institution or trust company; and before entering upon his duties as a member of the Federal Reserve Board he shall certify under oath to the Secertary of the Treasury that he has complied with this requirement."

The position of authority which this provision gave to the Secretary of the Treasury in the early days of the Board's existence perhaps only accentuated the prestige which that official acquired as a member of the Reserve Bank Organization Committee. As emphasizing this tendency may be cited the further provision of Section 10 of the Act, that "The Secretary of the Treasury may assign offices in the Department of the Treasury for the use of the Federal Reserve Board." At all events, there had arisen sufficient doubt as to whether or not the Federal Reserve Board was a bureau of the Treasury, actually to warrant a state of uncertainty on the part of one of the auditors of the Treasury as to the disposition of the funds raised by the Board by semi-annual assessment to be levied on the Federal Reserve Banks. The Secretary of the Treasury accordingly submitted that particular question to the Attorney General, together with a request for an opinion "as to the status of the Federal Reserve Board, particularly with reference to the Treasury Department."

The opinion of the Attorney General is clear. He holds that the Secretary of the Treasury and the members of the Federal Reserve Board are co-ordinate officials. He points out that while the Act specifically intended to preserve to the Secretary supremacy in all cases where their respective powers conflicted or overlapped, yet it "clearly recognized the existence of powers of the Board independent of the Secretary in cases where no such conflict existed." This can hardly fail to be regarded as a step in the right direction. However, it is only a step. Wholly independent of any personal or political considerations, it will be generally conceded that the establishment of a "Supreme Court of Banking" is wholly incompatible with domination, as chairman, over such organization, by an official appointed by and subject to a political party. The Board cannot be wholly on a judicial basis, a basis of

freedom from Treasury influence, until the Act is so amended as to make the governor of the Board its actual as well as its titular head; and until the discretionary power with regard to the deposit of Government funds with the Federal Reserve Banks is taken from the Secretary of the Treasury.

The opinion of the Attorney General is given in full below.

* * *

OFFICE OF THE ATTORNEY GENERAL.
Washington, D. C.

December 19, 1914.

The Honorable, The Secretary of the Treasury,
Washington, D. C.

Sir:—I have the honor to acknowledge your letter of October 29, 1914, wherein you request my opinion (a) whether accounts of moneys derived from the semi-annual assessment to be levied on Federal Reserve Banks by the Federal Reserve Board, are subject to audit by one of the auditors of the Treasury Department, and (b) as to the status of the Federal Reserve Board, particularly with reference to the Treasury Department.

Section 10 of the "Federal Reserve Act" of December 23, 1913, (the act authorizing the assessment), provides:

The Federal Reserve Board shall have power to levy semi-annually, upon the Federal Reserve Banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and salaries of its members and employes for the half-year succeeding the levy of such assessment, together with any deficit carried forward from the preceding half-year.

The answer to your first question depends on whether the moneys so levied by the Federal Reserve Board are, when received, "public moneys." If so, they are clearly to be audited under Sections 7 and 10 of the Act of July 31, 1894, (28 Stat. 207) either by the auditor provided for in the first paragraph of said Section 7 or by the auditor provided in the fifth paragraph, such paragraphs (so far as material) reading as follows:

First. The Auditor for the Treasury Department shall receive and examine all accounts of salaries and incidental expenses of the office of the Secretary of the Treasury and all bureaus and offices under his direction, all accounts relating to * * * and all other business within the jurisdiction of the Department of the Treasury and certify the balances arising thereon to the Division of Bookkeeping and Warrants.

Fifth. The Auditor for the State and other departments shall receive and examine all accounts of * * * and accounts of all boards, commissions and establishments of the Government not within the jurisdiction of any of the Executive Departments. He shall certify the balances arising thereon to the Division of Bookkeeping and Warrants.

Section 10 (so far as material), provides for a division of Bookkeeping and Warrants and that:

Upon the books of this division shall be kept all accounts of receipts and expenditures of public money, etc.

Reference is also made to the Act of February 19, 1897 (29 Stat. 550), reading (so far as material) as follows:

All books, papers and other matters relating to the office or accounts of * * * commissions, boards and establishments of the Government in the District of Columbia, shall at all times be subject to inspection and examination by the Comptroller of the Treasury and the Auditor of the Treasury authorized to settle such accounts, or by the duly authorized agents of either of said officials.

This statute plainly applying to boards, etc., *located* within the District of Columbia, rather than to boards of the District Government; and the Federal Reserve Board being located within the District:

I am of the opinion that moneys received by the Federal Reserve Board, under Section 10 of the Act of December 23, 1913, are "public moneys" within the meaning of these auditing statutes, for the following reasons, among others:

(1) The assessments are levied by a board whose members in respect to appointment, tenure, duties, and compensation meet all the requirements of the definition "public officers" and "officers of the United States."

(2) The assessments are levied by such officers pursuant to the provision of a Federal statute and are devoted to the payment of official salaries and the expenses of this official board.

(3) These moneys after collection, are no longer the property of the paying banks, and must be viewed as moneys belonging to the United States, and therefore public moneys as defined by the Supreme Court of the United States in Branch v. United States, 100 U. S. 673.

In the United States v. Bromley, 12 How. 88, it was held, that postal collections from stamp sales are public revenues:

The revenue of the Post Office Department being raised by a tax on mailable matter conveyed in the mail and which is disbursed in the public service, is as much a part of the income of the Government as moneys collected for duties on imports.

The analogy is marked for the reason that in like manner as the money assessed by the Federal Reserve Board is for the purpose of meeting the salaries and expenses of the Board, so the use of the postal collections is confined to sustaining the specific service by and in which they are collected.

(4) Other provisions of the Federal Reserve Act (Sections 11-c and 16), dealing with interest charges, taxes and penalties, can only be satisfied by deposit in the Treasury of the levies, taxes and penalties so imposed and there seems to be no logical ground for distinction between such assessments and the ones in question. The idea of necessary public control is also strengthened by the requirements of Rev. Stat. Sec. 3639.

The moneys received by the Federal Reserve Board under Section 10 of the Act of December 23, 1913, being thus, in my opinion, public moneys and consequently subject to audit by one of the auditors of the Treasury Department, the question is then directly presented under which paragraph of the Act of July 31, 1894, *supra*, the audit is to be made. This involves the further question on which you have asked my opinion: namely, whether the Federal Reserve Board is an independent board, commission or Government establishment or whether it is a bureau, office or division or otherwise a part of the Treasury Department.

That the Federal Reserve Board is a "board" or "establishment" of the Government within the meaning and intent of those words as used in the Fifth Paragraph of Section 7 of the Act of July 31, 1894, is plain from the provisions of the Federal Reserve Act and the explanation of the status of the Board contained in the reports accompanying the original bills in Congress. This conclusion is sustained by reason and analogy, when reference is had to the considerable number of boards or establishments of far less general or National scope which have been so esteemed and uniformly treated. (See Report of Joint Commission to Inquire into Executive Departments, October 9, 1893, House Reports, 1st Session 53rd Congress, Report No. 88.)

Consideration of the history of the Federal Reserve Bank Act, of the general scheme of the whole act, of the functions to be per-

formed by the Federal Reserve Board and of the method of their performance, leads me to the clear opinion that the Board is an independent board or government establishment.

The Federal Reserve Board is not merely a supervisory, but is a distinctly administrative board with extensive powers. It is described as follows in the report of the Committee on Banking and Currency to the House of Representatives (63rd Congress, 1st Session, Report No. 69):

Page 16. In order that these banks may be effectively inspected and in order that they may pursue a banking policy which shall be uniform and harmonious for the country as a whole, the committee proposes a general board of management *intrusted with the power to overlook and direct* the general functions of the banks referred to. To this it assigns the title of "The Federal Reserve Board."

* * * * * * * * * * * * *

Page 18. The only factor of centralization which has been provided in the committee's plan is found in the Federal Reserve Board, which is to be a strictly Government organization created for the purpose of inspecting existing banking institutions and of regulating relationships between Federal Reserve Banks and between them and the Government itself. * * *

Page 42. Section 11. In this section provision has been made for the creation of a general board of control acting on behalf of the National Government.

* * * * * * * * * * * * *

The report of Senator Owen from the Senate Committee on Banking and Currency (63rd Congress, 1st Session, Report 133, part 2) says merely:

The Federal Reserve Board consisting of the Secretary of the Treasury and six members appointed by the President of the United States and confirmed by the Senate for terms of six years, are given the following powers: (Here follows an enumeration of powers.)

The broad functions outlined in these Reports are assigned to the Board in twelve subdivisions of Section 11 of the Act giving to it certain powers and authority, and in various other sections containing specific grants of authority to exercise about forty other powers. Moreover, in subdivision (1) of Section 11 the all-embracing requirement appears that said board shall perform the duties, functions or service specified in this Act, and make all rules and regulations necessary to enable said board effectively to perform the same.

The Act, further contains no express provision that the Federal Reserve Board shall be considered as a bureau, division or office of the Treasury Department—a significant omission in view of the fact that Congress had under consideration a bureau of that Department when it amended the Revised Statutes relative to that bureau of which the Comptroller of the Currency was the chief officer and the provision in Section 10 that "the Secretary of the Treasury shall assign offices in the Department of the Treasury for the use of the Federal Reserve Board" (a provision added to the bill by the Senate Committee) would be highly superfluous if the Board were a bureau of that Department for which the Secretary already possessed complete authority to assign offices in his own departmental buildings.

The history of the bill develops the following facts of significance:

In Section 11 of H. R. 7837 (Section 10 of the Act), it is provided:

The manager of the Federal Reserve Board, subject to the supervision of the Secretary of the Treasury and Federal Reserve Board, shall be the executive officer of the Federal Reserve Board.

This clearly contemplated that the Secretary of the Treasury and the Federal Reserve Board were distinct entities.

In the Act as passed (Section 10), the supervision of the Secretary of the Treasury is stricken out, leaving the governor (manager) subject to the supervision of the Board.

In Section 16 of H. R. 7837 (Section 16 of the Act) it is provided:

The Secretary of the Treasury shall, *subject to the approval of the Federal Reserve Board*, from time to time apportion the funds of the Government among the said Federal Reserve Banks, distributing them as far as practicable equitably between different sections. * * *

This also clearly contemplated the Secretary and the Board as co-ordinate officials. The whole provision was stricken from the Act as passed but nothing was substituted for it.

In Section 11 of H. R. 7837 (Section 10 of the Act) the Comptroller of the Currency was to perform his duties under the general direction of the Secretary of the Treasury *acting as chairman of the Federal Reserve Board*.

In the Act as passed the words "acting as chairman of the Federal Reserve Board" were stricken out, showing an intention to distinguish clearly between placing the Comptroller under the Secretary as head of the Treasury Department and the Secretary as ex-officio chairman of the Board.

The most significant change made in H. R. 7837 by the Act as passed was the insertion, in Section 10 of the Act, of the following clause:

Nothing in this Act contained shall be construed as taking away powers heretofore vested by law in the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and bureaus under such department, and wherever any power vested by this Act in the Federal Reserve Board or the Federal reserve agent appears to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary.

It is evident that, while the purpose of this clause was, amongst other things, to insure the preservation and supremacy of all existing powers of the Secretary of the Treasury in all cases where it might be claimed that such powers overlapped, or conflicted with those of the Federal Reserve Board, nevertheless, by this very provision of the Act clearly recognized the existence of powers of the Board independent of the Secretary in cases where no such conflicted existed. Very respectfully,

(Signed) T. W. GREGORY.
Attorney General.

ECONOMIC NOTES

The Foreign Trade of the United States in November.—The monthly report on foreign trade issued by the Department of Commerce covering the trade position of the United States during November shows a continued increase in the excess of exports over imports. November, 1914, imports fell off in value $22,000,000 from the value for November, 1913, while it will be remembered that October, 1914, imports were $5,000,000 in excess of the value for October, 1913. The exports for November, 1914, were $40,000,000 below the mark set in the corresponding month of 1913, while exports during October, 1914, were $76,000,000 below those in October, 1913. The decrease of $40,000,000 in the value of November, 1914, exports was again due almost entirely to the falling off in cotton shipments which showed a decrease in value of

$71,000,000 from the November, 1913, figure. There was a net increase in exports of other articles amounting to $31,000,000.

The excess of exports over imports for the month was $79,000,000, as against a similar excess of $97,000,000 in November, 1913.

It is pertinent to note, as the year draws to a close, that the net export balance in favor of the United States for the first eleven months of 1914 is approximately $302,000,000 less than that appearing at the corresponding period in 1913. As will appear in detail below the export balance in merchandise exports was $193,000,000 for the first eleven months of 1914, as against $642,000,000 for the first eleven months of 1913. This leaves a balance against the 1914 figures of $448,000,000. This is partly counter-balanced by the excess of gold imports for the first eleven months of 1914, which amounted to $169,000,000, against an excess of gold imports for the first eleven months of 1913 of only $22,000,000. This leaves a balance in favor of 1914 gold exports of $146,000,000. Subtracting this from the merchandise balance standing against 1914 of $448,000,000, there remains the net balance of $302,000,000 referred to above.

The following table shows imports and exports by months during 1914 with the excess of imports or exports during each month, and also the totals for the first eleven months of 1914 and 1913:

FOREIGN TRADE OF THE UNITED STATES BY MONTHS, 1914.

	Imports.	Exports.	Excess.
November	$126,467,007	$205,766,424	Exp. $79,299,417
October	137,978,778	195,283,852	Exp. 57,305,074
September	139,204,267	156,188,790	Exp. 16,984,423
August	129,399,496	110,337,545	Imp. 19,051,951
July	160,178,133	154,082,225	Imp. 6,095,908
June	157,772,973	157,119,451	Imp. 653,522
May	164,281,515	161,732,619	Imp. 2,548,896
April	173,762,114	162,552,570	Imp. 11,209,544
March	182,555,304	187,499,234	Exp. 4,943,930
February	149,937,011	173,808,468	Exp. 23,871,457
January	154,469,263	203,799,517	Exp. 49,330,254
Totals, eleven months	$1,674,896,659	$1,868,452,265	Exp. $193,555,606
Eleven months, 1913..	1,608,829,114	2,250,929,517	Exp. 642,100,403

Imports of gold during November, 1914, amounted to $7,391,729, as against practically the same movement ($7,040,782) in November, 1913. For the eleven months of 1914 gold imports amounted to $53,278,678, as against $59,631,475 during the first eleven months of 1913.

Exports of gold in November, 1914, reached the total of $14,526,482, against $6,662,958 in November, 1913. For the first eleven months of 1914 gold exports reached a total of $222,485,232, against $81,226,017 during the first eleven months of 1913.

* * *

Foreign Trade of Italy During the War.—As one of the larger purchasers of United States products, and a considerable exporter of merchandise to this country, Italy's trade position since the outbreak of the European War is of interest. It appears from an account published in the "Economist," of London, that Italian commerce, in common with that of other neutral nations, has suffered heavily as a result of the war. The statement, in part, follows:

"That the great European crisis has had a very sensible repercussion on Italian international trade is clear from the following figures (in lire, 000 omitted):

	Exports			Imports		
	1913.	1914.		1913.	1914.	
First half-year..	1,903,595	1,842,766	— 60,892	1,209,425	1,273,799	+ 64,373
July	236,267	254,448	+ 18,181	182,862	190,820	+ 7,957
August	237,338	167,254	— 70,083	197,933	86,917	—111,016
September	264,462	102,290	—162,171	196,736	123,227	— 73,503

"The figures are for what is called special commerce, exclusive of transit trade, for which the statistics are not published until late in 1915. The October data are not yet available, so that it is impossible to say if the shrinkage has continued in the same proportion as in the first two months of war. The monthly statistics give a useful résumé of the special trade (i. e., exports of Italian goods and imports for Italian consumption), with the principal foreign countries. The figures compare as follows with the identical months of 1913 (in lire, 000 omitted):

	Imports in August and September		Exports in August and September	
	1913.	1914.	1913.	1914.
Austria-Hungary	38,959	16,119	26,855	8,471
Germany	82,821	55,831	49,989	12,446
Switzerland	13,444	8,118	43,266	23,408
France	33,396	13,373	35,700	9,176
Great Britain	82,974	61,006	41,045	40,608
Argentina	17,425	3,892	26,746	11,038
United States	58,187	43,521	38,666	41,774

"The most noticeable decreases are in trade with Austria-Hungary, France, Germany, Argentina and Switzerland. The trade with Great Britain and the United States has withstood the storm well, although it may be observed that the July figures are in part ante-bellum figures. In the main, the shrinkage of imports and exports is general: of the few exceptions, some are attributed to variations of the season which has an important bearing on the commercial currents of the agricultural products. Only potatoes, flour, rice, some fresh fruits and vegetables, eggs, too, appear to have been the gainers, in a small way."

* * *

Grain Crops of Russia in 1914.—According to figures published by the Russian Statistical Committee the total area under cereals, potatoes and pastures in seventy-three Provinces of Russia (all except Transbaikalia, Irkutsk, Amur, the Maritime Province, Kamchatka, Sakhalin, ten governments of Transcaucasia, the four governments of Turkestan, and Finland) was 355,865,130 acres, distributed as follows: Food cereals (wheat, barley, rye, etc.), 205,717,320 acres; oats, 49,514,760 acres; potatoes, 12,001,230 acres; natural pastures, 88,631,820 acres.

The estimated crop will be 63,712,600 short tons of food cereals (rye, wheat, barley, buckwheat, millet and corn). Taking into consideration the difference between the estimated and the actual crop (on the basis of calculations during the last nine years) it may be assumed that the crop of this year will be an average one.

The area under cultivation and the estimated yield of the various cereals in seventy-three Provinces in 1914, as compared to 1913, were as follows:

Cereals.	1913. Acres.	1914. Acres.	1913. Short Tons.	1914. Short Tons.
Winter rye	73,400,040	72,883,200	27,395,100	23,932,440
Winter wheat	17,416,830	18,259,830	8,873,280	7,757,280
Summer rye	1,571,670	1,525,770	481,680	416,880
Summer wheat	57,765,630	58,753,830	19,804,680	15,534,640
Oats	47,518,650	49,514,760	19,565,100	15,676,200
Barley	31,276,260	32,261,220	13,552,020	11,034,180
Spelt	529,740	553,230	.....	.....
Buckwheat	5,304,420	5,095,980	1,273,680	994,560
Millet	8,488,530	8,447,220	2,848,860	2,246,400
Corn, Indian	4,233,670	4,049,730	2,039,760	1,796,220

Deducting from the total amount of the estimated crop of 1914 the quantity necessary for the sowing of fields and the consumption by the population (calculating the latter at 540 lbs. per capita)

the Central Statistical Committee estimates the probable surplus of grain at 11,120,940 short tons.

It is expected that the State Bank will assist the realization of the harvest by extending the operation of loans on the crop, reducing the interest on such loans, abolishing certain taxes, etc.

* * *

Commerce of United States and Latin America.—Mr. John Barrett, Director-General of the Pan-American Union, has made public figures covering the Latin-American commerce of the United States, as recently compiled under his direction. Mr. Barrett stated that his figures were the first accurate ones to be issued covering the trade movement referred to, during the calendar year 1913. This was the first year, according to the statement made, in which the exports from the United States to the Latin-American countries exceeded those of Great Britain. During the calendar year 1913 the exports from the United States to Latin-America, and the imports into the United States from Latin-America exceeded those of any other single country. The figures issued by the Pan-American Union are, in part, as follows:

LATIN-AMERICAN TRADE, 1913.

	Imports from	Exports to
United States	$325,837,345	$477,628,500
United Kingdom	322,228,073	321,358,313
Germany	217,976,202	189,156,172
France	110,484,385	128,329,063
Total imports		$1,325,752,627
Total exports		1,539,123,597
Total foreign trade		$2,854,876,224

* * *

Acreage, Production and Value of Farm Crops.—On December 15, 1914, the Crop Reporting Board of the Department of Agriculture issued its final estimate of the acreage, production and value of fifteen important crops in the United States in 1914, 1913 and 1912. Crop values are based upon prices paid to farmers on December 1, 1914. The total value of the country's chief crops for the year is $4,945,852,000. This is more than $20,000,000 below the value for 1913.

The crops which showed an increase in value for the year over the value for 1913, together with the amount of the increase in round figures, are as follows: Corn, $10,000,000; wheat, $268,000,000; [illegible]; barley, $10,000,000; rye, $11,000,000; buckwheat, $2,000,000. Thus, the total increase in value for the crops named was $362,000,000. The crops which showed a decrease in value were as follows: Flaxseed, $2,000,000; rice, $200,000; potatoes, $29,000,000; sweet potatoes, $1,000,000; hay, $18,000,000; tobacco, $21,000,000; sugar beets, $5,000,000; cotton, $307,000,000. The total decrease in the crops named was $382,000,000. Subtracting the increase of $362,000,000 as outlined above, there is shown a net decrease of $20,000,000 in the total 1914 value of the crops, as compared with the value for 1913. It is obvious that the low price of cotton is chiefly responsible for the reduction in the total value for the year.

The following table, issued by the Bureau of Crop Estimates, gives the detailed figures for the 1914 crops, with comparisons with previous years:

(000 Omitted.)

Crops.	Acreage. Acres.	Production — Per Acre. Bushels.	Production — Total. Bushels.	Farm Value, Dec. 1. Per Bushel. Cents.	Farm Value, Dec. 1. Total. Dollars.
Corn:					
1914	103,435	25.8	2,672,804	63.7	1,702,599
1913	105,820	23.1	2,446,988	69.1	1,692,092
1912	107,083	29.2	3,124,746	48.7	1,520,454
Winter Wheat:					
1914	36,008	19.0	684,990	98.6	675,623
1913	31,699	16.5	523,561	82.9	433,995
1912	26,571	15.1	399,919	80.9	323,572
Spring Wheat:					
1914	17,533	11.8	206,027	98.6	203,057
1913	18,485	13.0	239,819	73.4	176,127
1912	19,243	17.2	330,348	70.1	231,708
All Wheat:					
1914	53,541	16.6	891,017	98.6	878,680
1913	50,184	15.2	763,380	79.9	610,122
1912	45,814	15.9	730,267	76.0	555,280
Oats:					
1914	38,442	29.7	1,141,060	43.8	499,431
1913	38,399	29.2	1,121,768	39.2	439,596
1912	37,917	37.4	1,418,337	31.9	452,469
Barley:					
1914	7,565	25.8	194,953	54.3	105,903
1913	7,499	23.8	178,189	53.7	95,731
1912	7,530	29.7	223,824	50.5	112,957
Rye:					
1914	2,541	16.8	42,779	86.5	37,018
1913	2,557	16.2	41,381	63.4	26,220
1912	2,117	16.8	35,664	66.3	23,636
Buckwheat:					
1914	792	21.3	16,881	76.4	12,892
1913	805	17.2	13,833	75.5	10,445
1912	841	22.9	19,249	66.1	12,720
Flaxseed:					
1914	1,885	8.3	15,559	$1.26	19,540
1913	2,291	7.8	17,853	$1.20	21,399
1912	2,851	9.8	28,073	$1.15	32,202
Rice:					
1914	693	34.1	23,649	92.4	21,849
1913	827	31.1	25,744	85.4	22,090
1912	722	34.7	25,054	93.5	23,423
Potatoes:					
1914	3,708	109.5	405,921	48.9	198,609
1913	3,668	90.4	331,525	68.7	227,903
1912	3,711	113.4	420,647	59.5	212,550
Sweet Potatoes:					
1914	603	93.8	56,574	73.0	41,294
1913	625	94.5	50,057	72.6	42,884
1912	583	95.2	55,479	72.6	40,264
Hay:					
1914	49,145	‖1.43	70,071	*$11.12	779,068
1913	48,953	‖1.31	64,116	*$12.43	797,077
1912	49,530	‖1.47	72,691	*$11.79	856,695
Tobacco:					
1914	1,223	§845.7	§1,034,679	†9.8	101,411
1913	1,216	§784.3	§962,734	†12.8	122,481
1912	1,225	§785.5	§962,855	†10.8	104,063
Cotton:					
1914	36,722	§207.9	§15,966	†6.8	519,612
1913	37,089	§182.0	‡14,156	†12.2	826,227
1912	34,283	§190.9	‡13,703	†11.9	780,229
Sugar Beets:					
1914	486	‖10.6	‖5,147	*$5.43	27,950
1913	580	‖9.76	‖5,569	*$5.69	32,230
1912	555	‖9.41	‖5,224	*$5.84	30,521
Total, above crops:					
1913	300,514	.....	.....	.....	4,966,497
1914	300,782	.....	.....	.....	4,945,852
1912	294,764	.....	.....	.....	4,757,458

*Bushels of weight. ‖Tons (2,000 pounds). *Per ton. §Pounds. †Per pound. ‡Bales of 500 pounds, gross weight, excluding linters.

INSURANCE

Articles on the Theory, Practice and Experience of Insurance

Notes on Insurance, American and Foreign

Items of Insurance News

CHRISTMAS is or should be peculiarly the season of gladness and thankfulness for those whose life-work is insurance. For those engaged in most other forms of business there may well appear to be some rift, some inconsistency, between the ends and aims of their daily occupation and the spirit of Christmas. Looked at superficially, the spirit of most business is strife, or what we call competition; and its object is victory in a hard-fought struggle for life. When Christmas comes around, most men of business must somewhat violently turn away from their own customary thoughts and feelings in respect of their business, and endeavor to substitute for them something that is their very contrary. The spirit of Christmas is intolerant only of strife and of the desire for victory over rivals and enemies. Peace and love are the handmaids of the spirit of Christmas. To give and not to take away, to assist and not to defeat, to share and not to gain for one's own,—these are the motives that harmonize with the spirit of Christmas; but these are too seldom the motives that men are conscious of in themselves in the pursuit of their business. Hence they must become in a sense not themselves in order to enter into the spirit of Christmas.

But insurance has this immense advantage over other forms of business, as regards the easy entering into the spirit of Christmas, that its very substance and essence are summed up by the words, "Bear ye one another's burdens." The time has now happily gone by when that conception of insurance was tolerated which made it, on the part of the insurer, a gambler's sale of indemnity for the ills and accidents and losses of our human lot. We now know that whenever we pay an insurance premium we are simply making our contribution to the loss of some one or more of our fellow men; and that even as we are making this contribution, some of our fellow men are making their contributions to our own losses, in case we should have them. We and they are co-sharers of the inescapable risks of life; we and they are conjoined in the relief of those among us for whom these risks are translated into sad realities. And between us there can exist no strife, nor divergent purpose, nor passion for individual victory and its fruits; our interest is mutual and common, the gain of one is the gain of all, our achievement is the general good. Among us reigns peace and good will; we cannot clash; we cannot hate; we cannot seek to destroy; for we are members of one body.

Such is the very substance of insurance, as the world now more and more realizes it to be. And what else is Christmas but the world's annual recognition of the superiority of this substance over the substance of all the other things in life? So, among all businesses, the business of insurance stands out as having to do peculiarly with that which is symbolized by the Christmas season. It alone among businesses is pursuing its one and only aim when it strives to bring mankind into a strifeless, a peaceful, a loving and utterly unselfish community of effort.

But, it will be said, although it is true that the substance of insurance is co-operation and community of sacrifice and endeavor, yet the business of insurance is as competitive as any other. Those who gain their livelihood by means of insurance strive one against the other as fiercely and relentlessly as do any members of the business world. Though they may be unconscious instrumentalities of the unselfish co-ordination of struggling men, that these may work together, at least on one side of their lives, for a beneficent end, yet their own purposes, and the motives by which they themselves are actuated, remain as alien from the spirit of Christmas as are the purposes and motives of the rest of humanity. That there is an element of truth in this allegation cannot be denied; and yet it is well to remember the great truth which wise Shakespeare pointed to, when he remarked upon the color of the dyer's hand, that it is at last "subdued to that it works in." The mind of the man who sincerely works in insurance cannot but become imbued in time with the essential purposes of insurance. And if the public activities of the great masters of insurance in our time are recalled to memory, it will be seen how large is the element of truth in this statement.

The world to-day is filled with the horrors of war. The deadly shock of nation against nation, the rage of combatant against combatant, the agonies of merciless strife, the abomination of the desolation of ravaged and ruined lands and cities,—these fill all minds and almost obliterate the very thought of peace and common human kindness. It is as though the spirit of Christmas had departed from mankind. None can foresee, moreover, the manner of return to mutual confidence and mutual endeavor, whether among the warring nations or among their citizens. All are looking for some great agency which may be turned to for the restoration of the wholesome and beneficent activities of the distracted world. But there is no such agency yet discovered; and no other way appears to lead to peace except the old and desolate way of the sword kept unsheathed until the conquered, unnerved by wounds and death, yield to the mercy of the conquerors. Again, as so many times in the harsh centuries of the past, the barbarous and cruel words, *Vae victis!*, must echo through the world.

Is there then no remedy for the hopelessness and unutterable misery of the earth's peoples striving to win each "its place in the sun" through strife and hate and death? It is a strange thing that at the very moment when every thinking person is asking himself this question, a philosopher should come forward to tell us that a way can be found,—indeed, has been found, if only it be followed far enough,—to avoid this loathesome expedient, war, upon which the peoples of the earth now rely in their effort to live more abundantly. And the way is the way of insurance. Every person engaged in insurance should read at this Christmas season the little book of Professor Josiah Royce, "War and Insurance," of which mention was made in these columns some weeks since. Whatever may be said of the immediate practicability of the specific plan proposed in this book, no one whose days are spent in the business of insurance can read it without deriving from it a new conception of the place he is filling, wittingly or unwittingly, in the evolution of the race. The reader may think himself concerned only with what he can obtain for himself from the business of insurance, that he has no peculiar mission in the world, that his success is measured by the same standards as is the success of other business men; but when it comes over him, as it will upon pondering Professor Royce's words, that he and his fellows, with their business, constitute that great agency for the attainment of peace and good will on earth, for which the nations are eagerly and as yet vainly seeking, he will more and more find something precious in his occupation, something that will at once make him lift up his head with joy and pride, and stir him to great and more unselfish endeavor.

THE POSTAL LIFE AND FEDERAL JURISDICTION

By William R. Malone
President, The Postal Life Insurance Company

THE business of life insurance as usually conducted through various local agencies, extends beyond the border of the State in which a company was organized, into other State jurisdictions and the business has thereby become unquestionably interstate.

Representatives of a company using the agency method actually exist in these States, and such a company becomes subjected, therefore, to the jurisdiction of other States than the one which created it. Business is transacted with the Postal Life Insurance Company of New York by citizens of the various States, but these transactions are always through the mails, and no representatives of it exist in other States; the Postal Life Insurance Company therefore does not become subject to the various State jurisdictions. There can be no question that its business as conducted is purely interstate, but being limited direct from the citizen to the company and direct by the company to the citizen, the mails immunize such transactions from State interferences.

Mr. Hegeler, the president of the New York Life Insurance Company, made a determined and most laudable effort to have insurance declared by the United States Supreme Court interstate commerce, expecting to upset the doctrine laid down in the famous case, "Paul v. Virginia" and so held for fifty years. The Supreme Court divided on the question in the Spring of this year, in determining the merits of what is known as the "Deer Lodge County" case, which came before the Court from the State of Montana.

At present, so far as the decision of the Supreme Court can establish a doctrine, life insurance is not interstate commerce.

It is proposed now to amend the Constitution of the United States so as to gain for life insurance transactions of every company which they possessed the right, State, Federal regulation. The form of the amendment, as proposed by Senator Spooner, the New York Life's counsel in the matter, is as follows: "Congress shall have power to regulate the business of life insurance corporations in a State other than that in which it was created."

With this proposed amendment, a New York company, [illegible] would be exempt from the various [illegible] imposed upon it by the present forty-odd [illegible] jurisdiction—that of the [illegible] by it the business transacted [illegible] would be regulated and supervised.

[illegible] the real legal status of [illegible] would change the attitude of the [illegible] toward it and the unfortunate [illegible] foolish views and [illegible] would give relief to other [illegible] over many States. The Postal is [illegible] with this effort by Federal legislation.

[illegible] Counsel bases his argument [illegible] which the Postal has always pointed to the people [illegible] for the method which it employs in conducting its business. Article 4, Section 2, Rights of the States, Interstate Commerce: "A citizen of one State [illegible] shall be entitled to all privileges and immunities of citizens in the several States."

The Postal has also called attention to Article I, Section 10, Commerce, Prohibitions upon the States: "No State shall pass any law impairing the obligation of contracts," and Article 14, Constitutional Amendments, Section 1,—Civil Rights: "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States."

It is important to observe that under the Constitution as originally adopted, the upholding of rights of citizens was stated in an affirmative form and eighty years thereafter was again stated, but to make it more emphatic, in the negative form, lest by any devious construction, a State might tyrannize even over the black man.

As early as 1791, after the adoption of the Constitution, the need of amendment (Article I) was felt, which reads in part: "Congress shall make no law abridging the freedom of speech or of the press," which permits policyholders of the Postal everywhere to speak for it and the mediums of publicity to carry its advertising announcements everywhere.

The Postal in disseminating its business tenets very properly points also to this amendment of the Constitution as embodying a fundamental right belonging to a citizen which not even Congress itself can interfere with. The Postal has called attention, in an emphatic way, for nine years, to these rights which citizens possess and of which they cannot be deprived. It is asserting nothing special or new for itself as a corporation: it has only been expounding the doctrine of conceded civil rights. It seeks to make plain that a natural person has inviolable constitutional rights; that a corporate person has distinct but only statutory rights. What the Postal as a corporate person cannot do, like, for instance, going unhindered into another State, the natural person can do by right of the fundamental law.

The Postal continually publishes that it is subject to the supervision of the State of New York within the State, and without the State, since its business is done through the United States mails, it is subject to the United States postal authorities and to the Federal Courts, and voluntarily accepts a summons mailed to it by the proper officer of any United States District Court, wherever located. It means to conduct, and actually does conduct, its business with decisive economies in the State of New York; as it does not go outside the State to transact business, it thereby avoids coming under the expensive taxation and other requirements. Whoever deals with it does so directly. It announces to the public the economies of this direct method and wins to itself as policyholders residents of other States. They have the right to come to the Postal; while the Postal cannot go to them through a personal representative, it can reach them in another way—it can send to them or receive from them through the mails, the information sought for. After having entered into the insurance agreement, it forwards the policy through the mails to the owner. This is the distinctive feature of its method,—a citizen has the right to negotiate for its policies; he has the right to qualify for its policies; he has the right to buy in the best market; he is a citizen of the United States, and being such, no State can enact any law that abridges the privileges and immunities with which the Constitution has endowed him or which it has guaranteed to him.

Either the so-called Byrnes, Carter or Jones Bill, introduced in Congress last Summer proposing to forbid the use of the mails to a citizen seeking an insurance contract from a non-resident company which has not entered his State will fail of its purpose through the easy scrutiny of any competent court.

What the Postal Life is exempt from, without constitutional amendment, every other company will be relieved from, with the proposed constitutional amendment,—namely, the tolls of forty-seven States. These tolls aggregate annually about $16,000,000,

and but 4 per cent of the money collected is used for administrative purposes in the several States. The Postal declares that without any of this additional expense there is a general but effective Federal supervision now over it, since it uses the mails and employs no local agents in the conduct of its business. The enforcement of the postal regulations of the Government results in a Federal supervision, which, coupled with the strict home State supervision, is amply effective for all purposes of security to the public. With a company employing agents, the situation is different, as the business is not done wholly through the mails, but partially and largely through traveling or local representatives, domiciled in many States. Therefore, Congress in the exercise of a power to regulate the business of insurance outside a company's home State, if this amendment should be adopted, will create or empower a Federal department, and from it supervision of a distinctly Federal character will emanate. This single department will displace the expensive forty-seven other jurisdictions which a company in employing the agency method, undertaking to do a national business, is now compelled to subscribe to.

Another anticipation proclamation being about due, the heralds of the gods point with significant meaning to the shackles on life insurance.

FIRE INSURANCE AS A BUSINESS NECESSITY

IN the issue of THE MARKET WORLD AND CHRONICLE of December 19, attention was called to the rapid growth of the federation movement among insurance men; and two letters were published, representing the campaign of publicity initiated by Mr. O. P. Rutledge, Secretary of the Insurance Federation of Missouri. The letters were issued to the newspapers of Missouri. A third letter is now available and is given in full below.

* * *

Third Letter.

Principal Producing Causes of Fires and the Remedies.

If the office of Fire Marshal is created by the next Assembly, the Marshal will no doubt be required to make investigations, not only of all fire losses, but inspections of all classes of fire risks as well.

The Marshal should be a "big" man, an honest and fearless man; one who possesses more than a superficial knowledge of insurance contracts and insurance law. He should know a great deal about construction and its cost as applied to buildings and insurable structures, as he no doubt will be expected to discover dangerous conditions and have the power to order their removal. While he may not be a merchant, still he should know almost as much about the quality, cost and selling value of merchandise as the merchant. He will no doubt be required to prosecute cases of arson, but as that affects only a small part of the total number of fires, he should be required to investigate all fires and ascertain the causes and conditions which lead to the destruction of property by fire and encourage improvements and removal of defects. He will probably be required to collect statistics, and analyze the causes and motives which operate to cause fires. He should be qualified to educate the people of the State in practical fire prevention. Any immediate reduction in the fire waste must come through rigid inspection and education of the public as to the necessity for the removal of the temporary conditions which cause the greatest number of fires. His office will necessarily require him to go deeply into the questions of physical, moral and temperamental hazards.

In a former letter we treated the subject of moral hazards and the motives leading thereto. In this we shall confine ourselves chiefly to the temperamental type.

Our definition of "Physical Hazard" as the cause of fire inherent to inflammable material and its use, such as construction of buildings when wood or other highly burning substances are used, the hazards of chemicals, machinery, heating, lighting, etc., may be assigned as the normal cause of all fires not incendiary, which term, as before stated, embraces the four motives described in our second letter, in which they were analyzed at length. We dwelt on temperamental hazards also, saying that to be a state of mind careless as to the cause of fire and indifferent as to remedies to be applied. Under this head may be found by far the greatest numbers of fires involving the greatest volume of waste by fire, and, as it is in this class that the greatest number of preventable fires not intentionally produced are to be found, it is therefore proper that we should give greater consideration to this hazard and bring to light some of its hidden characteristics, as follows:

First.

Recklessness, habitual in character, in the use of combustible materials, such as cotton, various fibres and fabrics; combustible explosives, such as volatile oils, gasoline, ethers, alcohols, powder, gun cotton and other chemicals; lack of care in chimneys and flues; cleanliness of premises, especially basements, upper floors and garrets and rear of buildings. Recklessness is one of the chief characteristics of the American people, not only as regards fire, but in other phases of life, as is evidenced by the great loss of life and property in the different callings in which men are employed. A mental attitude of that kind scoffs at protective measures and considers a fire as a mere incident of life. A long course of education will have to be undertaken, beginning with the child, imbuing him or her with the conviction that fire is a dangerous element in any form, and that waste by fire, which could have been prevented, is a crime against society. The present generation of mature men and women are practically hopeless, and it will be necessary to throw around them laws of a restrictive character with penalties for violations.

Second.

America has been practically deforested, that is, nearly all of the best lumber-making timber has been cut off, and in our judgment lumber will never again be any cheaper than it is to-day. The American property owner has used wood in building houses for the reason that it has been the cheapest building material he could procure. Wood is the most inflammable of all materials used for building purposes, but the time is fast approaching when the builder will be forced to use material that will not burn; not from choice, perhaps, but because it will be the cheapest and will resist wear and tear of time and use the longest. Brick, stone or concrete will replace wood for walls, and tile, slate and metal will replace shingles for roofs. Fire districts in municipalities will be extended and a Good Building Code will govern the construction and care of buildings.

It is a serious, if not the most serious, aspect of the American mind that we are so ready to sympathize with and support the man whose property burns. The only cure for this mental attitude is for the public mind to grasp the fact that sympathy with an unscrupulous man or woman is a direct damage to society at large. Murder, robbery, all forms of brigandage and social perversions are so regarded, why not the man reckless in the care and use of his property against fire? The money required to reimburse him for his loss comes out of your and my pockets, a little out of yours and a little out of mine, every time his property burns. The hour that you take to read this newspaper will mark the destruc-

tion of $50,000 worth of property in the United States and Canada. You and I have to pay that $50,000, also the $50,000 for the hour following, and the next, and so on. Our contribution in each case may be quite small, nevertheless we pay the losses.

The insurance companies are only qualified trustees to receive and distribute our money, charging a reasonable fee for the service. They pay nothing of their own in any case. Their capital stock and net surplus belongs to them after all obligations are met and is created as a guarantee that yours and my losses will be paid if the other policyholders fail to pay. When we place burdens, taxes and restrictions upon them, we are burdening, taxing and circumscribing our own freedom and increasing the cost to ourselves on our own business by ourselves. When we come to view this question soberly we will find that the temperamental hazard goes far deeper and is of more importance than physical and moral hazards put together. Have we not, through a misunderstanding, held a wrong point of view as to these things? Insurance, being a distribution of losses, the premiums paid are really a mutual fund for that purpose. In stock insurance the management of this fund is under the control of the stockholders who pay in a definite capital stock and contribute a surplus, which latter is available for the payment of excessive losses, and in return receive a profit from savings in losses and expenses. In pure mutual insurance the fund is managed by the policyholders and excessive losses must be borne by them and the savings in losses and expenses may be accumulated in a surplus or returned from time to time to the policyholders. Insurance distributes losses in two ways: Ordinary losses are distributed upon all of the policyholders immediately and are paid out of the earned premiums in hand; excessive losses or conflagrations like that occurring last Summer in Salem, Mass., when over $12,000,000 worth of property was destroyed in one fire, must be met from the profits and accumulations in a surplus created in the interval between such dreadful occurernces. Sound insurance must provide for the ordinary as well as the conflagration hazard.

Insurance companies are not empowered to correct the mildest or the worst evils, the best they can do is to suggest them and their remedies.

We often hear that agents should be required to inspect the property before binding the risk under a contract of insurance. Prior inspections are of no consequence except on buildings and structures. It must be evident on reflection that a rigid enforcement of this rule would greatly increase the cost of the business. Pre-inspections of stocks of merchandise or other movable commodities would be a hindrance rather than a help, as the man seeking insurance for unlawful gain could and would produce the inspector's certificate that the value was there when the inspection was made, while the truth might be that the goods had been moved away to some other place before he set the premises originally containing them afire. Prior inspections on stocks of merchandise, household goods, etc., are worthless to prove the value after a fire. Real remedies may be suggested, their value is well known to insurance men and have been discussed by them many times:

1st. A fire marshal who is an officer of and is paid by the State, he and his deputies to be clothed with police power. We have already set forth his duties in this letter.

2nd. Policies covering in small amount (when new probably the full value) on household and kitchen furniture should not permit additional insurance. This restriction should be made by the company issuing the first policy, and a prominent notice to that effect printed on the face of the policy. The first company issuing a policy covering such property should be notified and asked to permit additional insurance before such additional coverage is granted.

3rd. The penal code of our system of laws should be amended so as to include fire and credit insurance under penalties for false statements as to the value of property for the purpose of obtaining insurance.

4th. The State, county and city authorities should make it plain that they will co-operate with the fire marshal and the insurance companies in defeating criminal and fraudulent claims.

5th. A valuable remedial measure would be to place property owners and tenants under penalties for the damage caused by recklessness, carelessness or criminality. The careless cigarette smoker should receive especial attention.

6th. Building ordinances or codes should be adopted and enforced in every State and municipality.

7th. The obligatory use of protective devices against fire, such as the use of slow combustion material, fire resisting and fireproof material, automatic sprinklers, etc., in large mercantile and manufacturing risks. Such a law is in practical operation in the City of St. Louis and has resulted in a constant diminution of fire losses in that city for many years.

The use of protective devices as suggested is forcibly brought home to us when we recall the Asch Building fire in New York City, where 147 lives were lost; the Binghamton, N. Y., fire, where 35 lives were lost, and the Missouri Athletic Club of St. Louis, where 39 lives were lost. All hotels, club houses and other public buildings where people eat and sleep should be sprinklered throughout the main lobby, hallways, stairways and kitchens, this requirement being for the protection of human life as well as property.

These requirements, followed by frequent inspections of the premises, will eventually cause a reduction in our fire waste and ultimately a reduction in premium rates.

My next letter will treat the subjects of over-insurance, coinsurance and premium rates.

PARENTS' RIGHT OF RECOVERY FOR ACCIDENT TO MINORS UNDER THE MASSACHUSETTS COMPENSATION ACT

IN the issue of this paper for December 19, 1914, there was presented an article by Mr. Malcolm J. Coan, of the Baltimore Bar, dealing with the question of rights of a parent to recover for an injury to a minor child, for which compensation had already been paid under a workmen's compensation act. A case has just been decided by the Massachusetts Supreme Court, completely substantiating Mr. Coan in his contention, and presenting so thorough an analysis of the point at issue that the opinion of the court is given below in full.

* * *

Philomene King v. The Viscoloid Co.

Sheldon, J. The defendant concedes that upon the agreed facts and the inference to be drawn therefrom, the plaintiff had a good cause of action, and is entitled to recover for the loss caused to herself by the injury to her son, unless her right of action is barred by the provisions of the Workmen's Compensation Act, St. 1911, c. 751.

It was undoubtedly the intention of the Legislature by that statute to take away from the employes who should become subject to its provisions all other remedies that they had against their

employers for injuries happening in the course of their employment and arising therefrom, and to substitute for such remedies the wider right of compensation given by the Act. But we find in the Act nothing which goes further than this for the protection of the employer. At common law, when this boy was injured, he gained a right of action for himself; and the present plaintiff, his mother, gained another and different right of action for the damage caused to her. The former action, that of the boy himself, has been taken away and a different remedy has been substituted therefor; but this does not of itself affect the second right of action, that of the boy's parent. That the boy received full compensation for the injury to himself does not affect her right to recover for her own loss. Wilton v. Middlesex Railroad, 125 Mass. 130.

The parent's right of action was not in any just sense consequential upon that of her son. It was independent of his right and was based upon her personal loss. His action was for the pain and suffering caused by the injury and for the loss of wages or diminution of earning capacity caused thereby and coming after he should have attained full age. Her action was for the expense to which she had been put by reason of his injury and for the loss of his services or wages, during his minority. It is true that the right of action in each case rested upon the same foundation,—that is, the fact that he had been injured by the negligence of the defendant. Under the provisions of the Act (St. 1911, c. 751, Part I, p. 5) he had waived his right of action; but he had not waived, by his own mere act, he could not waive, his parent's independent right. His waiver was by operation of law a discharge of his own right; but no discharge of his right could discharge or take away the right which had become vested in her, just as the election of an employe under Part III, par. 15, of the Act, to hold a third party instead of the insurer to compensate him for an injury does not take away a widow's right to hold the insurer for the employe's subsequent death caused by the same injury. Cripp's case, 216 Mass. 586. The express provision in the Act that his right of action is waived or discharged by his failure to give a notice that he claimed his common law rights is, by recognized canons of statutory construction, an indication that it was not intended to take away the right of any one but himself. The Legislature have stated the consequences that is to follow the failure to give the statutory notice; how can the court say that further consequences shall follow, by taking away the right of a third person not mentioned in the Act. Dubuque v. Dubuque, 7 Iowa 262. Page v. Bartlett, 101 Ala, 193. Perkins v. Thornburgh, 10 Cal. 189. Oxford Iron Co. v. Slafter, 18 Fed. Cas. No. 10, 637.

The provision that the insurer shall pay a part of the medical expenses made necessary by the injury to an employe (Part II, par. 5) does not take away by implication the parent's remedy in a case like this. Doubtless the parent could not recover for expenses which he had not been called upon to incur, and in fact had not incurred, but it is not perceived how this could have any greater effect than to reduce somewhat the amount of damages that might be recoverable.

This is not a case in which the plaintiff has taken any benefit under the act, which it might be conteded would estop her from making any claim inconsistent with the effect of that upon the employer. The insurer's payment of the medical and hospital bills was not, so far as it appears, or is suggested, made at her request, nor did it relieve her from any liability; for it does not appear that she had become liable for these bills. Our decision does not apply to cases where the parent has received any benefit or compensation under the Act. Nor do we decide that the plaintiff could recover for medical expenses which had been paid by the insurer, or for her son's services, so far as she had received, or was entitled and able to obtain for such services the amount paid therefor to him through his next friend by the insurer. These questions are not presented, for the amount of damages has been agreed upon.

It is probably true that the Legislature in passing this Act did not have in mind such a case as is here presented. It did occur to the Legislature of Rhode Island, and is provided for in the statute of that State. Rhode Island Sts. 1912, c. 831, Art. 1, par. 6. Whether our Legislature, if it had dealt with the question, would have made the same provision as was made in Rhode Island, or would have adopted some other course, is mere matter of conjecture.

In our statute there is no direct enactment taking away the parent's right of action, and we find nothing that takes it away by necessary implication. The Legislature simply have not covered the case, as in Parsons v. Merrill, 5 Met. 356. If they had chosen not to leave the parent's right of action unaffected, they might have taken it away altogether; they might have made some stated division of the allowed compensation between the minor employe and his parent; they might have provided (like the Rhode Island Legislature) that the election between the statutory remedy and that given by the Common Law should be made by the parent of a minor employe and should bind both parent and child. How can the court say which of either of these courses would have been adopted by the Legislature? It seems plain that neither one of them can be held to have been manifestly intended by the language of the Act. But we have no right to conjecture what the Legislature would have enacted if they had foreseen the occurrence of a case like this; much less can we read into the statute a provision which the Legislature did not see fit to put there, whether the omission came from inadvertence or of set purpose. See Hull v. Hull, 2 Strozh, Eq. 174; Kaukalman v. Gibson, 171, Ind. 503; United States v. Starn, 17 Fed. Rep. 435; United States v. Musgrave, 160 Fed. Rep. 700. This is the rule adopted in the construction of all written instruments, that no words can be supplied by construction unless it plainly appears what words ought to be supplied. To this recognized doctrine it is enough to cite Metcalf v. Framingham Parish, 128 Mass. 370; Child v. Child, 185 Mass. 376; Sanger v. Bourke, 209 Mass. 481, 486, 487; and Springfield Safe Deposit and Trust Co. v. Dwelly, ante.

It may be added also that another rule of statutory construction is that an existing common law right of action is not to be taken away by a statute unless by direct enactment or necessary implication. Melody v. Reab, 4 Mass. 471, 473. Commonwealth v. Beck, 187 Mass. 15, 17.

It has been suggested that the statutory compensation given to a minor employe is really a payment of wages, citing a detached sentence from the opinion of A. L. Smith, L. J., in Irons v. Davis & Timmons, Ltd. (1899 2 Q. B. 320, 322.) But this is not so. The *quantum* of the compensation is measured by the amount of the wages; but the payment is in place of all the rights of action belonging to the injured employe, and covers suffering and temporary or permanent disability as well as loss of wages. This is plainly so in the allowance for permanent physical disability under Part II, par. 2, though that, too, is measured by the amount of wages earned. So, too, whether the injury is due to the serious and wilful misconduct of the employer or superintendent. Par. 11, par. 3.

Under the terms of the report in the opinion of a majority of the court, judgment must be entered in favor of the plaintiff in the sum of fifty-four dollars and sixty cents, with interest from the date of the writ.

So ordered.

NOTES ON INSURANCE, AMERICAN AND FOREIGN

Mutualization of Prudential Life Nearly Completed.—The completion of the legal processes required for the mutualization of the Prudential Insurance Company of America was accomplished on Tuesday, December 22, when Chancellor Walker, in the Court of Chancery of New Jersey, at Trenton, N. J., approved the plan, as it had been formulated by the directors of the company, and then accepted, first, by the shareholders, and finally by an overwhelming majority of the voting policyholders. No objection whatever was raised by any party at interest at the hearing before Chancellor Walker on Dec. 22. The actual carrying through of the plan by the payment to the shareholders of the amount agreed upon as their proper share of the accumulated surplus will be a short one, and soon after the beginning of the New Year, the Prudential will have become a completely mutal life insurance roganization.

* * *

Ruling by Commissioner of Internal Revenue.—According to press dispatches from Washington, under date of December 22, the Commissioner of Internal Revenue has decided that the policy loan agreements made out by life insurance companies to secure themselves for advances on policies are not subject to the emergency revenue law. The agreements evidencing such loans are usually in the form of conventional promissory notes, but they contain other provisions inconsister with the general character and functions of promissory notes and negotiable paper generally. The Commissioner holds that such agreements are not promissory notes in the meaning of the law. It is also held that notes extending the time within which the insured may pay his premium do not fall within the meaning of the law.

* * *

Shall Policy Loan Applications Be Deferred?—Under the above title, Mr. Ernest M. Blehl, actuary of the Philadelphia Life Insurance Company, has contributed a brief article to "Plico," that company's monthly agency paper. It is of such general interest, as looking at the subject from the standpoint of the insurance company, that we reprint, in full, as follows:

"At the recent convention of the Insurance Commissioners sentiment appeared to be in favor of requiring the policyholder to give insurance companies six months' notice if a loan is desired, except where the loan is to be used for the payment of premiums. In other words, if a policyholder desires to make a loan on his contract, the Commissioners seemed to think that the companies should require a period of six months to elapse before the actual cash proceeds are paid. One of the Southern Insurance Commissioners wrote the company calling attention to this matter and asked for an opinion.

"The idea in the mind of the Commissioners appears to be that it is not good practice for policyholders to be permitted to jeopardize their policies by loading them with indebtedness; that if the insured has difficulty in getting along without making loans on his policy, he will have greater difficulty to pay interest charges on the loans, and that the borrowing of money on insurance policies leads very often to their cancellation. There is, of course, considerable force in the argument of the Commissioners, but after a careful review of the subject we thought that the contemplated legislation would be imposing a hardship on policyholders, and we, therefore, answered the letter that from our standpoint we saw no particular emergency for requiring reservation of the right to grant policy loans for a stated period. This company has passed through the panics of previous years, and is now encountering, as are all other businesses in the country, a period of great stringency of money. On none of these occasions has it been unable to meet all demands on it for funds, and it has satisfied the desires of its policyholders up to the limit of their equities, and has been able to do this without having to borrow any money for such purposes. A money stringency is bound from its nature to be merely temporary, premiums are constantly being received by the insurance company, experience has shown that not every one wants to borrow on his policy and expedients are on every hand for a solvent company for meeting any reasonable demands which may arise.

"As a general proposition, the maximum policy indebtedness does not consist of much more than 5 per cent of the amount insured, so that of the total amount of insurance outstanding, the amount of loans is a comparatively small proportion. This may not be true of individual policies, but, as a matter of public policy, the loans made on insurance policies do not materially affect the amounts which are to be paid the beneficiaries in event of death.

"Loans are objectionable because the insured is borrowing from his beneficiary; he is destroying the estate which he has taken such pains to establish; if the loan is made the insured has more difficulty in taking care of the premiums and interest charges than in taking care of the premiums alone; a loan is frequently the prelude to a lapse. For all these reasons this company is somewhat reluctant in granting loans to its policyholders.

"We have found out, moreover, that the accommodations so accorded are at times of great value to policyholders, and it may be a grave question whether the excluding of the right to make a demand loan would not be a deterrent against taking new insurance, and whether in event of a loan value not being available the insured would not seize the first opportunity for surrendering his policy for cash. It is probable that these two opposing influences may be more than sufficient to counteract the good effects which the Commissioners' plan might bring about in event of establishing a six months' reserve period before the loan is completed.

"Life insurance, it has often been stated, has been subjected to more statutes and rules than are good either for the company or the policyholder. Lack of uniformity in legislation has, however, caused interminable trouble and confusion, and companies doing business over widely extended territory find it necessary to have many different editions of their policies to conform to the varying insurance laws of the different States. The requirement by certain States of additional policy provisions simply means the adding of a new policy form to the long list now required to be published. No good purpose is served in complicating the policy forms, and, on the contrary, efforts should at all times be made to reduce the policy forms to a standard basis.

"If it is required by statute or where the Commissioner has the authority and he demands it, this company will, of course, follow the law, and if necessary insert a six months' reservation loan clause in its policies in those States where this is required. For the reasons which have been stated above, however, we do not see the emergency for such a condition to be contained in the policies, and would prefer to give our policyholders every accommodation which can be safely accorded."

* * *

Deferred Life Insurance for Children.—The "Insurance Observer," of London, in a recent issue makes the following interesting comments on the subject of deferred life insurance for children:

"Just at the moment when sections of the public—not all, by any means—are having to consider ways and means, attention may properly be called to the various schemes which have been devised for the assurance of children. These policies, which are now offered by most offices transacting life assurance business are

inexpensive, and they possess one special advantage which should never be overlooked; no medical examination is required. Recent events have proved that life assurance is an imperative necessity for every male, if not for every female as well; and there is no certainty that life assurance will be possible when the child attains the age of twenty-one or twenty-five years, as the case may be. The healthiest child of to-day may be uninsurable, except at a largely increased premium, when he or she becomes an adult; and, furthermore, there is the possibility of extra premiums being imposed for other reasons, such as occupation or intended place of residence. Life assurance companies, however liberal they may be to their supporters, cannot afford to be philanthropists, inasmuch as the interests of the entire body of policyholders have to be considered. If the young man has joined the army or navy, or has made up his mind to reside in some tropical region, it is not to be supposed that life assurance will be granted him on exactly the same terms as to the civilian who is earning his living at home. All these possible difficulties are surmounted when the parent has been prudent enough to insure his offspring in early life. In practically all cases there is then no restriction in regard to domicile or occupation, and the policy—provided premiums continue to be paid—remains in force, although most hazardous work may subsequently be undertaken.

"As a matter of fact, these policies usually afford the most complete protection in after life, and the charge made for them is within the reach of most, if not all, parents. A table printed in the prospectus of the old London Assurance Corporation may be taken as a fair sample of the rates quoted. For a whole life assurance of £1,000, payable at death after age twenty-one, the yearly cost in the case of an infant which has not attained its first birthday is only £9 with profits, or £7 without profits; while an endowment assurance for the same amount, payable at age fifty or death, costs £13 3s. 4d. or £10 14s. 2d, respectively. As the age of the child increases, so, of course, does the amount of the premium payable, but the advance in rates is gradual, and not very rapid, as the following table shows:

Age at Next Birthday.	Whole-Life Policy, Payable at Death, After Age 21 — With Profits.	Whole-Life Policy, Payable at Death, After Age 21 — Without Profits.	Endowm't Assur. Payable at 50, or Death After Age 21 — With Profits.	Endowm't Assur. Payable at 50, or Death After Age 21 — Without Profits.
5	£10 7 6	£8 0 10	£15 8 4	£12 10 10
10	12 10 10	9 14 2	19 1 8	15 9 2
15	15 6 8	11 18 4	24 2 6	19 10 10

"One has only to compare these rates with those quoted for similar whole-life and endowment assurance at age twenty-one and later years of life to realize how splendidly the young man is equipped who begins his business or professional career possessed of one of these policies. Life assurance—a necessity—is not going to cost him nearly such a substantial annual sum as it will the man whose parents had neglected an obvious duty. A part of his income, however earned, will consequently be available for other expenditures, and his chances to succeed will necessarily be greater. It can truthfully be said, indeed, that the purchase of one of these policies constitutes the very best gift that a father can make to his son. And the cost, it must be remembered, is not considerable; nor the risk run very substantial. Should the child die before reaching the specified age all premiums are returned to the person effecting the assurance, and after two years' premiums have been paid surrender value on a liberal scale can be obtained."

* * *

English Compensation in the Law Courts.—Figures recently issued in England in a Blue Book, covering the working of the Workman's Compensation Acts and the Employers' Liability Act in 1913, show that the total number of cases under the Employers' Liability Act, 1880, taken into court show clearly the tendency of the remedy provided by the older Act to fall into disuse since the Act of 1906 came into full operation.

Year.	Total No. of Actions Under the Employers' Liability Act.	Amount of Damages Awarded.
1898	879	£18,733 1 8
1899	659	11,103 2 10
1900	669	11,989 13 6
1901	762	12,184 3 4
1902	729	9,899 9 6
1903	689	14,835 18 10
1904	759	12,986 14 3
1905	634	9,332 3 8
1906	649	9,724 11 2
1907	604	8,954 2 4
1908	405	5,476 3 1
1909	298	6,298 16 11
1910	217	3,500 0 10
1911	223	4,297 8 7
1912	197	2,531 0 0
1913	171	2,442 3 6

INSURANCE NEWS IN THE WEST

Report of the Missouri Fire Insurance Commission.—The Missouri Fire Insurance Commission made public its report this week. This commission was appointed last year at the time the companies resumed operations in the State. The report is regarded as a very strong document, showing that the members of the commission were able men and did careful, thoughtful work.

The recommendations may be summarized as follows: The companies are to maintain and operate rating bureaus, the rates and rating records to be public and under inspection and supervision of the Insurance Superintendent. All companies, including mutuals, must either subscribe to this Bureau or maintain their own rating records. While companies may not combine and agree to follow Bureau rates, each company is required to adhere to the rates it files, whether Bureau or its own. Anti-rebate and anti-discrimination laws are recommended.

The Insurance Superintendent may remove discrimination on written complaint and after hearing. Otherwise he is not to interfere with the rates until it may appear that they give an excessive profit. A general reduction may be ordered when experience for five years shows an excessive profit. Reduction orders are subject to court review, pending which companies may collect the rates they deem proper, holding the difference in trust to be returned to policyholders if the reduction is approved by the courts.

* * *

Proposed Compensation Law for Oklahoma.—The Oklahoma Manufacturers' Association has proposed a compensation law for that State, following in the general lines of the National Civic Federation bill, though differing from it in a number of important points. It is admitted, however, that before a compulsory bill of this character could become a valid law the Constitution will have to be amended, as it expressly prohibits any statutory limitation on the damages that may be recovered for a death. Relations between officers of the Manufacturers' Association and those of the State Federation of Labor seem to be strained, and a fight is likely over any bill for workmen's compensation that may come up. The manufacturers' proposed measure provides for an independent commission of three to administer it, while labor at the last session demanded that administration be by the Department of Labor. The manufacturers want four options of insurance, as in New York, while it is understood labor leans strongly toward State monopoly of insurance.

* * *

Tendencies in the Agency Field in Chicago.—Recently an insurance broker who has been in business in Chicago for 15 years or

more and has been a keen observer of what was going on made the assertion that within five years there will not be a commissioned agent left in the down town district. After argument he modified the statement somewhat. His idea, however, is in line with those of some others who are watching the trend of affairs. Recently a broker was approached on the subject of becoming a partner in an agency. He promptly wanted to know whether it was proposed to run on a commission basis or endeavor to get the management of a salaried branch office, as he preferred the latter because he regarded it as more likely to be permanent.

Men who have no financial interest at stake express the opinion that more and more companies will go upon the branch office plan. The broker is an extremely important factor in Chicago insurance now. The year just closing has been a hard one for him. He has seen the branch office managers inclined to give him all the commission and accommodations they could. The company pays for this generosity. The local agents, on the other hand, paying their own office expenses and desirous of making something on the business they transacted, had to bargain more closely with the broker. According to one broker, who is believed to know what he is talking about, the brokers are inclined to look upon the branch office managers as their friends, and to have a preference for dealing with them.

According to one broker various devices are in use to pay more than board rules permit to brokers. He may be mistaken about this, but it is his belief and he says that it leaves the agents who indulge in this practice so little profit on the brokerage business they handle that they cannot continue to do business on so narrow a margin.

Probably no intelligent insurance man in Chicago would predict seriously that certain of the fine agencies doing a good business, most of which consists of the personal writings of the members of the firm, will continue and grow greater. But with the agents that have not a personal business the case is different. No scheme short of State insurance is likely to put the producer out of business. In practicing economy the middleman is the one who gets pinched. The smaller agent who does not control business personally and who has not the volume to enable him to maintain the splendid service organizations the larger agencies have, is in a difficult position when called upon to state economic grounds for his existence.

* * *

Dissatisfaction with Ruling of Chicago Board of Underwriters.—Dissatisfaction has been expressed in some quarters of late with the rule of the Chicago Board of Underwriters under which men who have been class 1 members are continued in that capacity after they have lost the sole agency on which they originally were admitted to membership and have secured none to take its place. There are several such members. If they were out of the Board they could be admitted only to the brokerage class as they are not agents of any company. Yet, because they were agents at some time in the past, they are accorded full privileges as members.

Ordinarily there probably would be no objection to this plan, but one or two instances have arisen where agents of this peculiar status have been leaders in movements obnoxious to the companies. Accordingly, the question has been raised whether it is not inconsistent that a man accountable to no company and subject to discipline by none should have the same privileges in influencing the action of the Board as those on whom their companies could bring pressure if they thought the occasion demanded such action.

* * *

Some of the large casualty offices in Chicago—and doubtless in other cities in States that have had compensation laws in force for some time—are closing the year with a feeling of poverty. In 1912 the first high compensation rates were in force and premium incomes were large. The next year special rating tended to reduce them, but the acquisition of new risks helped out. This year merit rating and a new manual have both reduced rates materially and payrolls have been so reduced that excess premiums coming due are much smaller than usual and in some cases are minus quantities. In addition the mutuals and interinsurers have made more serious inroads.

* * *

The constitutionality of the Iowa workmen's compensation law was before the Supreme Court of the State last week, and a decision is expected at the January term, if not before that. The case came up on appeal from a ruling of a district judge that where an employer elects not to come under the law he cannot make a defense to charges of negligence, but the only question to be presented to the jury is the amount of damages.

The lawyers seem to think that the constitutionality of the whole law is involved and friends of compensation want an early decision so that the coming Legislature can correct defects if any are pointed out by the court.

* * *

Reports from Nebraska are to the effect that the compensation law, which became effective on December 1, is proving popular. During the first three weeks of its operation no employe filed his rejection of the act and fewer than thirty employers filed rejections. This appears to show that the referendum, which held the law up for over a year, was engineered by people who had a selfish interest, such as damage case lawyers, and by those not affected by the law, such as farmers.

* * *

Effect of Lorimer Bank Failure on Surety Companies.—When the Lorimer banks in Chicago closed in June, with over a million dollars of public funds on deposit, every surety company except one paid up promptly or as soon as certain legal questions were settled. It was thought that with this experience the Chicago city officials would look with greater favor on corporate surety. This has not proved to be the case, however. An effort has been made to get the highest possible rate of interest out of the banks, by dividing funds into those which may be drawn out at any time and those which city officials agree personally to leave with the banks for thirty, sixty or ninety days. The usual rate on savings accounts in Chicago is 3 per cent and most of the banks offered this rate for the "time" deposits. The rate on the other funds offered by most banks was 2¼ per cent. Where 3 per cent has been offered, it is understood that the larger banks do not feel that they can afford to pay one-half of one per cent for a corporate bond in addition to the full savings bank rate of interest. Thus the action of the city officials has tended to discourage rather than encourage the giving of corporate bonds.

* * *

On January 12 and 13 the National Association of Industrial Accident Boards and Commissions, which was organized at Lansing, Mich., last April, will hold a special meeting in Chicago. The main object is to adopt a uniform system of keeping records of industrial accidents so that the information obtained may be available in rate making. At the Lansing meeting, Cyrus W. Phillips, representing the National Civic Federation, advocated such action, pointing out that, as each State board is independent, the very valuable general statistics which should be secured from the operation of workmen's compensation laws could be secured in uniform and available form only by voluntary co-operation.

Chicago, December 24, 1914. LA SALLE.

FINANCE AND COMMERCE

Financial and Commercial Review

Banking Situation at Home and Abroad

Statistics of Cotton and Coffee

Market Prices of Securities and Commodities

NO such determinate stage has been reached in the European War as to permit it to be said that a new phase has been entered upon. Accordingly all business and banking calculations have still to be made subject to every uncertainty that war connotes. Indications are noticeable that developments may be impending which are likely to increase the scope of the war by bringing fresh nations into the conflict; this, in turn, would in all probability mean shortening the duration of the war. If the Balkan States patch up their differences it can only be for the purpose of joining with the Allies; and Italy seems to be awaiting a favorable opportunity to attack Austria. The pressure on the Hapsburg armies is tremendous and effective, and Austria's collapse may not be very remote. When that occurs the war will surely have reached a new stage in which Germany's ability to prolong the contest will be even more questioned than it is to-day.

In the meantime the voice of partisanship is uttering itself more aggressively than ever, and in this department of international controversy Germany is revealing more clearly than ever the weakness of its cause. The country is bankrupt in diplomacy, because it has for forty years been without a real domestic political life in which to cultivate genius for understanding the point of view of ore's neighbor and compromising with him. The underlying defect of the political organization is making itself unmistakably manifest in the apologia issuing from the mouths of accredited or volunteer spokesmen for the Fatherland. The present German mind is different from the mind of every other civilized people. It is the product of militarism and a state socialism dispensed by the Imperial Government to reconcile its subjects to political servitude very much as the old Roman Emperors placated the populace with bread and games. The outcome has been a mental growth fettered by official forms of truth. To be acceptable to Germans the "truth" had to be "Made in Germany." Sufficiently masters of psychology to appreciate the effect of forceful iteration, the German ruling cast and its agencies have manufactured in the past two decades an official brand of truth for home consumption, and spread it among the people, until now, Germans all the world over are denouncing as lies what most reflective observers of other nations are recognizing as facts.

The dialectic with which the German side of the war is being defended is as bankrupt as German diplomacy before the war. The illustrations of this are so numerous as to embarrass any effort to choose among them. For example, one might take the wild contention that Europe is making war because of the English purpose to shut Germany out of the world's trade, or diminish the German share of it. Heaven knows how many Germans there are who believe this in face of Germany's great commercial growth during the period of Great Britain's most extensive naval supremacy. Yet it seems to be one of the cardinal articles of current German faith.

Of course, the facts are that there is no nation in the world which lives so much by trade, and profits so much by the expanding trade of all nations, as England. One reason why British diplomacy and the British political genius have no equal is because they are so closely allied with the commonsense knowledge of economic principles which British business has acquired. England knows that trade makes trade and that England gains when any nation is able to increase its commerce in home or foreign markets. What the German trade indictment of British policy simply does is to show how weighty is the charge that the war now raging is the consequence of the atmosphere of mediaevalism in which Germans have been living their lives. The barbaric conception of promoting national interests and making German "kultur" prevail by force is purely mediaeval.

The mediaevalism of German militarism is matched and betrayed by the mediaevalism of German economic notions in which the accusation of trade-grabbing brought against England is founded. England was long ago cured of mercantilist fallacies. That is proved by the lessons of colonial administration which it has taught and which have redounded to England's advantage in the loyal support rendered by her colonies of all races in this hour of desperate extremity. Germany, however, is still groping in the dark abysm of the commercial past. German trade, in its organization and object, has been essentially monopolistic. What we call trusts are puerile trifles compared with the gigantic monstrosities of trade and industrial combination which the German Government has fostered and licensed at home. Everywhere that German trade has gone in the world it has been privileged to establish itself, even where the flag of British control has been flying, but from all markets comes the same story that nowhere has Germany been content with establishing its hold, and pursuing a live and let live policy. Germany now accuses England of forcing the war on economic grounds precisely because the essential idea of German trade is monopolistic and precisely because Germany is a trade grabber.

How soon American business is going to shake itself free from the lethargy into which it has settled down by way of reaction from the tremendous strain of the first three months of the war is a question. For our own part we have no doubt that recovery will start soon and that it will be a big recovery. But at the moment there is much depression. It is probable that this Winter will be the worst for trade and industry that the country has had in twenty years; but after the chronicle of February failures is completed, following the annual inventory and balance sheet period, things should begin to mend. There is an impressive prediction of improvement in the statement made this week by the finance committee of the United States Steel Corporation that for the time being general wage reductions would be postponed, even though they had recently seemed imminent and inevitable. This conclusion was reached after a canvass of the situation which led to the hope that conditions were in the way of improvement. The membership of the committee is a guarantee that its decision represents about as solid and well informed judgment on business prospects as could be evoked from the business community.

That the committee's opinion was guided very much by the ruling of the Interstate Commerce Commission in the re-opened Eastern rate case cannot be doubted. This is one of the most important contributions to the formation of optimistic sentiment respecting the outlook. Too much emphasis has been laid in market wise comment on the direct addition which the increased rates will make in net earnings. This addition will be large in time, when the railroads can obtain largely increased traffic; but for the present the most encouraging feature of the Commission's ruling is the right about which it marks in the general policy of regulation. The

great thing about the rate case decision is the evidence which it offers that the Commission has been jarred loose from an attitude which has been destructive of confidence in railroad investments, which is the investment standard for American finance generally The big break with the past is absolutely proved by the agonized protests of Commissioners Harlan and Clements against the agreement of the majority of the Commission.

These two distinguished dissenters represent the old tradition of Government regulation which demanded that the railroad industry must be more honestly, ably and efficiently managed than any other business in the country and yet reconcile itself with all the dictates of fancy and prejudice which politics could bring to bear on the regulating body. In all the vast imperfections of the organization of our Government on the economic side there never was anything more grotesque than the Interstate Commerce Commission's disastrous and stubborn insistence on prescribing conduct for the railroads which, in comparison with the conduct of freer private enterprise must measure up to a standard not 100 per cent perfect, but 100 per cent plus. In changing its attitude, the Interstate Commerce Commission has in effect agreed to allow a leeway of financial capacity by which a railroad can make adjustments to adverse conditions, however caused, very much as any other form of business must adjust itself. The result of this is that the railroads and their bankers can now appeal to investment support with confidence that funds will be forthcoming for the financial requirements of the carriers, and this means that before long the railroads will begin to place contracts for equipment and material. Their buying may furnish the initial impetus to move general business out of the rut of depression and start it on the road to recovery.

Among the matters which commanded attention this week was the opinion rendered by the Federal Attorney General that the Federal Reserve Board is independent of the Treasury Department. This does not take the new banking system out of politics; but it will help to limit Treasury aggression. Agricultural commodity prices have been rising strongly in response to export purchases, particularly in the case of wheat, and in the first nineteen days of December an export balance of almost $70,000,000 was disclosed by the aggregate of foreign trade returns from the principal custom districts of the country. The domestic money market has grown weaker and money bids fair to be excessively cheap with the outset of the New Year. Foreign exchange is moving more and more in this country's favor, and the international money market will unquestionably be able to finance a large return of our securities from abroad when their European holders are compelled to sell them.

BROAD STREET.

AMERICAN AND FOREIGN BANK STATEMENTS

NEW YORK BANKING INSTITUTIONS.

The most notable feature of the weekly statement of the New York Clearing House banks and trust companies for the week ending December 19, was the substantial increase in the amount of excess reserve. This increase amounted to $8,305,580. There was a decrease in both loans and circulation. All other items showed increases.

Clearing House Members (In Millions of Dollars).

	1914			
	Average Status.		Actual Status.	
Week Ending.	Dec. 12.	Dec. 19.	Dec. 12.	Dec. 19.
Loans, etc.	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Reserve in own vaults	[illegible]	[illegible]	[illegible]	[illegible]
Reserve in F. R. Bk.	[illegible]	[illegible]	[illegible]	[illegible]
Reserve in depositories	[illegible]	[illegible]	[illegible]	[illegible]
Net demand deposits	1,[illegible]	1,[illegible]	1,[illegible]	1,[illegible]
Net time deposits	[illegible]	[illegible]	[illegible]	[illegible]
Circulation	[illegible]	[illegible]	[illegible]	[illegible]
Aggregate reserve	459.6	460.8	457.4	465.6
Excess reserve	119.7	120.9	116.9	125.2

Actual Status Non-Member Institutions.

	1914			
Week Ending.	Nov. 28.	Dec. 5.	Dec. 12.	Dec. 19.
Loans	559.5	558.1	560.0	558.4
Deposits (net)	554.1	552.8	553.3	555.4
Cash reserves	54.1	54.4	54.4	54.6
Other reserves	85.5	89.6	88.2	90.2
Reserve ratio (%)	25.7	27.2	27.1	27.3

FEDERAL RESERVE BANKS.

The weekly consolidated statement of the Regional Reserve Banks shows a slight decrease in rediscounts and loans. Circulation shows a slight increase. Of the total of rediscounts and loans, thirty-day maturities make up $5,000,000, sixty-day maturities, $2,[illegible]00,000, and other maturities $1,700,000. The detailed statement follows:

CONSOLIDATED STATEMENT OF REGIONAL RESERVE BANKS.

Assets.

	Dec. 11.	Dec. 19.
Gold coin and certificates	$232,073,000	$233,279,000
Legal tender notes, silver certificates and subsidiary coin	28,170,000	25,008,000
Total cash	$260,243,000	$258,287,000
Rediscounts and loans	10,257,000	9,043,000
All other resources	1,976,000	2,660,000
Total resources	$272,476,000	$269,990,000

Liabilities.

Capital paid in	18,047,000	18,050,000
Reserve deposits	250,937,000	248,084,000
Federal Reserve notes in circulation	3,492,000	3,856,000
Total liabilities	$272,476,000	$269,990,000
Gold reserve against all liabilities	91.6%	92.6%
Cash reserve against all liabilities	102.3%	102.5%
Cash reserve against all liabilities after setting aside 40% gold reserve against Federal Reserve notes in circulation	103.1%	103.5%

ALL NATIONAL BANKS, UNITED STATES.

(Five Reports a Year.)

	1914			
	Mar. 4.	June 30.	Sept. 12.	Oct. 31.*
Loans	6,255.5	6,430.0	6,4[illegible].7	6,316.4
Deposits (individual)	6,111.3	6,268.6	6,139.0	6,078.8
Cash reserves	958.0	969.0	903.7	925.5

*Second tabled statement on page following.

CLEARING HOUSE EXCHANGES, UNITED STATES.

	1913			1914		
Week Ending	New York.	Outside.	Total.	New York.	Outside.	Total.
December 19	1,827	1,658	3,485	1,218	1,240	2,458
December 12	1,984	1,777	3,161	1,131	1,592	2,723
December 5	1,719	1,943	3,662	1,325	1,711	3,034
November 28	1,631	1,258	2,890	1,149	1,164	2,314

MONEY.

Money rates at New York, together with the price of silver at New York and at London were as follows:

MONEY RATES AT NEW YORK.

(Rates Quoted are Highest for Each Week.)

	1913			1914		
Week Ending.	Call money.	60-day loans	Merc. paper.	Call money.	60-day loans.	Merc. paper.
December 24	4	5 1/4	5 1/2	3	4	4 1/2
December 18	4	5 1/2	5 1/2	3 1/2	4	4 1/2
December 11	6	5 1/4	5 1/2	3 1/2	4	5

THE PRICE OF SILVER.

The following are the quoted prices of silver in New York (cents per ounce) and in London (pence per ounce) for each day of the past week:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.*
New York	48 1/2	49 3/8	48 1/8	48 3/8	48 1/4	....
London	22 1/2	23	22 5/8	22 1/2	22 11-16	....

*Holiday.

THE COUNTRY'S COMMERCE.

	October		November	
Merchandise.	1913.	1914.	1913.	1914.
Imports	$132,949,[illegible]	$107,978,778	$148,026,536	$126,467,007
Exports	271,861,464	145,283,852	215,530,012	205,766,424
Specie.				
Gold—Imports	5,391,085	5,924,866	7,040,782	7,391,729
Exports	483,780	5,241,972	6,662,958	14,526,482
Silver—Imports	2,528,446	2,549,117	3,088,693	2,704,607
Exports	4,878,349	3,972,446	4,422,506	3,837,991

FOREIGN BANK STATEMENTS.

The first complete official statement of the Bank of France since July 30, is shown, as of December 10, in the ministerial budget. Circulation shows an increase, as compared with July 30 figures, from 6,683,000,000 francs on the earlier date, to 9,986,000,000 francs in December 10. The stock of gold remained practically stationary. Advances to the Government under the law of September 5 amounted to 3,600,000,000 francs.

BANK OF ENGLAND (In Thousands of £).

	1914			
	Dec. 3.	Dec. 10.	Dec. 17.	Dec. 24.
Deposits	180,547	165,906	165,903	152,872
Circulation	35,926	35,751	35,592	36,220
Gold	71,409	71,452	72,414	70,378
Securities	144,410	129,559	128,421	118,080
Reserve ratio (%)	29.90	32.60	33.31	34.40
Discount rate (%)	5	5	5	5

BANK OF FRANCE (In Thousands of Francs).

	1914			
	July 16.	July 23.	July 30.	Dec. 10.
Deposits	1,218.9	1,343.5	1,331.0	575.4
Circulation	6,067.0	5,911.9	6,683.1	9,986.0
Gold	4,092.6	4,104.3	4,141.3	4,141.7
Silver	639.7	664.6	625.3	351.0
Discounts, etc.	1,606.8	1,611.8	2,444.2	3,850.3
Coin to notes (%)	77.9	80.6	71.0	44.9
Discount rate (%)	3½	3½	4½	5

IMPERIAL BANK OF GERMANY (In Millions of Marks).

	1914			
	Nov. 14.	Nov. 27.	Dec. 5.	Dec. 10.
Gold and silver	1,956.6	1,988.6	2,031.2	2,021.5
Loans and discounts	2,800.6	2,922.6	2,968.2	3,091.4
Circulation	4,060.0	4,009.1	4,205.3	4,230.0
Discount rate (%)	6	6	6	6

CANADIAN BANKS MONTHLY (In Millions of Dollars).

	1914			
	July.	August.	September.	October.
Loans on call	193.9	166.7	159.5	151.4
Loans, current	927.0	883.8	867.3	858.6
Deposits, demand	346.8	338.9	348.2	348.7
Deposits, other	766.9	755.1	759.3	750.6
Circulation	94.8	114.5	120.3	123.7
Cash reserves	113.3	159.7	176.2	182.2

CONDITION OF UNITED STATES NATIONAL BANKS ON OCTOBER 31, 1914

Following is an abstract of the reports of National banks of the United States as made to the Comptroller of the Currency in response to his call for condition as of October 31, 1914, as compared with his previous call, September 12, 1914, and the corresponding call of a year ago, June 30, 1913:

RESOURCES.

	Oct. 31, 1914.	Sept. 12, 1914.	June 30, 1914.
Loans and discounts	$6,316,478,470	$6,400,767,386	$6,430,069,214
Overdrafts	18,797,351	17,142,637	15,485,641
U. S. bonds to secure circulation	739,586,391	736,685,843	734,837,425
Miscellaneous securities	504,515,045	392,663,116	.....
U. S. bonds to secure U. S. deposits	47,873,491	48,311,495	48,405,573
Other bonds to secure U. S. deposits	69,364,717	72,372,019	56,781,241
U. S bonds on hand	4,549,007	6,423,780	11,955,298
Premiums on U. S. bonds	3,661,325	3,921,753	4,058,150
Clearing house loan certificates	35,654,000	52,818,000	.....
Bonds, securities, etc.	905,277,164	941,723,232	1,015,981,837
Stocks, including premium on same	50,804,335	42,032,851	.....
Banking house furniture and fixtures	268,503,856	269,661,511	268,042,022
Other real estate owned	42,313,332	40,787,222	39,042,865
Due from national banks (not reserve agents)	392,847,274	410,376,723	421,754,572
Due from State banks and bankers, etc.	174,235,702	191,968,078	191,921,682
Due from approved reserve agents	634,166,049	673,958,901	777,498,700
Checks and other cash items	42,947,630	34,204,681	48,559,951
Exchanges for clearing house	150,112,100	118,558,403	309,321,303
Notes of other national banks	87,382,691	73,546,639	49,659,728
Fractional paper currency, nickets, etc.	3,575,689	3,591,586	3,828,925
Specie	753,252,764	746,198,917	791,584,566
Legal tender notes	172,300,611	157,508,431	177,490,396
Five per cent redemption fund with Treasury	52,349,623	44,323,990	35,509,539
Due from U. S. Treasurer	5,377,379	3,952,276	7,533,063
Totals	$11,402,452,722	$11,483,529,494	$11,482,190,770

LIABILITIES.

	Oct. 31, 1914.	Sept. 12, 1914.	June 30, 1914.
Capital stock paid in	$1,063,162,597	$1,060,332,072	$1,058,192,335
Surplus fund	724,947,101	724,138,519	723,338,266
Undivided profits, less expenses and taxes paid	293,261,154	287,343,679	268,184,165
Reserved for taxes	9,642,443	8,284,933	7,296,918
Outstanding bank notes	1,018,193,636	918,270,315	722,554,719
State bank notes outstanding	.....	28,153	.....
Due other national banks	838,651,946	904,331,571	1,017,820,892
Due State and private banks and bankers	517,062,823	521,901,865	515,742,709
Due to trust companies and savings banks	493,430,484	483,794,109	609,678,412
Due to approved reserve agents	37,523,774	38,871,080	42,660,616
Dividends unpaid	4,342,374	1,250,322	18,660,220
Individual deposits	6,078,894,617	6,139,081,279	6,268,692,423
U. S. deposits	69,744,237	69,712,446	66,654,582
Postal savings deposits	31,232,267	27,626,325	23,841,062
U. S. bonds borrowed	34,250,230	34,407,245	43,487,030
Other bonds borrowed	54,126,345	53,862,878	.....
Securities borrowed	3,088,024	.....	.....
Notes on bills rediscounted	26,562,259	25,981,950	13,436,527
Bills payable	136,055,212	124,089,118	77,775,401
Clearing house loan certificates	49,911,000	52,779,000	.....
Liabilities other than above stated	3,313,129	6,442,627	3,516,788
Totals	$11,402,452,722	$11,483,529,494	$11,482,190,770
Number of banks	7,571	7,538	7,525

FOREIGN EXCHANGE QUOTATIONS.

Sterling—	Saturday	Monday.	Tuesday	Wednesday	Thursday.	Friday.
Cables	4.87	4.86⅛	4.86⅞	4.87	4.86½	.....
Demand	4.86¾	4.85⅜	4.85⅝	4.86¼	4.85½	.....
Sixty days sight	4.82½	4.83	4.82¾	4.83	4.82½	.....
Ninety days sight	4.82	4.81½	4.81½	4.81¾	4.82	.....
Francs—						
Cables	5.15¼	5.16¾	5.16	5.15	5.14¾	.....
Demand	5.16	5.17¼	5.17	5.16	5.15½	.....
Reichsmarks—						
Cables	88¼	88	88¾	89	88½	.....
Demand	88⅛	88	88⅛	88⅞	88	.....

*Holiday.

COTTON

December 24, 1914.

IT is perhaps more than could be expected that the cotton trade should greet the Christmas holidays this year with the customary feeling of exhilaration. Good cheer there is, but it is the cheer of courage and readiness to meet the future hopefully, rather than the cheer of successes won and of efforts well repaid. It may be safely asserted that none in the trade will ever forget the anxieties, the disasters and the losses of 1914. Some have escaped more lightly than others, to be sure; but all have had to pay some share of the dreadful cost of the European War and many have suffered grievously. When a vast business like the modern cotton business has spread its delicate web over the entire face of the globe, the violent rending of any part of it means injury to every other part. Forethought and prudent conservatism are of no avail to prevent loss under such conditions. The interdependence of countries and of the citizens of countries, which is one of the most beneficent creations of modern times, assuming that universal peace prevails, becomes to the self-same degree maleficent, if peace must yield to general war. In the latter case each and every department of business whose activities extend beyond the confines of a neutral and non-combatant country must expect to have loss piled upon loss and to be obliged for no inconsiderable period to devote its energies to mere self-preservation, instead of to the normal conduct of its affairs. Without considering what may have happened to the cotton trade of the belligerent European countries, it may be said that the American cotton trade has had a year in which no thought could be given to aught else than the prevention of threatened losses and the repairing of damage already done, with sufficient rapidity to maintain solvency. Profits, naturally, there have been none, and long months, or even years, of effort must be looked forward to in many cases, before the status of a year ago can be reached again. In spite of these obvious truths, however, it is not a fact that the trade has suffered at all in resolution, that it has lost any part of its efficiency or enterprise, that it is less ready to undertake the responsibilities which it has so successfully carried in the past. In one respect its situation has even been improved by what it has gone through and by its manner of meeting its problems. The credit of the trade as a whole has never been so high as it is to-day; the probity and responsibility of its members have never before been so widely known and acknowledged; and the legitimacy of the economic service it renders has never before been so generally understood. Some degree of elation is permissible on this account; and the Christmas of a troublous and costly year brings with it this cause for satisfaction. And still another cause for satisfaction may be mentioned, though it is not so strictly of a business character. It is that the perils and harms of the past five months have revealed to the members of the trade the extent to which unselfishness, mutual help and disinterested endeavor for the common good may be carried among those who in theory and for the most part in practice are purely competitors one with another, each seeking his own advantage in all legitimate ways. No doubt the same spirit of mutual helpfulness has been displayed in many other departments of business, not only in the United States, but all over the world; but certainly it has worked no more beneficently than in the harassed cotton trade. And now the trade is thoroughly prepared to exercise all its powers in the solution of the problems connected with the advantageous distribution of what has turned out to be the most oppressively large production of cotton, since cotton became a world commodity. There can be little doubt now that the season's commercial crop in the United States alone will equal or exceed 16,500,000 bales, provided all that has been grown is marketed. The ginning figures of the Census Bureau issued early in the present week show the largest amount of cotton ginned up to December 13 of which we have any record,—13,977,189 bales, as compared with 13,727,428 bales last year and with 13,770,727 bales in 1911 when the final commercial crop was over 16,100,000 bales. We have now in the United States more cotton by some 3,500,000 bales that we have ever had before at the end of a calendar year. We must expect the comparative excess to increase rather than to diminish, even though from now on the absolute amount of cotton in the country slowly diminishes, as it must when the ginning season has virtually reached its end a month from now. The great problem, however, must still remain, how to carry along and gradually distribute this unusual surplus of cotton, without recourse to prices which all interests would regard as most unfortunate. The cotton trade is now fully prepared to undertake its part of this great task; and its chief regret is that it must face as best it may the obstructions and hampering perplexities of the new Federal cotton legislation, the so-called Lever Act, which goes into effect six weeks hence, but whose provisions no one as yet,—not even the Government officials who are charged with the administration of it,—understands or can expound.

THE CONTRACT MARKETS

THE NEW YORK COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December (Old Contract)—						
High	7.15	7.15	7.34	7.46	7.30	7.25
Low	7.08	7.09	7.20	7.30	7.25	....
Close	7.14	7.16	7.33	7.23	7.32	....
January (Old Contract)—						
High	7.15	....	....	7.42	....	....
Low	7.07	....	....	7.22	....	....
Close	7.14	7.16	7.33	7.22	7.32	....
January (New Contract)—						
High	7.25	7.28	7.50	7.55	7.51	....
Low	7.25	7.28	7.40	7.48	7.51	....
Close	7.34	7.38	7.55	7.44	7.51	....
March (Old Contract)—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	7.35	7.35	7.55	7.44	7.51	....
March (New Contract)—						
High	7.57	7.57	7.74	7.80	7.71	....
Low	7.48	7.48	7.59	7.63	7.65	....
Close	7.52	7.57	7.73	7.62	7.69	....
May (Old Contract)—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	7.54	7.57	7.77	7.65	7.71	....
May (New Contract)—						
High	7.74	7.75	7.94	7.98	7.89	....
Low	7.63	7.65	7.76	7.80	7.80	....
Close	7.69	7.74	7.93	7.80	7.87	....
June—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
July—						
High	7.88	7.94	8.09	8.13	8.08	....
Low	7.79	7.83	7.95	7.98	7.98	....
Close	7.85	7.93	8.09	7.98	8.06	....
August—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
October—						
High	8.17	8.20	8.36	8.39	8.31	....
Low	8.06	8.08	8.21	8.23	8.23	....
Close	8.12	8.19	8.34	8.23	8.29	....
November—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....

THE NEW ORLEANS COTTON EXCHANGE.

The following were the high, low and closing bid prices for each delivery, in cents and hundredths of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
December—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	7.03	7.00	....	6.95	7.17	....
January—						
High	....	7.13	7.21	7.27	7.25	....
Low	....	7.09	7.13	7.20	7.18	....
Close	7.15	7.15	7.28	7.13	7.24	....
February—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
March—						
High	7.32	7.34	7.52	7.53	7.51	....
Low	7.27	7.26	7.35	7.38	7.41	....
Close	7.31	7.33	7.51	7.38	7.48	....
April—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
May—						
High	7.53	7.54	7.70	7.72	7.70	....
Low	7.46	7.45	7.52	7.57	7.59	....
Close	7.51	7.52	7.69	7.58	7.67	....
July—						
High	7.72	7.74	7.91	7.93	7.91	....
Low	7.67	7.65	7.76	7.79	7.82	....
Close	7.70	7.72	7.90	7.78	7.89	....

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
September—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....
October—						
High	....	8.02	8.19	8.21	8.14	....
Low	....	7.96	8.04	8.06	8.10	....
Close	7.98	8.01	8.18	8.06	8.12	....
November—						
High	....	....	....	....	....	....
Low	....	....	....	....	....	....
Close	....	....	....	....	....	....

LIVERPOOL COTTON ASSOCIATION.

The following were the opening, 12:30 and closing bid prices for each delivery on each day of the past week, in pence and hundredths of a penny per pound, net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May-June—						
Opening	4.19	4.19	4.23½	4.34	4.25	....
12:30 p. m.	....	....	4.23	4.34½	....	....
Close	4.19	4.20½	4.28	4.31½	4.28	....
June-July—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
July-Aug.—						
Opening	4.26	4.26	4.30½	4.41½	4.33	....
12:30 p. m.	....	....	4.30½	4.42	....	....
Close	4.25½	4.28	4.35½	4.39	4.35	....
Aug.-Sept.—						
Opening	....	....	....	4.46	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Sept.-Oct.—						
Opening	....	....	....	4.49½	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Oct.-Nov.—						
Opening	4.37	4.37½	4.42½	4 53	4 44½	....
12:30 p. m.	....	....	4.41½	4.53½	....	....
Close	4.36½	4.39½	4.47	4.50½	4.47	....
Nov.-Dec.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Dec.-Jan.						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Jan.-Feb.—						
Opening	4.42½	4.43	4.48	4.58½	4.50	....
12:30 p. m.	....	....	4.47½	4.59½	....	....
Close	4.42	4.45	4.52½	4.56½	4.53	....
Feb.-Mar.—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Mar.-Apr—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....
Apr.-May—						
Opening	....	....	....	....	....	....
12:30 p. m.	....	....	....	....	....	....
Close	....	....	....	....	....	....

HAVRE BOURSE.

The following were the cabled prices for the most active deliveries on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

Month.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	.....	.....	.....	.....	.....	.....
August	.....	.....	.....	.....	.....	.....
September	.....	.....	.....	.....	.....	.....
October	.....	.....	.....	.....	.....	.....
November	.....	.....	.....	.....	.....	.....
December	.....	.....	.....	.....	.....	.....
January	.....	.....	.....	.....	.....	.....

THE SPOT MARKETS FOR AMERICAN COTTON.

MARKETS IN THE UNITED STATES.

The following were the official quoted prices for middling cotton in the principal markets in the United States each day of the past week, in cents and fractions of a cent per pound, gross weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
New York	7.50	7.50	7.65	7.65	7.65	....
New Orleans	7⅛	7⅛	7 3-16	7 3-16	7 3-16	....
Galveston	7½	7½	7⅝	7⅝	7⅝	....
Mobile	7	7	7 1-16	7 1-16	7 1-16	....
Savannah	7 3-16	7¼	7¼	7¼	7¼	....
Charleston	7	7	7⅛	7⅛	7⅛	....
Wilmington	7	7	7⅛	7⅛	7⅛	....
Norfolk	7⅛	7⅛	7 3-16	7¼	7¼	....
Baltimore	7¼	7¼	7⅜	7½	7½	....
Augusta	7¼	7 5-16	7⅜	7 7-16	7⅜	....
Memphis	7⅛	7⅛	7⅛	7⅛	7⅛	....
St. Louis	7⅛	7⅛	7⅛	7¼	7¼	....
Houston	7 7-16	7 9-16	7 9-16	7 9-16	7 9-16	....
Little Rock	7	7	7	7	7	....

FOREIGN MARKETS.

LIVERPOOL.

The following were the official cabled prices for middling fair, good middling, middling, low middling and good ordinary, each day of the past week, in pence and hundredths of a penny per pound, net weight, and estimated spot sales:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling fair	5.28	5.28	5 33	5.44	5.42	....
Good middling	4.66	4.66	4.71	4.82	4.77	....
Middling	4 42	4.42	4.47	4.58	4.53	....
Low middling	3.95	3.95	4.00	4.11	4.06	....
Good ordinary	3.33	3.33	3.38	3.49	3.44	....
Estimated spot sales..	4,000	8,000	10,000	6,000	5,000	.....

HAVRE.

The following were the official cabled prices for fully good middling, fully middling and low middling cotton on Thursday, July 30, in francs and fractions of a franc per 50 kilos (110¼ pounds), net weight:

	Sat.	Mon	Tues.	Wed.	Thurs.	Fri.
Fully good middling	....	....	....	.....	.....	.....
Fully middling	....	....	....	.....	.....	.....
Low middling	....	....	....	.....	.....	.....

The MOVEMENT OF THE AMERICAN CROP.

The American crop year has been changed to run from August 1 to July 31, and all comparisons are made up accordingly.

The following tables, derived from the New York Cotton Exchange, show the movement of the American cotton crop for the past week and since August 1, 1914, with comparisons for previous years:

CROP MOVEMENT INTO SIGHT.

Weekly Movement.	1911-12.	1912-13.	1913-14.	1914-15.
Port receipts	347,204	265,134	320,900	On account of holiday, statistics are not available. Condensed weekly statistics will be given in the next issue.
Overland to mills and Canada	43,133	36,351	48,619	
So. mill takings, est., exclusive of takings from Southern ports.	100,000	100,000	105,000	
Gain of stocks at interior towns	13,439	40,451	23,922	
Brought into sight for week	503,776	441,936	498,441	
Total Movement—				
Port receipts	7,454,396	7,156,209	6,937,197	
Overland to mills and Canada	488 810	527.215	607,747	
Southern mill takings	1,432,032	1,405,873	1,474,796	
Stocks at interior towns in excess of Sept. 1..	785,524	680,699	734,248	
Brought into sight thus far this season	10,160,762	9,769,996	9,753,988	

The total crop movement is respectively for 151 days, 149 days, 148 days and 147 days.

PORT RECEIPTS AND STOCKS.

	This week last year— R'c'ts. Week.	R'c'ts. Season.	Stocks.	This week— R'c'ts. Week.	R'c'ts. Season.	Stocks.
Galveston	87,934	2,233,797	233,177	.....	.....	.....
New Orleans	88,393	967,634	285,964	.....	.....	.....
Mobile	13,788	287,994	57,541	.....	.....	.....
Savannah	44,884	1,382,655	155,206	.....	.....	.....
Charleston	1,169	381,426	71,948	.....	.....	.....
Wilmington	10,833	325,305	32,094	.....	.....	.....
Norfolk	23,216	364,728	64,981	.....	.....	.....
Baltimore	2,252	66,934	8,572	.....	.....	.....
New York	821	2,358	94,545	.....	.....	.....
Boston	123	8,723	4,788	.....	.....	.....
Philadelphia	.....	164	3,626	.....	.....	.....
Newport News	5,112	38,577	.....	.....	.....	.....
Brunswick	12,000	224,350	20,800	.....	.....	.....
Pensacola	8,500	113,059	.....	.....	.....	.....
Port Arthur	.....	20,386	.....	.....	.....	.....
Pacific ports	2,641	166,610	.....	.....	.....	.....
Texas City, etc.	12,340	327,971	21,060	.....	.....	.....
Jacksonville, etc.	894	21,528	2,500	.....	.....	.....
Georgetown	.....	.....	.....	.....	.....	.....
Totals	320,900	6,937,199	1,060,926	.....	.....	.....

MOVEMENT AT INTERIOR TOWNS.

	This week last year— R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Ship'ts. Stocks.	This week— R'c'ts. Week.	R'c'ts. Season.	Ship'ts. Week.	Ship'ts. Stocks.
Brenham	91	25,336	117	1,867	.....	.....	.....	.....
Dallas	2,616	62,432	2,720	11,128	.....	.....	.....	.....
Shreveport	5,128	140,230	4,355	38,711	.....	.....	.....	.....
Little Rock	7,755	128,864	5,914	56,420	.....	.....	.....	.....
Helena	2,101	47,915	2,268	20,327	.....	.....	.....	.....
Vicksburg	2,360	24,485	1,522	12,900	.....	.....	.....	.....
Columbus, Miss.	554	32,737	1,704	6,421	.....	.....	.....	.....
Natchez	1,146	17,314	700	6,344	.....	.....	.....	.....
Memphis	46,497	751,525	40,840	260,750	.....	.....	.....	.....
Nashville	.....	7,913	.....	690	.....	.....	.....	.....
Selma	3,096	118,487	3,806	20,216	.....	.....	.....	.....
Montgomery	2,584	139,627	3,489	33,735	.....	.....	.....	.....
Eufaula	455	21,724	376	5,187	.....	.....	.....	.....
Columbus, Ga.	2,130	50,982	800	20,403	.....	.....	.....	.....
Macon	1,229	41,816	1,506	4,857	.....	.....	.....	.....
Albany	532	20,194	411	4,492	.....	.....	.....	.....
Atlanta	6,313	177,174	4,618	22,160	.....	.....	.....	.....
Rome	712	51,349	850	7,805	.....	.....	.....	.....
Augusta	13,079	293,543	5,601	91,427	.....	.....	.....	.....
Columbia	4,112	49,410	4,112	.....	.....	.....	.....	.....
Newberry	640	20,906	640	.....	.....	.....	.....	.....
Charlotte	545	11,075	545	.....	.....	.....	.....	.....
Raleigh	187	11,018	175	425	.....	.....	.....	.....
St. Louis	23,777	268,310	22,322	26,693	.....	.....	.....	.....
Houston	72,686	1,973,182	67,521	175,816	.....	.....	.....	.....
Meridian	848	21,252	1,603	9,884	.....	.....	.....	.....
Cincinnati	5,884	94,206	4,479	19,449	.....	.....	.....	.....
Yazoo City	2,676	33,100	861	18,012	.....	.....	.....	.....
Totals	209,703	4,645,476	183,855	876,099	.....	.....	.....	.....

EXPORTS FROM THE UNITED STATES.

This Week.	1912-13.	1913-14.	1914-15.
Great Britain	61,695	36,481	.....
France	41,794	32,817	.....
Continent	86,718	106,255	.....
Mexico	.....	134	.....
Japan	5,807	2,852	.....
Totals	196,014	178,539	.....
Great Britain	2,318,580	1,801,206	.....
France	787,893	781,352	.....
Continent	2,014,666	2,294,051	.....
Mexico	2,057	23,114	.....
Japan	117,944	198,660	.....
Totals	5,241,136	5,098,383	.....

THE COTTON CROP OF OTHER COUNTRIES.

ALEXANDRIA RECEIPTS AND SHIPMENTS.

The following were the week's receipts at Alexandria in cantars (99 pounds), and exports from Alexandria in bales (750 pounds), with comparisons for previous years:

Receipts (Cantars).	1912-13.	1913-14	1914-15.
This week	390,000	390,000	.....
Since September 1	5,546,000	5,657,584	.....

	1912-13		1913-14		1914-15	
Exports (Bales).	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.	This Week.	Since Sept. 1.
To Liverpool	9,500	120,800	6,500	112,648	.....	.....
To Manchester	8,000	123,551	9,750	103,841	.....	.....
To Continent	12,500	146,661	9,500	166,355	.....	.....
To America	7,000	54,868	1,250	16,393	.....	.....
Total exports	37,000	445,880	27,000	399,537	.....	.....

BOMBAY WEEKLY.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
Receipts	77,000	794,000	.....	.....
Exports to Great Britain	.....	7,000	.....	.....
Exports to Continent	11,000	263,000	.....	.....
Exports to Japan and China	28,000	183,000	.....	.....
Afloat in harbor	8,000	.....	.....	.....

Exchange, 1s. 4 1-16.

VISIBLE SUPPLY.

GENERAL SUPPLY AND TAKINGS.

	Last Year		This Year	
Stocks in—	General Supply.	American Supply.	General Supply.	American Supply.
Liverpool	911,000	700,000	.....	.....
London	8,000	.....	.....	.....
Manchester, in wareh'ses	103,000	71,000	.....	.....
Manchester, in transit	.....	.....	.....	.....
Hamburg	15,000	3,000	.....	.....
Bremen	443,000	438,000	.....	.....
Havre	396,000	389,000	.....	.....
Other ports—Continent	85,000	77,000	.....	.....
Alexandria	378,000	.....	.....	.....
Bombay	453,000	.....	.....	.....
U. S. interior towns	876,099	876,099	.....	.....
U. S. ports	1,060,926	1,060,926	.....	.....
Afloat for—				
Liverpool	375,000	309,000	.....	.....
London	.....	.....	.....	.....
Continent	691,000	567,000	.....	.....
Afloat in Bombay harbor	8,000	.....	.....	.....
Coastwise to New York	15,000	15,000	.....	.....
Exports to-day	.....	.....	.....	.....
Totals	5,818,025	4,506,025	.....	.....

Increase in general visible supply for the week, ———, against increase last year, 118,877. Increase in American visible supply for the week, ———, against 84,877 last year.

Note.—The Bombay stock as above is the gross warehouse stock which includes a considerable percentage already sold to domestic spinners.

SUPPLY AND TAKINGS OF AMERICAN.

World's Takings.	Last Year.	This Year.
Visible supply, American, July 31	1,332,140	.....
Crop in sight to date	9,753,988	.....
Total supply	11,086,128	.....
Less visible supply, American, to-day	4,506,029	.....
World's takings, American, to date	6,580,099	.....
American Takings.		
Stocks at United States ports July 31	161,289	.....
Returned from foreign countries	.....	.....
Receipts at United States ports to date	6,937,197	.....
Total supply at ports	7,098,486	.....
Deduct.		
Stocks at ports to-day	1,060,926	.....
*Exports to date	5,179,663	.....
Southern mill takings from ports	35,033	.....
Burnt at ports	4	.....
Totals	6,275,626	.....
To Northern mills from ports	822,860	.....
Overland to Northern mills	607,747	.....
Total Northern mill takings	1,430,607	.....
Southern mill takings	1,509,829	.....
Total American (all takings, including Canada	2,940,436	.....

*Includes ——— in transit between Southern ports and New York, against 15,500 last year.

WORLD'S TAKINGS, AMERICAN.

	Last Year		This Year	
	Week.	Season.	Week.	Season.
America	189,745	2,940,436	.....	.....
Great Britain	67,289	1,304,014	.....	.....
Continent	153,544	2,113,875	.....	.....
Mexico	134	23,114	.....	.....
Japan and China	2,852	198,660	.....	.....
Totals	413,564	6,580,099	.....	.....

LIVERPOOL WEEKLY

	1912.	1913.	Last Week.	This Week
Sales, all kinds	26,000	24,000	41,000	27,000
Sales, American	21,000	19,000	31,000	20,000
Sales, speculation	1,000	2,000	1,000	1,000
Sales, exports	1,000	.....	8,000	5,000
Forwarded	88,000	78,000	82,000	.....
Imports, all kinds	157,000	112,000	101,000	.....
Imports, American	112,000	89,000	85,000	.....
Actual exports, all kinds	8,000	13,000	5,000	.....
Stock, all kinds	1,240,000	911,000	708,000	.....
Stock, American	1,066,000	700,000	445,000	.....
Afloat for Great Britain, all kinds	489,000	375,000	504,000	373,000
Afloat for Great Britain, American	423,000	309,000	444,000	322,000

SEVENTH COTTON GINNING REPORT OF THE SEASON

On Monday, December 21, the Bureau of the Census issued its seventh report of the season on cotton ginned from the American crop of 1914-1915. The figures cover the period from the beginning of the season up to December 13. The following table gives the returns by States, with comparisons for last year and for the large crop year, 1911:

COTTON GINNED FOR THE SEASON TO DECEMBER 13.

	1911, Bales.	1913, Bales.	1914, Bales.
Alabama	1,561,136	1,444,212	1,573,183
Arkansas	746,802	885,979	894,277
Florida	81,952	63,082	80,863
Georgia	2,517,857	2,215,308	2,452,790
Louisiana	340,304	391,454	415,533
Mississippi	996,601	1,084,680	1,085,002
North Carolina	913,944	708,598	766,673
Oklahoma	862,838	789,782	1,068,898
South Carolina	1,423,383	1,276,428	1,328,395
Tennessee	360,510	340,685	319,848
Texas	3,862,143	3,627,190	3,875,144
All others	103,257	100,030	116,583
United States	13,770,727	12,927,428	13,977,189

The amount of cotton ginned from December 1 to December 13 was 900,982 bales, as compared with 954,120 bales ginned in the same period in the season of 1911-1912, or 53,000 bales less. It must be borne in mind that the weather during the last ginning period was again unfavorable. Included in the figures for this year were 42,796 round bales (taken as half bales), as compared with 91,686 last year, 75,772 in 1912, and 93,294 in 1911. Sea Island cotton included amounted to 71,488 bales, compared with 69,520 bales last year, 60,445 bales in 1912, and 99,436 bales in 1911.

The average quantity of cotton ginned prior to December 1 in the last seven years was 11,482,722 bales, or 90.5 per cent of the average of the seven crops.

* * *

United States Cotton Standards Promulgated.—The official cotton standards of the United States were promulgated to-day by the Secretary of Agriculture in accordance with the provisions of the Cotton Futures Act. The new standard replaces the old official grades heretofore issued by the Department and must be used by the exchanges dealing in cotton futures after February 18. The standard covers the nine grades of cotton—Middling Fair, Strict Good Middling, Good Middling, Strict Middling, Middling, Strict Low Middling, Low Middling, Strict Good Ordinary and Good Ordinary. Copies of the standard will be prepared as rapidly as possible for sale at cost.

In filling orders for copies of these standards, the Department must, of necessity, take into consideration the extent to which the

applicant's business is affected by the operation of the United States Cotton Futures Act, and preference will necessarily be given to members of the future exchanges and to operators in the larger spot markets which may be bona fide spot markets for the purposes of the Futures Act. The law provides that the Secretary shall designate five or more such markets whose prevailing prices shall determine the differences between the values of the several grades in the settlement of future contracts. The Department, therefore, invites all parties who desire copies of these standards to communicate with the Chief of the Office of Markets.

* * *

The Cotton Goods Trade of Nanking, China.—The effect of the European War on the Nanking trade will be practically the same as that upon the trade of Shanghai, according to a recent report of Consul C. L. L. Williams, stationed at Nanking. (A full discussion of conditions in Shanghai and throughout China was contained in the issue of THE MARKET WORLD AND CHRONICLE for November 28.) The report of Mr. Williams, however, contains specific information with regard to the condition of the cotton goods trade at Nanking and is accordingly quoted in part:

"According to the returns of the Chinese Maritime Customs, the consumption of foreign imported goods in this district during 1913 amounted to $17,375,000. These figures do not include foreign goods imported by rail to Chinkiang or Nanking, which are but a small sum. Of the foregoing total, cotton piece goods, yarn and other cotton products contributed $6,350,000. Cotton piece goods and other cotton products, the most important imports, are handled exclusively through Shanghai. It is stated here that deliveries of British goods now being made are from stocks held in Shanghai or Hongkong, and that no fresh goods are arriving. As might be expected under such circumstances, British imports are said to be falling off, while the American are increasing. The future depends largely on manufacturing conditions in England, the safety of the trade routes between England and China, and other factors regarding which no information is to be had here. * * *

"The stock of piece goods in Nanking is very low, and prices are advancing with the Shanghai market. Of shirtings, the 7-9 pound and 9-11 pound grades appear to be most in demand. Imports of sheetings are comparatively small; such demand as exists is for the 11-pound and over grades. In drills the demand is chiefly for the 12¾-pound weights.

"India contributes about 50 per cent of the cotton yarn consumed; the balance is divided between Chinese and Japanese manufacturers, the former having a slight advantage. As Great Britain takes its share of the fancy goods trade, it is safe to say that under normal conditions British manufacturers form over two-thirds of the total trade in cotton goods."

NEW YORK QUOTATIONS FOR STANDARD COTTON GOODS AND YARNS

The following are quoted prices in the New York market for typical standard cotton goods (in cents per yard) and cotton yarns (in cents per pound) on Saturday of last week and on Wednesday of the present week:

Cloths.	Saturday.	Wednesday.
Print cloths, 28 in. 64 x 64s	2⅞	2⅞
Gray goods, 38 in., standard	3¾	3¾-3⅞
Brown sheetings, Southern standard	6¼-6½	6¼-6½
Denims, 9-ounce	12½-16	12½-16
Tickings, 8-ounce	12½	12
Standard prints	4½	4¼
Standard staple ginghams	6¼	6¼
Yarns.		
Southern 2-ply skeins, 30s	18-18½	17½-18
Southern 2-ply skeins, 60s	42	41
Southern single skeins, 20s	16	15½
Southern single chain warps, 20s	15½	15-15½
Southern 2-ply chain warps, 20s	16	15-15¼
Southern frame cones, 20s	16½-16¾	16-16¼
Southern frame cones, 30s	18-18½	17½-18
Eastern carded cops, 20s	18	18
Eastern carded cops, 30s	22½	22½
Eastern carded peeler warps, 30s	24½	24½
Eastern carded peeler warps, 56s	40	40

THE GRAIN AND PROVISION MARKETS

CHICAGO BOARD OF TRADE.

The following were the high and low prices for each day of the past week for contracts for the future delivery of the chief grains and provisions:

WHEAT.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 19..	1.22⅞	1.20⅝	1.22⅞	1.25⅞	1.23⅞	1.25⅞	1.18⅛	1.16¾	1.18⅛
Dec. 21..	1.25	1.22½	1.24½	1.27¾	1.25¼	1.27⅛	1.19⅝	1.18	1.18¾
Dec. 22..	1.26⅝	1.23⅝	1.26⅝	1.29¼	1.26¼	1.28⅞	1.20¾	1.18	1.20⅜
Dec. 23..	1.26⅞	1.25⅝	1.25⅞	1.29¾	1.28	1.28¾	1.20⅝	1.19¼	1.20
Dec. 24..	1.26½	1.25½	1.26	1.29⅝	1.28⅛	1.29	1.20⅝	1.19½	1.19⅞
Dec. 25..	.....	.....	.....	.....	.....	.....	.....	.....	.....

CORN (New Contract).

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 19..	64⅜	64	64¼	70⅜	69⅞	70¼	71⅛	70⅝	71⅛
Dec. 21..	65⅜	64½	64⅝	71⅛	70⅜	70¾	72⅛	71¼	71¼
Dec. 22..	65	64⅜	65	71½	70⅜	71½	72⅛	70⅞	72
Dec. 23..	65½	65	65⅜	71⅞	71¼	71¾	72½	71⅞	72½
Dec. 24..	66¼	65⅜	66¼	72⅝	71⅝	72⅝	73⅜	72⅜	73½
Dec. 25..	....	....	....	....	....	....	....	....	....

OATS.

	December			May					
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 19..	49	48¾	48¾	52½	52⅛	52½	....	....	....
Dec. 21..	49⅛	49⅜	48⅜	53⅛	52½	52⅝	....	....	....
Dec. 22..	48¾	48¼	48¾	53	52¼	52⅞	....	....	....
Dec. 23..	49¼	48⅞	48⅞	53½	52⅞	53⅛	....	....	....
Dec. 24..	49⅜	49	49¼	53⅝	53	53½	....	....	....
Dec. 25..	....	....	....	....	....	....	....	....	....

LARD.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 19..	....	....	....	10.12	10.10	10.12	10.32	10.22	10.32
Dec. 21..	....	....	....	10.32	10.17	10.32	10.55	10.35	10.50
Dec. 22..	....	....	....	10.40	10.27	10.40	10.60	10.47	10.57
Dec. 23..	....	....	....	10.35	10.30	10.30	10.57	10.47	10.47
Dec. 24..	....	....	....	10.32	10.30	10.32	10.55	10.50	10.55
Dec. 25..	....	....	....	....	....	....	....	....	....

RIBS.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 19..	....	....	....	10.00	9.90	9.97	10.30	10.22	10.30
Dec. 21..	....	....	....	10.17	10.02	10.15	10.50	10.35	10.47
Dec. 22..	....	....	....	10.20	10.10	10.20	10.57	10.42	10.57
Dec. 23..	....	....	....	10.15	10.10	10.10	10.57	10.45	10.45
Dec. 24..	....	....	....	10.17	10.10	10.12	10.50	10.42	10.47
Dec. 25..	....	....	....	....	....	....	....	....	....

PORK.

	November			January			May		
	High.	Low.	Close.	High.	Low.	Close.	High.	Low.	Close.
Dec. 19..	....	....	....	18.25	18.20	18.20	18.72	18.60	18.70
Dec. 21..	....	....	....	18.50	18.40	18.47	19.05	18.75	18.97
Dec. 22..	....	....	....	18.65	18.45	18.62	19.20	18.95	19.12
Dec. 23..	....	....	....	18.65	18.35	18.35	19.15	18.85	18.85
Dec. 24..	....	....	....	18.35	18.25	18.35	19.00	18.82	18.95
Dec. 25..	....	....	....	....	....	....	....	....	....

COTTONSEED OIL

NEW YORK PRODUCE EXCHANGE.

The following was the closing bid price for each active delivery, on each day of the past week, in cents and hundredths of a cent per pound, net weight:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Frl.
Spot	5.55	5.65	5.70	5.64	5.70	....
December	5.67	5.65	5.70	5.64	5.75	....
January	5.76	5.83	5.83	5.71	5.75	....
February	5.83	5.90	5.97	5.85	5.90	....
March	6.00	6.06	6.08	6.00	6.04	....
April	6.09	6.20	6.19	6.10	6.10	....
May	6.25	6.35	6.36	6.27	6.33	....
June	6.30	6.41	6.47	6.38	6.45	....
July	6.45	6.54	6.57	6.48	6.56	....

THE COFFEE MARKET

NEW YORK COFFEE EXCHANGE.

The following was the closing bid price for each active delivery on July 30, 1914, in cents and hundredths of a cent per pound, net weight:

	Thurs.					
December	6.20	6.24	6.20	6.10	5.98	....
January	6.20	6.26	6.20	6.10	5.98	....
February	6.30	6.33	6.29	6.18	6.05	....
March	6.40	6.41	6.38	6.28	6.15	....
April	6.49	6.50	6.47	6.37	6.24	....
May	6.58	6.59	6.56	6.46	6.33	....
June	6.48	6.49	6.46	6.35	6.22	....
July	7.36	7.37	7.36	7.28	7.15	....
August	7.42	7.42	7.42	7.34	7.21	....
September	7.49	7.49	7.49	7.40	7.28	....
October	7.58	7.56	7.56	7.47	7.35	....
November	7.65	7.62	7.62	7.53	7.41	....
Spot Rio 7s	7⅝	7⅝	7⅝	7⅝	7⅝	....

Quoted Prices of Active Bonds on the New York Stock Exchange

Range Jan.-July, 1914. High.	Low.	July 30. Close.	Bonds.	Ma- turity.	Interest Payable.	Saturday. Dec. 19. High.	Low.	Monday. Dec. 21. High.	Low.	Tuesday. Dec. 22. High.	Low.	Wednesday. Dec. 23. High.	Low.	Thursday. Dec. 24. High.	Low.	Friday. Dec. 25. High.	Low.
80¾	73½	79	Adams Express 4s	1948	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87	84½	85	Albany & Susque 3½s	1946	*A-O	.....	.....	.....	.....	.....	.....	83	- 83	.....	.....	.....	.....
.....	.....	.....	Allis-Chalmers 5s	1936	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
102	97¾	99	Am Ag Chemical cvt 5s	1928	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅛	97½	98⅞	Am Cotton Oil 4½s	No 1 1915	Q Feb	.....	.....	.....	.....	99	- 99	99⅛	- 99⅛	.....	.....	.....	.....
.....	.....	.....	Am Hide & Leather 6s	1919	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Am Ice deb 6s	1925	*A-O	.....	.....	83⅛	- 83⅛	.....	.....	83⅛	- 83⅛	82½	- 82	.....	.....
100	93½	95½	Am Tel & Tel conv 4s	1936	*M-S	.....	.....	87¼	- 87¼	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Am Tobacco Co 4s	1951	F-A*	.....	.....	97½	- 97½	.....	.....	97⅝	- 97⅝	.....	.....	.....	.....
123	117½	122	Am Tobacco 6s	1944	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
74	62½	64	Ann Arbor 4s	July 1995	Q Jan	65½	- 65½	.....	.....	65	- 65	.....	.....	.....	.....	.....	.....
93⅛	89¾	90	Armour & Co R E 4½s	1939	*J-D	.....	.....	90½	- 90½	91	- 91	90¾	- 90¾	.....	.....	.....	.....
96¼	91½	91½	A T & S F gen 4s	1995	A-O*	91	- 90⅝	91⅛	- 90¾	91	- 90¾	91	- 90⅞	91	- 90¾	.....	.....
88½	84⅜	85½	A T & S F adj 4s stamp	July 1995	Nov	.....	.....	85½	- 85⅛	84¾	- 84¾	.....	.....	82	- 81⅝	.....	.....
102½	100	100⅜	A T & S F conv 5s	1917	*J-D	.....	.....	.....	.....	100⅝	-100½	.....	.....	.....	.....	.....	.....
100	90½	90½	A T & S F conv 4s	1955	*J-D	93⅜	- 93¼	92¾	- 92¾	92¾	- 92¾	92¾	- 92¾	.....	.....	.....	.....
95	91	93¾	Atlantic Coast Line 4s	July 1952	M-S	.....	.....	86¼	- 86¼	86¼	- 86¼	86¼	- 86	.....	.....	.....	.....
95	87	87¼	Atl C L L & N col 4s	Oct 1952	M-N	.....	.....	.....	.....	85¾	- 85½	.....	.....	.....	.....	.....	.....
93	89½	89½	Balt & Ohio prior 3½s	1925	J-J*	88¼	- 88¼	88⅜	- 88⅜	88⅜	- 88⅝	.....	.....	.....	.....	.....	.....
.....	.....	.....	Balt & Ohio gold 4s	July 1 1948	A-O	89¼	- 89¼	.....	.....	88⅞	- 88⅞	.....	.....	.....	.....	.....	.....
.....	.....	.....	B & O P L E & W V 4s	1941	M-N*	.....	.....	.....	.....	79½	- 79½	.....	.....	.....	.....	.....	.....
91½	87¼	87⅞	B & O S W Div 3½s	1925	*J-J	.....	.....	87⅛	- 87⅛	87⅛	- 87⅛	.....	.....	.....	.....	.....	.....
100¼	93¼	98	Bethehem Steel 1st 5s	1926	*J-J	.....	.....	99	- 98⅞	99	- 98¾	98¾	- 98¾	.....	.....	.....	.....
104	100	100¼	Brooklyn Rap Tran cvt 4s	2002	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
100	96⅜	97	Brooklyn Rap Tran 5s	1945	A-O*	101	-101	.....	.....	101½	-101½	.....	.....	101½	-101½	.....	.....
103¼	99½	99¾	Brooklyn Union El 1st 5s	1950	*F-A	.....	.....	99½	- 99¼	.....	.....	99¼	- 99¼	.....	.....	.....	.....
.....	.....	.....	Brooklyn Union Gas 5s	1945	*M-N	.....	.....	.....	.....	103	-103	103	-103	.....	.....	.....	.....
.....	.....	.....	Buff Roch & Pitts gen 5s	1937	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108	107¼	107¼	Central of Ga con 5s	1945	M-N*	.....	.....	100⅛	-100⅛	100¼	-100	.....	.....	.....	.....	.....	.....
99⅞	96½	96	Central Leather 5s	1925	*A-O	96⅞	- 96⅝	97	- 96⅞	96¾	- 96¾	97	- 97	96⅞	- 96⅞	.....	.....
118	114	116⅜	Central of N J gen 5s	1987	J-J*	.....	.....	.....	.....	.....	.....	113	-113	.....	.....	.....	.....
.....	.....	.....	Central New England 4s	1961	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94½	89½	89½	Central Pacific 1st 4s	1949	F-A*	86⅞	- 86⅝	86¾	- 86⅝	86½	- 86½	86¼	- 86¼	86⅜	- 86¼	.....	.....
.....	.....	.....	Ches & Ohio con 5s	1939	*M-N	102½	-102½	.....	.....	102½	-102¼	.....	.....	.....	.....	.....	.....
98½	90½	90½	Ches & Ohio gen 4½s	1992	*M-S	88	- 88	87½	- 87½	88	- 88	88	- 88	.....	.....	.....	.....
86½	70	70	Ches & Ohio conv 4½s	1930	*F-A	.....	.....	71½	- 71	71¼	- 71	71	- 70	70¼	- 70	.....	.....
.....	.....	.....	Chicago & Alton 3s	1949	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
55½	35	37⅛	Chicago & Alton 3½s	1950	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94½	91½	91½	Chi Bur & Quincy gen 4s	1958	*M-S	.....	.....	89¾	- 89¾	.....	.....	89⅝	- 89⅝	.....	.....	.....	.....
98	94¾	94¾	Chi Bur & Quincy joint 4s	1921	*J-J	94⅝	- 94⅝	94⅞	- 94¾	94⅞	- 94¾	95	- 94¾	94⅞	- 94⅞	.....	.....
85⅞	82	83	Chi Bur & Quincy Ill Div 3½s	1949	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96	93	95	Chi Bur & Quincy Ill Div 4s	1922	*F-A	.....	.....	94	- 94	94	- 94	.....	.....	.....	.....	.....	.....
.....	.....	.....	Chi Bur & Quincy Neb ext 4s	1927	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108	105⅝	107	Chicago & Erie 1st 5s	1982	*M-N	.....	.....	.....	.....	102	-102	.....	.....	.....	.....	.....	.....
75⅛	67	68	Chicago Great Western 4s	1959	M-S*	69	- 69	68¾	- 68¾	69	- 69	69	- 68⅞	68⅞	- 68⅞	.....	.....
96¾	92	94¾	C M & St P gen 4s Series A	May 1989	J-J*	90½	- 90½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93	88	90	C M & St P deb 4s	1934	J-J*	.....	.....	.....	.....	88¾	- 88¾	88¾	- 88¾	89	- 88¾	.....	.....
104½	102½	103¾	C M & St P C P & W 5s	1921	*J-J	.....	.....	.....	.....	101¾	-101¾	101¾	-101½	.....	.....	.....	.....
84	80	81	Chicago & N W gen 3½s	1987	M-N*	.....	.....	78¾	- 78½	.....	.....	.....	.....	.....	.....	.....	.....
97¾	93⅞	95½	Chicago & N W gen 4s	1926	F-A*	89	- 89	89	- 89	89	- 88⅞	.....	.....	.....	.....	.....	.....
90	81¾	81¾	C R I & P gen 4s	1988	J-J*	82	- 82	.....	.....	81¼	- 81¼	.....	.....	.....	.....	.....	.....
53	18¾	18⅞	C R I & P col trust 4s	2002	M-N*	.....	.....	25¾	- 25½	27	- 25½	25¼	- 25	25	- 25	.....	.....
81	65	65	C R I & P ref 4s	1934	*A-O	.....	.....	69	- 69	68½	- 68½	68¼	- 68	.....	.....	.....	.....
120¾	118	119⅝	C St P M & O 6s	1930	*J-D	114½	-114½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	C C C & St L gen 4s	1993	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	C C C & St L S L Div 4s	1990	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
82	71	71	Col Industrial 5s	1934	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Col Midland 1st 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93	89	89½	Col Southern 1st 4s	1929	*F-A	.....	.....	.....	.....	86	- 86	85½	- 85½	.....	.....	.....	.....
93½	81	81	Col South ref & ext 4½s	1935	*M-N	.....	.....	.....	.....	.....	.....	80½	- 80½	.....	.....	.....	.....
.....	.....	.....	Con Tobacco 4s	1951	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99¼	97½	98	Del & Hudson conv 4s	1916	*J-D	99	- 99	99	- 99	99	- 99	99	- 99	99	- 99	.....	.....
97½	93½	95	Del & Hudson ref 4s	1943	*M-N	.....	.....	.....	.....	91⅛	- 91⅛	91⅛	- 91	91	- 91	.....	.....
85	75	75½	Den & Rio Grande con 4s	1936	*J-J	.....	.....	77	- 77	.....	.....	.....	.....	76	- 76	.....	.....
74	45¾	45¾	Den & Rio G 1st ref 5s	1955	F-A*	.....	.....	.....	.....	.....	.....	41¾	- 41⅝	41¾	- 41¾	.....	.....
68	52½	52½	Distillers' Securities 5s	1927	*A-O	56	- 56	56¾	- 56½	.....	.....	55⅞	- 55⅞	.....	.....	.....	.....
108½	105¼	107½	E T V & G con 5s	1956	M-N*	.....	.....	103¾	-103⅜	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	E T V & G Div 5s	1930	J-J*	.....	.....	.....	.....	80	- 80	.....	.....	.....	.....	.....	.....
87¼	82	82	Erie prior lien 4s	1996	*J-J	68½	- 68½	68½	- 68½	69	- 68½	80	- 79¾	.....	.....	.....	.....
76¼	66⅞	67½	Erie general lien 4s	1996	*J-J	63¾	- 63½	63¾	- 63½	63¾	- 63⅜	69	- 69	67	- 67	.....	.....
77¾	64	64	Erie conv 4s A	1953	*A-O	66	- 66	65	- 64½	65	- 64¾	63⅜	- 63⅜	63	- 62¾	.....	.....
76	63½	63½	Erie conv 4s B	1953	*A-O	.....	.....	.....	.....	.....	.....	64⅝	- 64⅝	64	- 64	.....	.....
92	88½	88¾	Erie (Pa) col 4s	1951	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	E & T H 1st gen 5s	1942	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Ft W & D C 1st 6s	1921	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Ft W & R G 1st 4s	1928	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106½	103	105¼	Gen Electric deb 5s	1917	*J-D	.....	.....	.....	.....	.....	.....	102¼	-102¼	.....	.....	.....	.....
.....	.....	.....	G B & West deb B		Ann.-Feb.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Hocking Valley 4½s	1999	*J-J	.....	.....	.....	.....	.....	.....	93	- 93	.....	.....	.....	.....
.....	.....	.....	H & T Central gen 4s	1921	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Illinois Central 4s	1952	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	85	- 85	.....	.....
95¼	88¼	88¼	Illinois Central 4s	1953	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94	89⅞	90½	Illinois Central ref 4s	1955	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
61	43	43	Inter Met Marine 4½s	1922	A-O*	30	- 29⅜	30	- 30	30¼	- 30¼	.....	.....	29⅞	- 29⅞	.....	.....
79⅛	72	72	Inter-Met 4½s	1956	A-O	74½	- 74½	74½	- 74½	74⅜	- 74⅜	74⅞	- 74½	74½	- 74⅜	.....	.....
99⅛	97½	97¾	Interborough R T 5s	1952	M-N*	96⅝	- 96⅜	96⅝	- 96⅜	96⅝	- 96½	96⅝	- 96½	96⅝	- 96½	.....	.....
104	100	100½	International Paper 1st 6s	1918	*F-A	100¼	-100¼	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	International Pap conv 5s	1935	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
67½	42	41½	Inter Steam Pump 5s	1924	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Iowa Cent 1st 5s	1938	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Iowa Central ref 4s	1951	*M-S	.....	.....	.....	.....	39	- 39	.....	.....	.....	.....	.....	.....
77½	71	71	Kan City Ft S & M 4s	1936	A-O*	70	- 68½	68½	- 68½	69¼	- 69¼	.....	.....	.....	.....	.....	.....
70	68½	69¾	Kan City South 3s	1950	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94¼	94⅜	94⅞	Kan City South ref 5s	Apr 1950	J-J	.....	.....	.....	.....	.....	.....	.....	.....	89	- 89	.....	.....
.....	.....	.....	Lackawanna Steel 5s	1923	*A-O	90¾	- 90¾	90	- 90	.....	.....	.....	.....	.....	.....	.....	.....
162⅛	140	102	Laclede Gas of St L 1st 5s	May 1919	Q-F	.....	.....	.....	.....	97	- 97	.....	.....	100¼	-100¼	.....	.....
.....	.....	.....	Lake Erie & W 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Lake Erie & W 2d 5s	1941	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Lake Shore gen 3½s	1997	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
94⅞	89⅞	90	Lake Shore deb g 4s	1928	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

Range Jan.-July, 1914. High.	Low.	July 30. Close.	Bonds.	Ma- turity.	Interest Payable.	Saturday. Dec. 19. High.	Low.	Monday. Dec. 21. High.	Low.	Tuesday. Dec. 22. High.	Low.	Wednesday. Dec. 23. High.	Low.	Thursday. Dec. 24. High.	Low.	Friday. Dec. 25. High.	Low.
93⅞	88¾	90¾	Lake Shore deb g 4s	1931	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Long Island unified 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Long Island gen 4s	1938	*J-D	.....	.....	.....	.....	85½	85½	.....	.....	.....	.....	.....	.....
.....	.....	.....	Long Island ref 4s	1949	*M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96⅜	92¼	92⅞	Louis & Nash unified 4s	1940	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	91½	91½	.....	.....
.....	.....	.....	Manhattan con 4s	1990	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93	89½	91	Man Ry 4s stpd tax exempt	....	....	.....	.....	.....	.....	88½	88½	88½	88½	88½	88½	.....	.....
91⅞	81½	82½	M K & T 1st 4s	1990	*J-D	77	77	.....	.....	77	77	77	77	.....	.....	.....	.....
77	57	57	M K & T 2d 4s	June 1990	F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	M K & T ext g 5s	1944	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
71	51	51	M K & T ref 4s	2004	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	M K & T gen 4½s	1936	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	M K & T of Tex 5s	1942	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98⅛	89	89	Mo Pac col tr 5s	Jan 1917	M-S	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95½	85½	85½	Mo Pac col tr 5s	1920	F-A*	.....	.....	.....	.....	.....	.....	.....	.....	85	85	.....	.....
63⅜	39½	39½	Mo Pac 4s	1945	*M-S	43	43	45	44	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Mobile & Ohio gen 4s	1938	M-S*	76	76	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nassau Electric 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nat Rys of M per lien 4½s	1957	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Nat Rys of M con 4s	1977	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108⅛	105½	107½	Nash Chatt & St L con 5s	1928	*A-O	....	....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99½	97	97	N Y Air Brake con 6s	1928	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
84	79½	79¾	N Y Central ref 3½s	1997	J-J*	.....	.....	.....	.....	80	80	.....	.....	80	80	.....	.....
.....	.....	.....	N Y Central deb 4s	1934	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	N Y Central L S 3½s	1997	J-J*	74	74	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	N Y Central M C col 3½s	1998	*F-A	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
97	93½	93½	N Y C & St L 1st 4s	1937	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87¾	83	86¼	N Y G E L H & P 4s	1949	*F-A	.....	.....	.....	.....	.....	.....	82¾	82¾	82½	82½	.....	.....
105⅛	102¼	104	N Y G E L H & P col tr 5s	1048	J-D*	101¼	101¼	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
117¼	98¾	98¾	N Y N H & H con deb 6s	1948	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
75	61	61½	N Y N H & H deb 3½s	1956	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
88	79⅞	81	N Y Ont & W 1st ref 4s	June 1992	M-S	78	78	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79⅛	72	72	N Y Rys ref 4s	1942	J-D	.....	.....	71⅛	71½	71½	71¼	72	71¾	71¾	71¼	.....	.....
63⅜	45	45	N Y Rys adj 5s	1942	J-D	51	50¾	50⅞	50⅞	50⅞	50¾	51⅛	50⅞	51⅛	50¾	.....	.....
96	94¼	94½	N & W con 4s	1996	A-O*	.....	.....	93	93	.....	.....	92½	92	.....	.....	.....	.....
91¾	88½	90	N & W div 1st lien 4s	1944	J-J*	86½	86½	87½	87½	.....	.....	.....	.....	.....	.....	.....	.....
105¼	101	101	N & W conv 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	N & W P C & C joint 4s	1941	J-D*	.....	.....	89	89	.....	.....	89¼	89	.....	.....	.....	.....
96	92	92	North Pac prior 4s	Jan 1997	Q-J	89⅜	89⅜	89⅜	89¼	89⅛	89	89¼	89⅛	89¼	89¼	.....	.....
68⅝	64¼	67¼	North Pac gen 3s	Jan 2047	Q-F	63	63	.....	.....	62¾	62¾	62¾	62¾	62½	62⅜	.....	.....
.....	.....	.....	Oregon Ry & Nav 4s	1946	*J-D	90	90	91⅛	91⅛	.....	.....	.....	.....	.....	.....	.....	.....
110¾	109⅛	110	Oregon Short Line 1st 6s	1922	*F-A	.....	.....	.....	.....	107⅝	107⅝	.....	.....	.....	.....	.....	.....
108	105¾	107	Oregon Short Line cons 5s	1946	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	103	103	.....	.....
94½	89½	89½	Oregon Short Line ref 4s	1929	J-D*	.....	.....	.....	.....	.....	.....	.....	.....	89	89	.....	.....
.....	.....	.....	Pacific Coast 1st 5s	1946	*J-D	.....	.....	.....	.....	.....	.....	95	95	.....	.....	.....	.....
99¾	95	95½	Pacific Tel & Tel 5s	1922	*J-J	.....	.....	.....	.....	94⅞	94⅞	.....	.....	95	94⅞	.....	.....
102⅛	99	99	Penn con 4s	1948	M-N*	.....	.....	.....	.....	.....	.....	99	98	98	98	.....	.....
99¼	97⅜	97⅞	Penn con 3½s	Oct 1 1915	J-D	99⅛	99⅛	99⅛	99⅛	99⅛	99⅛	99¼	99⅛	99¼	99¼	.....	.....
.....	.....	.....	Peoria & E 1st 4s	1940	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28	20	21	Peoria & E income 4s	Apr 1990	Ann.	.....	.....	.....	.....	.....	.....	21	21	.....	.....	.....	.....
95⅝	92¾	93	Reading gen 4s	1997	*J-J	92¾	92½	92½	92¼	92½	92½	92¾	92½	92¾	92¾	.....	.....
.....	.....	.....	Reading Jersey Cent col 4s	1951	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	91	91	.....	.....
94⅝	91	91¼	Rep Iron & Steel col 5s	1934	A-O*	.....	.....	.....	.....	90	90	.....	.....	90½	90½	.....	.....
.....	.....	.....	Rio Grande W 1st 4s	1939	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Rio Grande W col tr 4s	1949	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St J & G I 1st 4s	1947	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105	100⅝	101	St L & I M gen 5s	1931	*A-O	.....	.....	.....	.....	100	100	.....	.....	.....	.....	.....	.....
.....	.....	.....	St L & I M ref 4s	1929	J-J*	.....	.....	65¾	65¾	.....	.....	66	66	65	65	.....	.....
81¾	65	65	St L & I M Riv & G Div 4s	1933	*M-N	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78¼	63⅝	63	St L & S F R R ref 4s	1951	J-J*	61	61	.....	.....	.....	.....	.....	.....	61	61	.....	.....
54	35	35	St L & S F R R gen 5s	1927	*M-N	.....	.....	32	32	.....	.....	.....	.....	.....	.....	.....	.....
88	81⅛	81⅛	St L S W 1st 4s	1989	M-N*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St L S W 2d income 4s	Nov 1989	J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78½	68	68	St L S W consol 4s	1932	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St P M & M con 4½s	1933	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
95⅞	93	95¼	St P M & M Mont ext 4s	1937	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	San Antonio & A P 4s	1943	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78¼	66	66	Seaboard A L ref 4s	1950	A-O*	.....	.....	.....	.....	65	64⅞	65	64⅜	.....	.....	.....	.....
86	82½	84½	Seaboard A L stamped 4s	1950	A-O*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
80¾	71	71	Seaboard A L adj 5s	1949	F-A*	66¼	66	.....	.....	.....	.....	.....	.....	64⅞	64⅜	.....	.....
93⅝	88¾	89	So Pac ref 4s	1955	*J-J	84¼	84¼	84¼	84⅛	84⅛	84⅛	84⅛	84⅛	.....	.....	.....	.....
94	85	85	So Pac col 4s	Aug 1949	J-D	.....	.....	83¼	83½	84	84	84¼	83½	.....	.....	.....	.....
92	80	80	So Pac conv 4s	June 1929	M-S	80⅞	80¾	80⅝	80¾	80½	80½	80¼	80	80	80	.....	.....
106	102	102	So Ry 5s	1944	J-J*	98¾	98¾	98⅝	98⅜	.....	.....	98⅝	98½	98¼	98¼	.....	.....
76¼	66¾	68	So Ry col tr 4s	1956	*A-O	65¾	65¾	65⅞	65¾	65⅛	65	65	64¾	64½	64½	.....	.....
83½	77	77	So Ry M & O Div 4s	1938	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
86½	83⅜	86½	So Ry St L Div 4s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103⅛	98⅛	102½	Tenn Coal & Iron gen 5s	1951	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Term Ass'n St L ref 4s	1953	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104	99⅛	99⅞	Texas Pac 1st 5s	2000	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85	80⅝	93¼	Third Av ref 4s T R ctfs std	2000	*J-J	79¾	79¾	79¾	79¾	.....	.....	79⅞	79¾	79¾	79¾	.....	.....
.....	.....	.....	Tol St L & W 3½s	1925	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
60	44⅛	44⅛	Tol St L & W 1st 4s	1950	*A-O	42½	42½	.....	.....	42	42	42	41	40	40	.....	.....
.....	.....	.....	Underground London 4s	1947	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98¾	95½	96¾	Union Pacific 1st 4s	1933	*J-J	95½	95¼	95	95	95¼	95	.....	.....	95¼	95⅛	.....	.....
93½	86	86	Union Pacific conv 4s	1927	J-J*	.....	.....	88	88	88	87¾	88	88	.....	.....	.....	.....
95	91¼	93½	Union Pacific ref 4s	June 2008	M-S	.....	.....	.....	.....	89	89	.....	.....	88	88	.....	.....
61⅛	49	49½	United Rys San Fran 4s	1927	*A-O	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	U S Realty & Imp 5s	1924	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	U S Reduc & Ref 6s	1921	J-J*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
104	101¼	102	U S Rubber 6s	1930	*M-N	102	102	101¾	101⅛	101⅛	101⅛	101¼	101⅛	101⅛	101	.....	.....
103¼	100	101	U S Steel 5s	1939	*F-A	100	99⅞	100⅛	100	100¼	100⅛	100⅜	100⅛	100¼	100	.....	.....
98	91⅜	96¼	Va-Car Chemical 1st 5s	1918	J-D*	.....	.....	94	94	93¾	93¾	93½	93¼	93	93	.....	.....
.....	.....	.....	Wabash 1st 5s	Apr 1936	M-N	98⅝	98⅝	98	98	98	97½	97½	97½	97½	97½	.....	.....
.....	.....	.....	Wabash 2d 5s	1939	J-D*	.....	.....	87½	87	.....	.....	.....	.....	.....	.....	.....	.....
57½	40	41	Wabash ref & ext 4s	1956	J-J*	32¾	32¾	.....	.....	30	30	29⅞	27¾	30	28½	.....	.....
14½	6¾	6¾	Wab-Pitts T 1st Cen tr c	1954	*J-D	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Wabash-Pitts T 2d tr c	1954	*J-D	⅜	⅜	.....	.....	.....	.....	⅜	⅜	.....	.....	.....	.....
80	55	56	West Maryland 4s	1952	A-O*	59¼	58	59¼	58¾	58⅞	58½	58⅞	58	58	57⅞	.....	.....
.....	.....	.....	West N Y & P 1st 5s	1937	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99⅛	93	97⅞	West Union col tr 5s	1938	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93	86⅞	91½	West Union R E 4½s	1950	*M-N	.....	.....	.....	.....	.....	.....	87½	87½	.....	.....	.....	.....
95	91¼	92½	West Shore 4s	2361	*J-J	.....	.....	.....	.....	.....	.....	.....	.....	89	89	.....	.....
96¼	89⅝	93	Westinghouse E & M 5s	1931	*J-J	91	91	91	91	.....	.....	91	91	90⅞	90¾	.....	.....
.....	.....	.....	Wheeling & L E con 4s	1949	M-S*	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
89½	83⅝	86	Wisconsin Central 4s	1949	J-J*	.....	.....	.....	.....	84½	84½	.....	.....	.....	.....	.....	.....

Quoted Prices of Active Stocks on the New York Stock Exchange

Range Jan.-July, 1914. High.	Low.	July 30. Close.	Stocks.	Annual Div. Rate.	When Payable.	Saturday. Dec. 19. High.	Low.	Monday. Dec. 21. High.	Low.	Tuesday. Dec. 22. High.	Low.	Wednesday. Dec. 23. High.	Low.	Thursday. Dec. 24. High.	Low.	Friday. Dec. 25. High.	Low.
108	91	91⅞	Adams Express	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28⅞	19½	19⅝	Alaska Gold Mines	..	.....	25⅜	24⅝	25	24¾	25½	25	25	24	24¼	23¾	.....	.....
14¼	6	6	Allis-Chalmers	..	.....	.....	.....	.....	.....	8½	8½	8¼	8	8	8	.....	.....
49	32½	32½	Allis-Chalmers pfd	..	.....	.....	.....	36	36	.....	.....	.....	.....	.....	.....	.....	.....
78⅛	49	49½	Amalgamated Copper	..	.....	55	53¾	54⅝	53	53¾	52¼	52½	49¾	50⅝	48¾	.....	.....
59½	47¾	50⅛	Am Agr Chemical	..	.....	.....	.....	.....	.....	.....	.....	48	48	.....	.....	.....	.....
97½	91	93½	Am Agr Chemical pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20⅜	19	19	Am Beet Sugar	..	.....	31⅞	31	31½	30⅝	32	31	53	30¾	31⅞	31	.....	.....
.....	.....	.....	Am Beet Sugar pfd	..	.....	.....	.....	.....	.....	.....	.....	79⅞	79⅞	.....	.....	.....	.....
97½	80	89⅞	Am Brake Shoe & Fdy	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Am Brake Shoe & Fdy pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
35⅛	19¼	19½	Am Can	..	.....	26	25⅝	25½	24⅞	25	24¾	24¼	23¼	24	22⅞	.....	.....
96	80	80	Am Can pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	88	87¾	.....	.....
53½	44	44⅛	Am Car & Fdy	..	.....	.....	.....	46	45½	.....	.....	45	45	45	42½	.....	.....
118⅞	112	112	Am Car & Fdy pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	American Cities	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68	59½	59½	American Cities pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
46½	32	32	Am Cotton Oil	..	.....	40	40	40½	39¾	40	39¼	.....	.....	38½	38½	.....	.....
.....	.....	.....	Am Cotton Oil pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
110¼	99⅞	100	Am Express	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5¼	3¼	3¼	Am Hide & Leather	..	.....	4⅝	4⅝	4⅞	4¾	4⅞	4¾	5	5	.....	.....	.....	.....
25¾	17	17	Am Hide & Leather pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
32¾	19⅞	19⅞	Am Ice Securities	..	.....	23	23	23	23	22½	20	20½	20¼	20½	20¼	.....	.....
11⅞	7½	7½	Am Linseed	..	.....	.....	.....	.....	.....	.....	.....	7½	7½	7½	7½	.....	.....
31¾	25	25	Am Linseed pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37¼	30¼	20¼	Am Locomotive	..	.....	23¾	23½	24⅛	23½	23⅜	23	22	22	21⅝	21	.....	.....
102½	96	97	Am Locomotive pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Am Malt	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
50⅛	32	32	Am Malt pfd	..	.....	.....	.....	.....	.....	30½	30½	.....	.....	.....	.....	.....	.....
85	79¼	79¼	Am Smelting pfd B	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
71⅛	50¼	52½	Am Smelting & Refin	..	.....	59	58⅝	58¼	57½	57½	57½	57	54¾	54¾	53½	.....	.....
105	97½	97½	Am Smelting & Ref pfd	..	.....	.....	.....	100	100	99¾	99¾	.....	.....	.....	.....	.....	.....
172	153	153	Am Snuff	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Am Snuff pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37½	27½	27½	Am Steel Foundries	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
103⅞	97	100	Am Sugar Ref	..	.....	107	107	.....	.....	106	106	.....	.....	101⅞	101⅞	.....	.....
113⅞	107⅞	108	Am Sugar Ref pfd	..	.....	.....	.....	.....	.....	.....	.....	113	113	113⅞	113⅞	.....	.....
.....	.....	.....	Am Tel & Cable	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
124¼	114	114	Am Tel & Tel	..	.....	.....	.....	118	117½	118	117½	116½	116	116⅝	116⅝	.....	.....
256	215	215	Am Tobacco Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
109	101¾	104	Am Tobacco pfd new	..	.....	103⅞	103⅞	.....	.....	103¼	103¼	103	103	.....	.....	.....	.....
20⅞	12	12	Am Woolen	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
83	72½	73¼	Am Woolen pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
17⅜	10	11	Am Writing Paper pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
38¼	25	25	Anaconda Copper	..	.....	26½	26½	.....	.....	25⅝	25¼	25½	24¼	24¾	24⅜	.....	.....
.....	.....	.....	Assets Realization Co	..	.....	.....	.....	.....	.....	5	5	5	5	5	5	.....	.....
.....	.....	.....	Associated Oil	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
100⅜	89½	89⅝	Atch Top & Santa Fe	..	.....	93½	93¼	93	92⅞	92¾	92⅝	92½	90	90½	89½	.....	.....
101¾	97¼	97¾	Atch Top & Santa Fe pfd	..	.....	99	99	.....	.....	.....	.....	99	98	99	99	.....	.....
126	114	114	Atlantic Coast Line	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
52⅛	38½	41	Baldwin Locomotive Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
110	102½	105¾	Baldwin Locomo Co pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
98⅜	72	72	Baltimore & Ohio	..	.....	70⅝	69⅞	69⅞	68½	70	69¼	69½	67¼	67⅝	67	.....	.....
83⅜	71¾	72½	Baltimore & Ohio pfd	..	.....	69¾	69¼	69⅜	69	69⅝	69½	69⅜	69	.....	.....	.....	.....
44⅜	29½	30	Bethlehem Steel	..	.....	41½	41⅛	42⅞	41¼	45⅞	42½	45¼	42¼	43	42⅛	.....	.....
86	68	81	Bethlehem Steel pfd	..	.....	.....	.....	.....	.....	88½	88	88½	88½	.....	.....	.....	.....
94¼	79	79½	Brooklyn Rapid Transit	..	.....	85¾	85½	85¼	84⅝	84⅞	84⅜	85½	84	84¾	84	.....	.....
.....	.....	.....	Brooklyn Union Gas	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	118	118	.....	.....
108⅜	90	90	Buffalo Roch & Pitts	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
29½	26	29	Butterick Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
30⅝	16⅛	16¼	California Petroleum	..	.....	52¼	52¼	.....	.....	.....	.....	15½	15⅛	16	15¼	.....	.....
68	50	50	California Petroleum pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Canada Southern	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
220½	156½	157½	Canadian Pacific	..	.....	158	157½	157	155½	156½	155½	155½	153⅜	154½	153	.....	.....
.....	.....	.....	Central & So Am Tel	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
37⅜	26	28	Central Leather	..	.....	37⅝	37½	37⅝	36¾	37⅞	36⅞	37⅛	36⅜	36¾	35⅞	.....	.....
104	94⅞	96¼	Central Leather pfd	..	.....	.....	.....	100¾	100¾	.....	.....	100⅛	100⅛	.....	.....	.....	.....
.....	.....	.....	Central R R of N J	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68	41½	41½	Chesapeake & Ohio	..	.....	42½	42½	42¼	42¼	42¼	42¼	42¼	41¼	40⅞	40½	.....	.....
.....	.....	.....	Chicago & Alton	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	9½	9½	.....	.....
19	12	12¾	Chicago & Alton pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
15¼	9¼	9¼	Chicago Great Western	..	.....	.....	.....	.....	.....	10¾	10¾	10¼	10¼	10¼	10	.....	.....
41½	25	25	Chicago Great Wes pfd	..	.....	.....	.....	29	29	.....	.....	27⅞	27⅞	28	28	.....	.....
107⅛	85	85¼	Chicago Mil & St Paul	..	.....	.....	.....	89⅜	88¼	88½	87½	87½	85	86	85	.....	.....
143	130	130	Chicago Mil & St P pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
136⅞	126	126	Chicago & N W	..	.....	125	125	.....	.....	.....	.....	.....	.....	122½	122½	.....	.....
.....	.....	.....	Chicago & N W pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Chicago St P M & O	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Chicago St P M & O pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
41	32	32	Chino Con Copper	..	.....	34⅛	33¾	.....	.....	33⅛	32¾	32¾	31⅞	32⅛	31⅝	.....	.....
.....	.....	.....	C C C & St L	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
70	40	42	C C C & St L pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
34½	20½	21½	Colorado Fuel & Iron	..	.....	24⅜	24⅛	.....	.....	.....	.....	24	23	.....	.....	.....	.....
.....	.....	.....	Colorado Fuel & Iron pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28½	20	20	Colorado Southern	..	.....	.....	.....	20⅛	20⅛	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Colorado Southern 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Colorado Southern 2nd pfd	..	.....	.....	.....	29	29	29	29	.....	.....	.....	.....	.....	.....
.....	.....	.....	Consolidation Coal	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
139½	116	116¼	Consolidated Gas	..	.....	115	115	.....	.....	114¼	114¼	112½	112½	113	113	.....	.....
13⅛	7	7¼	Corn Products Ref Co	..	.....	8⅝	8⅝	.....	.....	.....	.....	8⅜	8⅜	8	8	.....	.....
72	58⅛	58⅛	Corn Products Ref Co pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99¾	91¾	92½	Deere & Co pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
159½	140	140	Delaware & Hudson	..	.....	142	142	142	142	.....	.....	.....	.....	138¾	138¾	.....	.....
406⅜	388	390	Delaware Lack & West	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
19¼	4	4	Denver & Rio Grande	..	.....	5¼	5	5½	5⅜	6	5½	.....	.....	6	6	.....	.....
31⅛	8½	8⅞	Denver & Rio Grande pfd	..	.....	.....	.....	9½	9¼	9	9	8⅞	8⅞	.....	.....	.....	.....
.....	.....	.....	Detroit United Railway	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20½	11	11	Distillers' Securities	..	.....	.....	.....	12¾	12¾	12¾	12½	.....	.....	12	12	.....	.....

Owing to the numerous temporary reductions and postponements of dividends since July 1 1914, due to the war, dividend rates will be omitted from these tables for the present

Range Jan.-July, 1914. High.	Low.	July 30. Close.	Stocks.	Annual Div. Rate.	When Payable.	Saturday. Dec. 19. High.	Low.	Monday. Dec. 21. High.	Low.	Tuesday. Dec. 22. High.	Low.	Wednesday. Dec. 23. High.	Low.	Thursday. Dec. 24. High.	Low.	Friday. Dec. 25. High.	Low.
6	3	3	Duluth S S & Atl.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11	8	8	Duluth S S & Atl pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
32½	20⅛	20½	Erie	..	.....	23⅛- 22¾		22¾- 22		22½- 21⅞		22 - 21¼		21⅝- 20½		.....	.....
49¾	32	32	Erie 1st pfd	..	.....	36¼- 35¼		35½- 35		35 - 34½		34¾- 33½		33 - 32½		.....	.....
40¼	26¼	26¼	Erie 2nd pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
15	7¼	10	Federal Min & Smelt.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
43	29½	29½	Federal Min & Smelt pfd..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	General Chemical	..	.....	.....	.....	167 -167		.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	General Chemical pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
150⅝	138¾	139	General Electric	..	.....	.....	.....	140½-139¾		139¾-139¾		139 -137½		.....	.....	.....	.....
99	37⅜	58⅞	General Motors	..	.....	.....	.....	81 - 81		.....	.....	79½- 75		77 - 76¼		.....	.....
95	70	79¾	General Motors pfd	..	.....	.....	.....	.....	.....	.....	.....	90⅞- 90		.....	.....	.....	.....
.....	.....	.....	Geo W Helme Co.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28⅞	19⅝	20	Goodrich (B F) Co.....	..	.....	.....	.....	24½- 24½		24½- 24½		24 - 24		24 - 24		.....	.....
91	79⅞	88	Goodrich (B F) Co pfd....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
134¾	113	114	Great Northern pfd	..	.....	115 -115		114¾-113		113¼-112		113 -111⅝		112⅞-112		.....	.....
39¼	22½	23	Great Northern Ore subs..	..	.....	26 - 25¾		.....	.....	26 - 25¾		25½- 25		24½- 24		.....	.....
57½	40½	40½	Guggenheim Exploration ..	..	.....	.....	.....	45¾- 45¾		.....	.....	45 - 45		43¾- 43¾		.....	.....
.....	.....	.....	Havana Electric Ry	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Havana Electric Ry pfd...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Hocking Valley	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
120¼	109¾	110	Homestake Mining	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
115	105⅜	106	Illinois Central	..	.....	.....	.....	111 -110		110 -110		108 -108		107¾-107¾		.....	.....
10	4	10	Inter Agricultural Corp...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36	20	20¾	Inter Agricultural Corp pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
16⅜	10¾	11	Interborough-Met	..	.....	12⅝- 12⅝		12¾- 12¼		12⅛- 12⅛		12 - 11⅞		12⅛- 12		.....	.....
65⅜	52	52	Interborough-Met pfd	..	.....	50½- 50½		.....	.....	50 - 50		50 - 50		.....	.....	.....	.....
112	84	84	International Harv	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
118	114¼	117	International Harv pfd...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3¾	1¾	2	Int Mercantile Marine.....	..	.....	1 - 1		1 - 1		⅞- ⅞		.....	.....	.....	.....	.....	.....
15¼	6¼	7	Int Mercantile Marine pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10⅞	6¾	6¾	International Paper	..	.....	8½- 8½		8 - 8		.....	.....	.....	.....	.....	.....	.....	.....
41	30½	30½	International Paper pfd ..	..	.....	33 - 33		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Inter Steam Pump	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Inter Steam Pump pfd ..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Iowa Central	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Iowa Central pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Kan City Ft S & M pfd..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28½	20¼	20¼	Kansas City Southern....	..	.....	22½- 22⅜		21¾- 21¾		.....	.....	.....	.....	21 - 21		.....	.....
62	50⅛	50⅛	Kansas City Southern pfd	..	.....	.....	.....	57 - 57		.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Kayser (Julius) & Co.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
108¾	106	107½	Kayser (Julius) & Co pfd.	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105	81	92	Kresge (S S) Co.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106	90	100¼	Kresge (S S) Co pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
40	26½	26½	Lackawanna Steel	..	.....	28 - 28		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101	85	85	Laclede Gas	..	.....	.....	.....	.....	.....	88 - 88		.....	.....	.....	.....	.....	.....
.....	.....	.....	Lake Erie & Western.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Lake Erie & Western pfd.	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
156¼	118	122	Lehigh Valley	..	.....	135⅛-134⅜		134 -132½		134½-134		134 -130¾		129¼-126		.....	.....
231	208	208	Liggett & Myers.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
118½	111⅜	114	Liggett & Myers pfd.....	..	.....	.....	.....	113¾-113¾		.....	.....	.....	.....	.....	.....	.....	.....
36	28	31	Long Island	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
190	160	160	Lorillard (P) Co.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
117⅞	110	115	Lorillard (P) Co pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
141⅞	127	127	Louisville & Nashville	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87⅜	61	61	Mackay Companies	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	70 - 70		.....	.....
.....	.....	.....	Mackay Companies pfd..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
133	128	128¼	Manhattan Elevated	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	May Department Stores ..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
101¾	97½	99½	May Dept Stores pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
73½	46½	53	Mexican Petroleum	..	.....	.....	.....	52 - 51		.....	.....	52 - 51		52 - 52		.....	.....
.....	.....	.....	Mexican Petroleum pfd ..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
24⅜	17½	17½	Miami Con Copper	..	.....	18⅝- 18⅝		.....	.....	18⅛- 18		17¾- 17		17 - 17		.....	.....
.....	.....	.....	Minn & St Louis.....	..	.....	11 - 10		10¾- 10¾		.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Minn & St Louis pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
137	102	102	M St P & S S M.....	..	.....	108 -108		.....	.....	.....	.....	.....	.....	105 -105		.....	.....
.....	.....	.....	M St P & S S M pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	M St P & S S M I'd line..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
24	9	10¼	Missouri Kan & Tex.....	..	.....	.....	.....	.....	.....	10 - 9⅝		.....	.....	9⅝- 9⅝		.....	.....
60	27⅛	27⅛	Missouri Kan & Tex pfd..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
30	8	8	Missouri Pacific	..	.....	10½- 10⅛		10⅝- 10¼		10⅜- 9¾		10⅛- 9¼		9½- 9¼		.....	.....
52⅞	42½	42½	Montana Power	..	.....	41 - 41		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Montana Power pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
144	135	135	Nashville Chatt & St L....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
139	120	120	National Biscuit Co.....	..	.....	.....	.....	.....	.....	122⅛-122		121 -120½		120½-120½		.....	.....
128	119¼	125	National Biscuit Co pfd..	..	.....	.....	.....	.....	.....	122 -122		.....	.....	120½-120½		.....	.....
14	9	9½	National Enameling	..	.....	.....	.....	.....	.....	10 - 10		10 - 10		10 - 10		.....	.....
.....	.....	.....	National Enameling pfd..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
52	40	41⅝	National Lead Co.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	43½- 43		.....	.....
109	105	106½	National Lead Co pfd.....	..	.....	.....	.....	.....	.....	107½-107½		.....	.....	.....	.....	.....	.....
.....	.....	.....	Nat Rys of Mex 1st pfd...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
14	7⅛	7⅛	Nat Rys of Mex 2nd pfd...	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
16½	10¼	10¼	Nevada Con Copper	..	.....	12¼- 12⅛		12⅛- 12		12 - 11½		11½- 11⅜		11½- 11½		.....	.....
69	58	58	New York Air Brake.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
96⅝	77	80	New York Central	..	.....	84 - 83¾		84 - 82½		83½- 82⅞		83¼- 81¼		82¾- 81⅝		.....	.....
.....	.....	.....	N Y Chicago & St L.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	New York Dock.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
78	49⅝	51	N Y N H & Hartford....	..	.....	59 - 58		58½- 57		58 - 57		56 - 53½		54 - 53		.....	.....
31⅝	17¼	18¼	N Y Ontario & West.....	..	.....	.....	.....	21 - 21		20¾- 20⅜		20½- 20⅜		20⅜- 20⅜		.....	.....
43	25⅛	25⅛	Norfolk & Southern	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105¾	97½	97½	Norfolk & Western	..	.....	100 -100		.....	.....	100 -100		99¾- 98⅜		.....	.....	.....	.....
.....	.....	.....	Norfolk & Western pfd ..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
79¼	64⅛	64⅛	North American	..	.....	.....	.....	.....	.....	.....	.....	66½- 66½		.....	.....	.....	.....
.....	.....	.....	Northern O Tr & Light..	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
118½	97	98¾	Northern Pacific	..	.....	102 -101		100½- 99¼		100 - 99		100 - 97¾		98⅝- 96⅝		.....	.....
29	17¼	17½	Pacific Mail	..	.....	.....	.....	.....	.....	.....	.....	19½- 19½		19½- 19¼		.....	.....
31	20	20	Pacific Tel & Tel.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Pacific Tel & Tel pfd.....	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
115¼	105⅛	105¼	Pennsylvania Railroad	..	.....	108⅛-107½		107½-107		107⅜-106¾		106⅞-102¾		104½-102⅝		.....	.....

Range Jan.-July, 1914. High.	Low.	July 30. Close.	Stocks.	Annual Div. Rate.	When Payable.	Saturday. Dec. 19. High.	Low.	Monday. Dec. 21. High.	Low.	Tuesday. Dec. 22. High.	Low.	Wednesday. Dec. 23. High.	Low.	Thursday. Dec. 24. High.	Low.	Friday. Dec. 25. High.	Low.
125	106	106	Peoples' Gas & Coke	..	.....	.....	.....	116½	116	116	116	116	116	.....	.....	.....	.....
.....	.....	.....	Philadelphia Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
91	64⅛	65¼	P C C & St Louis	..	.....	.....	.....	69	69	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	P C C & St Louis pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
23½	16½	16½	Pittsburgh Coal	..	.....	16½	16½	.....	.....	15⅝	15⅝	15	15	.....	.....	.....	.....
93½	82	82	Pittsburgh Coal pfd	..	.....	.....	.....	81	81	.....	.....	80¼	80	.....	.....	.....	.....
93	82	85	Pittsburgh Steel pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
46	26¼	34	Pressed Steel Car	..	.....	36	35⅛	36¼	36¼	36⅜	36⅜	35	33½	34⅜	33¾	.....	.....
104	96⅝	104½	Pressed Steel Car pfd	..	.....	.....	.....	.....	.....	100	100	.....	.....	.....	.....	.....	.....
114	107	111½	Public Service Corp N J	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
159	151½	153⅞	Pullman Co	..	.....	.....	.....	151	150⅝	.....	.....	.....	.....	150¼	150¼	.....	.....
2⅞	⅞	1	Quicksilver Co	..	.....	.....	.....	.....	.....	1⅜	1⅜	.....	.....	1¼	1¼	.....	.....
4	1½	1½	Quicksilver Co pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
34⅜	19¾	19¾	Railway Steel Spring	..	.....	.....	.....	23¼	23¼	.....	.....	.....	.....	.....	.....	.....	.....
101	90	90	Railway Steel Spring pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	88	88	.....	.....
22½	16¼	16¼	Ray Consol Copper	..	.....	16½	16⅜	16	15½	15¾	15⅜	15¼	15	15	15	.....	.....
172¼	137	140	Reading	..	.....	147½	146¾	146	143⅞	145½	144	144¾	140¼	142	139½	.....	.....
89⅜	87	87	Reading 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
93	82	82	Reading 2nd pfd	..	.....	.....	.....	.....	.....	c80	c80	80	80	.....	.....	.....	.....
27	18½	18½	Republic Iron & Steel	..	.....	.....	.....	19	19	19	19	.....	.....	18	18	.....	.....
91¼	78	78	Republic Iron & Steel pfd	..	.....	.....	.....	75⅞	75⅛	.....	.....	.....	.....	75⅛	75⅛	.....	.....
16⅝	⅞	⅞	Rock Island	..	.....	1¼	1¼	1¼	1¼	1⅛	1	1	¾	⅞	⅝	.....	.....
25	1⅜	1⅝	Rock Island pfd	..	.....	2¼	2¼	2¼	2¼	2	1½	1⅝	1⅜	1⅜	1	.....	.....
18	6¼	8	Rumely (M) Co	..	.....	4¾	4½	.....	.....	.....	.....	4½	3⅞	4	4	.....	.....
41	20¾	22	Rumely (M) Co pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
22⅜	15	15	Seaboard Air Line	..	.....	.....	.....	.....	.....	.....	.....	12¾	12	11	10¼	.....	.....
58	45¾	47⅜	Seaboard Air Line pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5⅜	2⅛	2⅛	St L & San Fran	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St L & San Fran 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St L & San Fran 2d pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	3	3	.....	.....
.....	.....	.....	St L & S F C & E I pf ctf	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
26¾	17⅞	18½	St Louis S W	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	St Louis S W pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
171½	170¼	170¼	Sears-Roebuck	..	.....	.....	.....	181½	181½	.....	.....	179¾	179	.....	.....	.....	.....
124¾	122	122	Sears-Roebuck pfd	..	.....	.....	.....	.....	.....	.....	.....	121	121	121	120	.....	.....
35	19½	19½	Sloss-Sheff St & I Co	..	.....	.....	.....	.....	.....	.....	.....	22	22	22½	22½	.....	.....
.....	.....	.....	Sloss-Sheff St & I Co pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
99½	84⅞	84⅞	Southern Pacific	..	.....	84¾	84	84	83⅛	83¼	82¼	82⅝	81	81¾	81	.....	.....
28¼	16¾	17¼	Southern Railway	..	.....	.....	.....	.....	.....	15	15	.....	.....	14	14	.....	.....
85¼	67½	67½	Southern Railway pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	58	58	.....	.....
40¼	32	33	Standard Milling	..	.....	.....	.....	.....	.....	45	45	44¾	44¾	.....	.....	.....	.....
66	61	62	Standard Milling pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
36¼	20	28	Studebaker	..	.....	33	33	32½	31⅞	.....	.....	31⅝	31½	.....	.....	.....	.....
92	70	82¾	Studebaker pfd	..	.....	.....	.....	86½	86⅛	.....	.....	.....	.....	.....	.....	.....	.....
36¾	24¾	24¾	Tennessee Copper	..	.....	32¾	32½	c31⅞	c31½	31½	30¾	30¾	29⅝	30½	30	.....	.....
149⅞	112	113	Texas Co	..	.....	.....	.....	.....	.....	128	128	.....	.....	.....	.....	.....	.....
17¾	12	12	Texas Pacific	..	.....	.....	.....	.....	.....	13	13	12½	12½	12	12	.....	.....
99	95	95	Texas Pacific Land Tr	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
45¾	33	33	Third Avenue R R	..	.....	36½	36½	35½	35½	35	35	35⅝	35	35⅝	35	.....	.....
.....	.....	.....	Toledo Railways & Light	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12¼	5	5	Toledo St L & W	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Toledo St L & W pfd	..	.....	.....	.....	5	5	.....	.....	.....	.....	4¾	4¾	.....	.....
108½	94⅞	94⅞	Twin City Rap Tran	..	.....	97	97	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8¾	3⅝	4	Union Bag & Paper Co	..	.....	4⅜	4⅜	.....	.....	.....	.....	4⅜	4⅜	.....	.....	.....	.....
32½	18¼	18½	Union Bag & Paper Co pfd	..	.....	.....	.....	.....	.....	.....	.....	20⅝	20⅝	.....	.....	.....	.....
.....	.....	.....	Underwood Typewriter	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Underwood Typewriter pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
164⅜	112	113½	Union Pacific	..	.....	118¼	117⅜	117¾	116¼	117½	116¼	116¾	113½	115⅜	113	.....	.....
86	78	79	Union Pacific pfd	..	.....	79	79	79	79	78½	78½	.....	.....	79	79	.....	.....
50¼	40	40¼	United Cigar Mfg Co	..	.....	.....	.....	.....	.....	41¼	41¼	41	41	41	41	.....	.....
.....	.....	.....	United Cigar Mfg Co pfd	..	.....	.....	.....	.....	.....	99	99	.....	.....	.....	.....	.....	.....
.....	.....	.....	United Dry Goods	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
100⅞	53	60⅛	United Dry Goods pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
23¾	9	12¼	United Rys Invest Co	..	.....	8½	8½	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
49¼	22	22	United Rys Invest Co pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
13½	7¾	9	U S Cast Iron Pipe	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
49	30	30	U S Cast Iron Pipe pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
87	46	72½	U S Express	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20	16	16	U S Industrial Alcohol	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
85⅛	78¼	78¼	U S Industrial Alcohol pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
63¾	53	53	U S Realty & Improv	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	U S Reduc & Refin	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	U S Reduc and Refin pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
63	44½	45¾	U S Rubber	..	.....	54¼	54¼	53¾	53½	.....	.....	53½	51⅞	.....	.....	.....	.....
104¾	95¼	97	U S Rubber 1st pfd	..	.....	102	102	102	102	102¼	102	101½	101¼	.....	.....	.....	.....
.....	.....	.....	U S Rubber 2d pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
67¼	50⅝	51⅞	U S Steel	..	.....	51⅜	50¾	50¾	49⅛	49½	48¾	49	48	48¼	48	.....	.....
112⅜	106¼	106½	U S Steel pfd	..	.....	105⅛	105⅛	104¼	104¼	104¾	104½	104⅛	103¾	104	103¼	.....	.....
59⅜	45⅞	48	Utah Copper	..	.....	49½	48¾	48¾	47¾	48	47½	47⅝	46¾	47	46¼	.....	.....
31⅞	21	21	Va-Car Chemical	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	17	17	.....	.....
107½	96	96	Va-Car Chemical pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
52	35	37	Va Iron Coal & Coke	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
52	48	48	Va Ry & Power	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Va Ry & Power pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Vulcan Detinning	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Vulcan Detinning pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4⅝	½	¾	Wabash	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	⅞	¾	.....	.....
13	2⅛	2⅛	Wabash pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
105½	80	80	Wells F'go Express	..	.....	79¼	79¼	.....	.....	.....	.....	78⅛	78⅛	.....	.....	.....	.....
25	12¾	12¾	Western Maryland Ry	..	.....	15¾	15¾	.....	.....	16½	16½	16	15⅞	15⅞	15⅞	.....	.....
58	30	30	Western Maryland Ry pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
66⅞	53⅜	54	Western Union Tel	..	.....	58⅛	58⅛	57¾	57¼	57	56¾	57	56⅝	.....	.....	.....	.....
70½	64	65½	Westinghouse E & M	..	.....	68¾	68¾	68½	67	.....	.....	67¼	66¾	.....	.....	.....	.....
124½	115⅞	119	West'house E & M 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6⅜	2½	2½	Wheeling & L E	..	.....	.....	.....	2⅝	2⅝	.....	.....	.....	.....	.....	.....	.....	.....
21	8¼	9⅞	Wheeling & L E 1st pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Wheeling & L E 2d pfd	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
48	29¾	29¾	Wisconsin Central	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Woolworth (F W) Co	..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	Woolworth (F W) Co pfd	..	.....	.....	.....	90¼	90	90½	90½	90½	90½	.....	.....	.....	.....

a Ex. dividends.

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